22. TRADE

1. a) - Bilateral trade
   b) - Low earnings due export of agricultural products and raw materials which have low value
   Heavy expenditure due to importation of manufactured goods which are expensive
   - Unpredictable production since agriculture she relies on for export depends on climate which is unreliable

2. a) - Bilateral
   - Multilateral
   b) - Similar products
   - Limited transport/ communication links
   - Colonial patterns of trade
   - Limited manufactured goods
   - Prohibitive tariffs to protect local industries

3. (a) - Scarcity of goods
   - Inadequate capital supply
   - High costs of getting trading permits/licences
   - Lowly developed roads/transport network
   - Trade barriers
   - High cases of poverty among the people
   - Inadequate market buildings
   - Insecurity
   - Smuggling of essential goods

   b) - They have helped crate cooperation among member states
   - Member states have a longer market for their goods
   - The expanded market ha promoted industrial development
   - Goods have been made cheaper for people in the region through reduction of tariffs
   - Employment opportunities have been created through industrial development
   - Member states are able to invest in joint development projects like railway construction.
   - Trade in the regions has boosted agricultural development
   - The common market has made people of the member state enjoy a variety of commodities
   - There is reduced reliance on goods and services from other parts of the world

4. a) - To eliminate taxes on goods produced within the member countries.
   - To enable the member states to increase use of their raw materials.
   - To enable people in the region to interact and exchange ideas freely.
   - To reduce unnecessary competition among member states.
   - To promote transport & communication between the countries.
   - To create a common market for the goods produced in the member countries.
   - To establish a common bank COMESA bank to aid transaction.

   b) - Improving infrastructures.
   - Joining trading blocs such as COMESA, EAC.
   - Creating Export Processing Zones. (EPZ) to promote the volume of exports.

5. a i) Visible exports are tangible goods sent o other countries for sale while invisible export are transactions between countries which lead to monetary returns
   ii) -Tourism
   -Financial services
   -Transport services
   -Loans/ grants/ Aids

   b i) - COMESA
   - Southern African Development Community (SADC)
   ii) Berlin Niger Nigeria Ghana
   Burkina faso Mauritania Liberia

Mali	Guinea	Senegal	Togo	Cape town
Cote de voire	Gambia	Guinea Bisau		Cameroon

iii)- Encouraged the development of industries

-Phased out all customs and tariffs on goods originating within West Africa

-Improvement of tele- communication

-Exchange of technology

-Campaigned for the sale of petroleum from Nigeria to member states at reduced prices

6. a) Balance of payment is the difference between visible exports and imports and also i nvisible exports and inputs in the value of trade taking place between two countries.

   b) - They are perishable.
   - Some are bulky making transportation difficult.
   - Are of low value
   - They are exhaustible/supply may fluctuate negatively depending on season.
   - Inadequate capital/ for expansion since a large capital outlay is needed.

7. a) Visible exports are tangible goods sent to other countries for sale while invisible exports are transactions between countries which lead to monetary returns like interest and dividends on the foreign investments

   b) - Hinder growth of home infant industries due to stiff competition/ slows industrialization
   - Creates a state of dependency on developed countries/ slows exploitation of national resources
   - Hinder diversification of the economy
   - The country experiences unfavorable balance of trade/ retards economic development
   - Whenever there is poor relationship with the trading partner the country experiences shortage of the import goods
   - The country spends her foreign exchange reserve on imports/ faces devaluation of her local

currency