

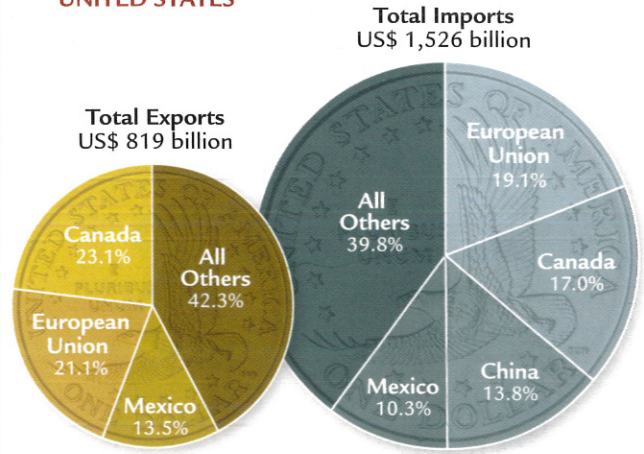
GLOBAL ECONOMY

As products, services, and money circulate around the world at a rapid rate, most countries have become economically interdependent, forming a **global economy**.

- ▶ **Gross Domestic Product**, or GDP, is the value of all goods and services produced within a country in a year. The United States accounts for one-fifth of the world's GDP.
- ▶ A **trade deficit** occurs when a country's imports exceed its exports. A **trade surplus** occurs when a country's exports exceed its imports.
- ▶ **Free trade** allows people to buy and sell goods across international borders without restrictions. It provides consumers with the cheapest possible goods, but cheaper imports may threaten domestic jobs.

BALANCE OF TRADE

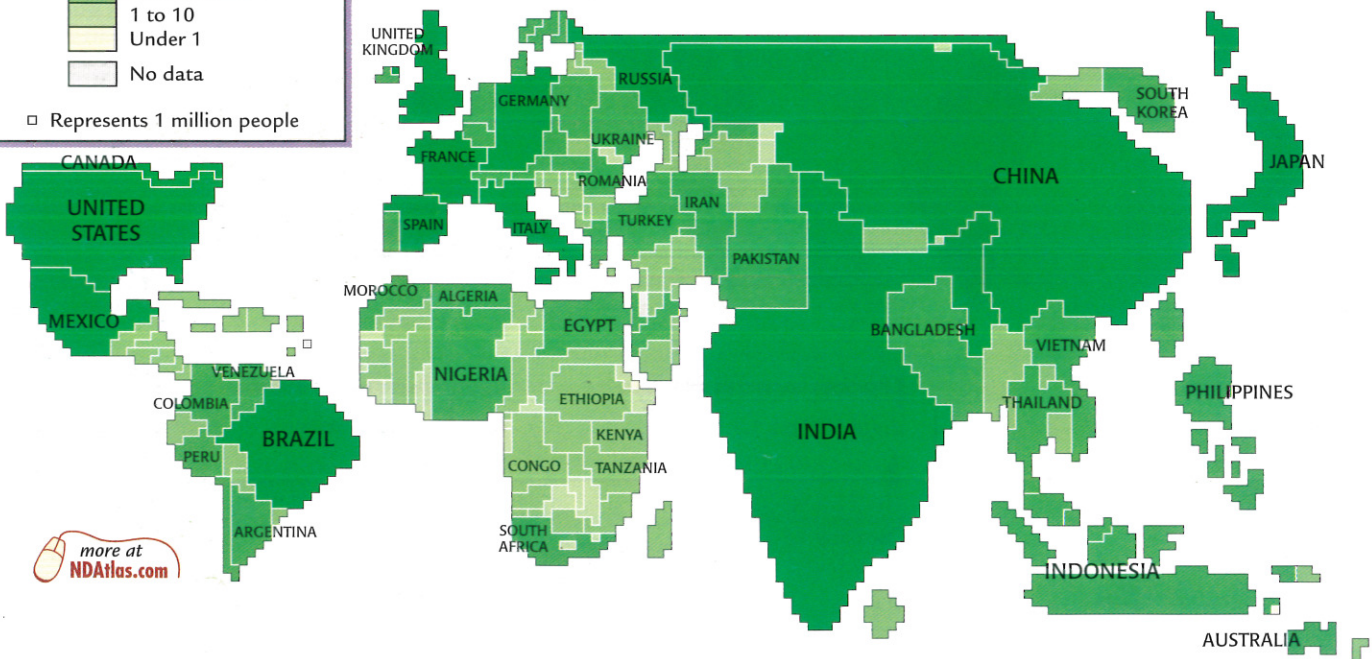
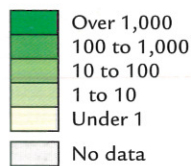
UNITED STATES



Balance of trade is the value of a country's exports minus the value of its imports. The United States has ten times the trade deficit of any other country in the world. [more at NDAtlas.com](http://moreatNDAtlas.com)

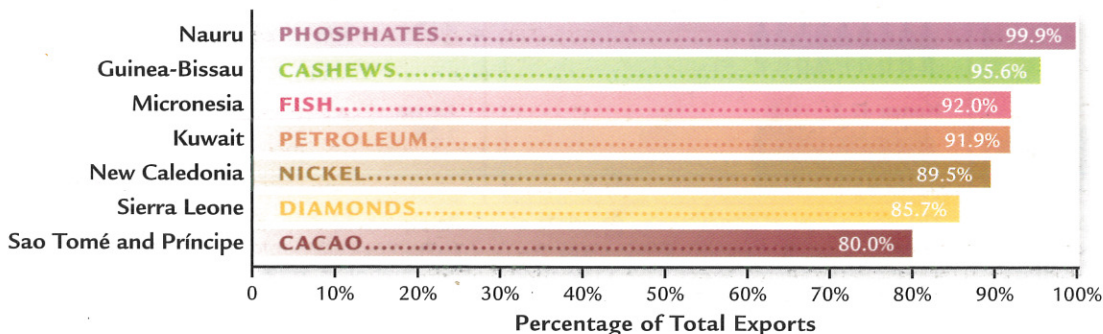
NATIONAL PRODUCTIVITY

GDP in US\$ Billion

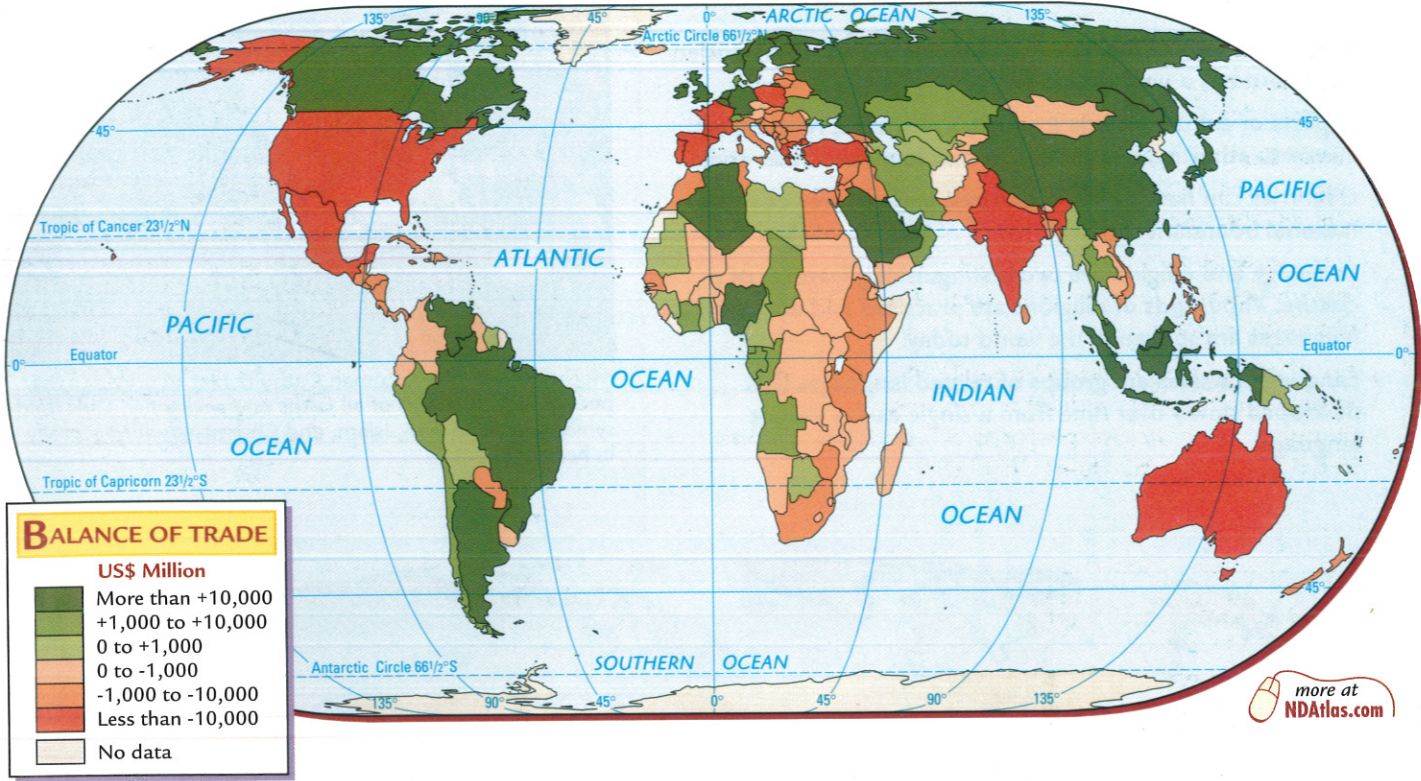


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SINGLE-COMMODITY ECONOMIES



Many countries rely on a single natural resource or crop for 80 percent or more of their exports. These countries run the risk of becoming dependent on other countries for goods and services. Their economies also are vulnerable to sudden changes in international prices and demands for their key commodity.



- INTERNATIONAL TRADE ORGANIZATIONS**
- APEC—Asia Pacific Economic Cooperation
 - AMU—Arab Maghreb Union
 - CAFTA-DR—Central American Free Trade Agreement-Dominican Republic
 - CEEAC—Economic Community of Central African States
 - EAC—East African Community
 - ECOWAS—Economic Community of West African States
 - EU—European Union
 - EURASEC—Eurasian Economic Community
 - GCC—Gulf Cooperation Council
 - MERCOSUR—Southern Common Market
 - NAFTA—North American Free Trade Agreement
 - SAARC—South Asian Association for Regional Cooperation
 - SACU—South African Customs Union

Trade organizations are established by agreements between governments to increase free trade. NAFTA and EU are among the wealthiest and most influential trade organizations in the world. (For more information, see pages 51 and 141.)