

Summary: Trade Around the World

International Trade

People in different countries trade with one another to buy and sell goods they cannot get in local markets. For example, Americans eat millions of bananas each year. To meet the demand, U.S. companies buy, or import, bananas from fruit growers in Ecuador.

U.S. companies import many goods. Importing gives consumers more choices. It also lets them buy some goods at lower cost.

Countries also export, or sell, goods and services to other countries. Exporting helps producers sell more goods than they could in their own countries alone. For example, the United States uses about half of the wheat it grows. It exports the rest.

Trading Partners

When two or more nations depend on one another for trade, they may become trading partners. The United States and China are trading partners.

People in China and the United States import and export goods to each other. They use ships and airplanes to move the goods between the two countries.

This trade helps the United States and China in two ways. First, when companies export goods and services they earn more money. Second, when American and Chinese companies import goods and services, the people have more choices. China has many industries that export to the United States. Some of China's industries are iron, steel, coal, toys, clothes, shoes, cars, and electronics.



Before You Read

Find and underline each vocabulary word.

market *noun*, a place where goods may be bought or sold

import *verb*, to buy goods or services from sellers in other countries

export *verb*, to sell goods or services to people in another country

industry *noun*, all of the people and companies that sell similar goods or services



After You Read

REVIEW Why do U.S. companies export goods? Underline the sentence that tells the answer.

REVIEW Why is China an important trading partner for the United States? Highlight two sentences that tell why trading with China is important for the United States.