

business cycle

fluctuations in the level of economic growth due to either domestic or international factors

composition of trade

the mix of what goods and services are traded

exchange rate

the value of one currency expressed in terms of another currency

foreign direct investments (FDI)

the movement of funds between economies to establish a new company or buy shares in an existing company (10% or more)

foreign exchange markets

networks of buyers and sellers exchanging one currency for another in order to facilitate flows of finance between countries

globalisation

the integration between different countries and economies and the increased impact of international influences on all aspects of life and economic activity

gross domestic product (GDP)

the total market value of all final goods and services produced in an economy over a period of time

gross world product (GWP)

the sum of total output of goods and services by all economies in the world over a period of time

international business cycle

fluctuations in the level of economic activity in the global economy over time

international division of labour

how the tasks in the production process are allocated to different people in different countries around the world

international  
monetary fund (IMF)

an international agency  
made up of 188 members  
that oversees the stability of  
the global financial system

migration

the movement of people  
between countries on a  
permanent or long term  
basis

speculators

investors who buy and sell  
financial assets with the aim  
of making profits from short  
term price movements

transnational  
corporations (TNCs)

global companies that  
dominate global product  
and factor markets

world trade  
organisation (WTO)

an organisation of 161 member  
countries that implements and  
advances global trade  
agreements and resolves trade  
disputes between nations