

**Y****A****Complete each sentence with an appropriate economic term from the box.**

balance of trade exchange rate foreign investment  
government bureaucracy gross domestic product (GDP) inflation rate  
interest rate labour force tax incentives unemployment rate

- 1 If you plan to borrow money, you will want to know the interest rate...
- 2 In countries where the ..... is high, young people tend to study more.
- 3 How many yen to the euro? Do you know the ....., by any chance?
- 4 According to a recent survey, 12 per cent of the ..... are earning less than the minimum wage.
- 5 So many forms to fill in just to import one photocopier! Nobody needs all this .....
- 6 The higher the ..... of a country, the richer its people are.
- 7 When the value of a country's exports is greater than the value of its imports, we say that the ..... is 'favourable'.
- 8 Prices increased again last month so the ..... rose to 5.3 per cent.
- 9 Less government bureaucracy will encourage .....
- 10 The government is offering attractive ..... to encourage foreign investment.

**B****Match the economic terms (1–6) to their definitions (a–f).**

1 foreign debt		a) the total amount of money spent by a government on schools, roads, the army, etc.
2 public expenditure		b) money that a country owes to lenders abroad
3 recession		c) situation when a country sells more goods to other countries than it buys from other countries
4 subsidies		d) situation when a country pays more money for imports than it gets from exports
5 trade deficit		e) money that a government pays to make something cheaper to buy
6 trade surplus		f) a period when trade and business activity decreases

**C****Complete the sentences with economic terms from exercise B.**

- 1 To help farmers, the EU has given out millions of euros in agricultural .....
- 2 The country was able to repay some of its loans from abroad and so reduce its .....
- 3 Industrial production is still decreasing. It seems that the country is heading for a .....