

**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).

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|----------------------|---|
| 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 .....