

# Economic Relationships

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▶ A CARGO PLANE AT RALEIGH-DURHAM INTERNATIONAL AIRPORT

Like most states, North Carolina trades with other states and countries for products and resources. This trade creates interdependence. As a result, economic relationships are formed between North Carolinians and people in other states and countries. **What will you learn from this lesson about North Carolina's economic relationships with other states and nations?**

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## NORTH CAROLINA STANDARD COURSE OF STUDY

**6.08** Cite examples of interdependence in North Carolina's economy and evaluate the significance of economic relationships with other states and nations.

## International Trade

- ① Explain the difference between an *export* and an *import*.

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- ② Classify the following products as North Carolina exports or imports.

Computers: \_\_\_\_\_

Chemicals: \_\_\_\_\_

Machinery: \_\_\_\_\_

Many of the products made in North Carolina are sold to other states and to countries outside the United States. **International trade**, or trade with other nations, is important to the growth of North Carolina's economy.

### Imports and Exports

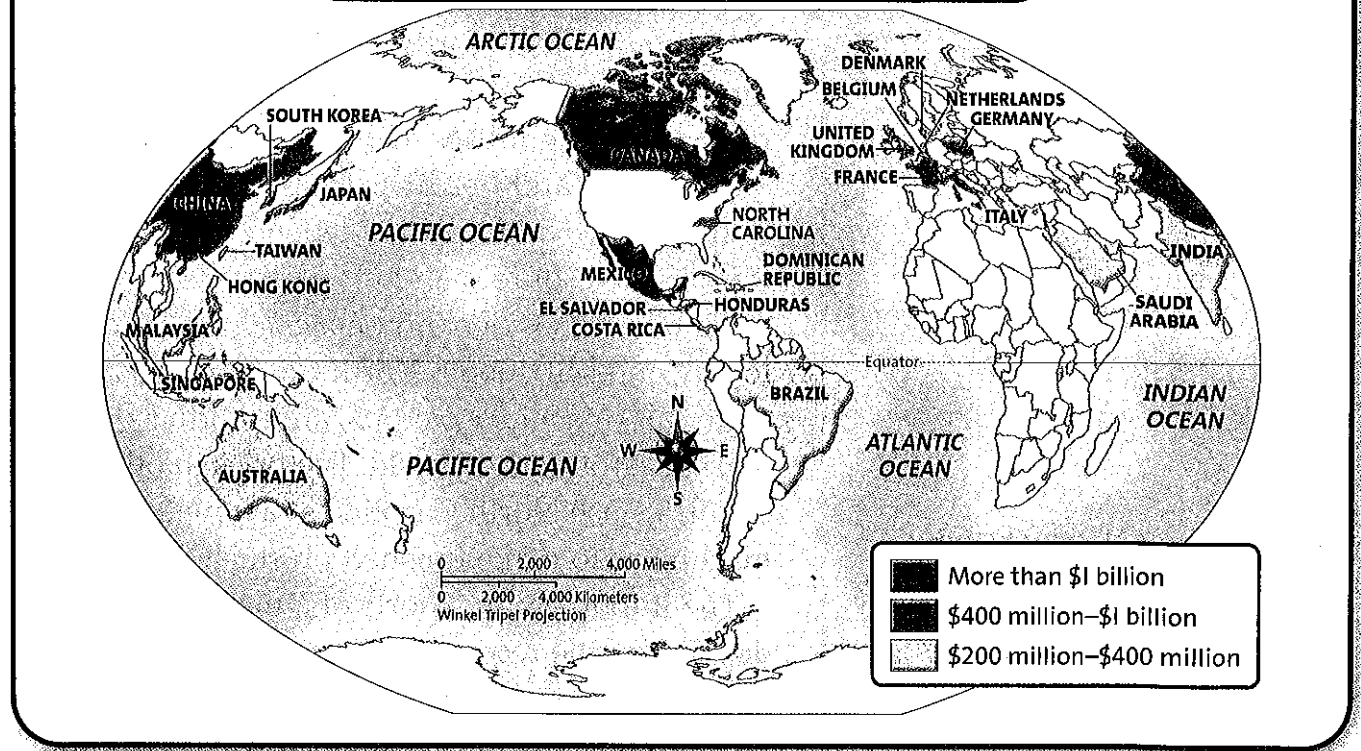
North Carolina's products that are sold to other countries are **exports**. North Carolina's top manufacturing exports are machinery, chemicals, clothing, and plastic products. North Carolina agricultural products—such as tobacco, soybeans, sweet potatoes, turkeys, and peanuts—are also sold to other countries.

North Carolina also buys many different **imports**, or goods made in other nations and brought into the state. The state's top imports include food, electronic goods, and automobiles. North Carolina buys food, clothing, and furniture from Mexico. The state buys computer goods, televisions, and other electronic products from Japan.

► **CONTAINER SHIPPING** Many goods are shipped in truck-sized metal boxes called containers.



## North Carolina's Leading Trade Partners



### Trading Partners

In recent years, North Carolina has traded with more than 200 different places around the world. The country of Canada is North Carolina's largest trading partner. The value of exports sent to Canada reached \$5 billion in 2005.

North Carolina's other leading trade partners include Mexico, Japan, Honduras, and the United Kingdom. Each of these countries spends more than \$500 million a year on products exported from North Carolina. Trade with India, Italy, China, and France has also grown.

International goods are often transported by cargo ships. Cargo ships carry more goods and are less expensive to use than airplanes. North Carolina's largest shipping ports are Wilmington and Morehead City. Imports received at these ports are shipped throughout the state and country. Businesses throughout the United States also ship their exports from these ports.

### TextWork

- 3 **REGIONS** Study the map. Circle the countries that do more than \$1 billion worth of trade with North Carolina.
- 4 Scan the text on this page. Then underline North Carolina's leading trade partners.

## Businesses and Markets

**5** How do you think that markets are affected by the resources of a region?

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**6** Why does North Carolina import oranges and grapefruits from other places?

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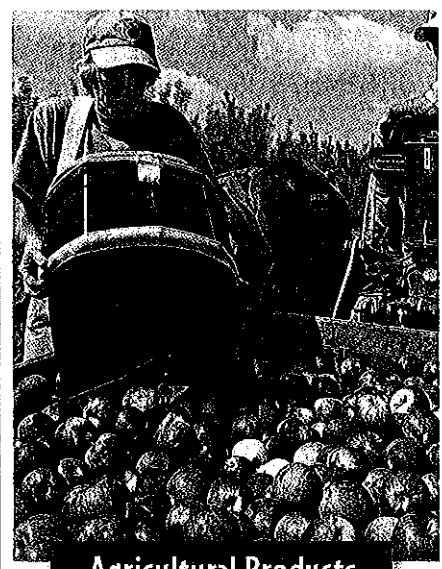
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Through trade, North Carolina has become interdependent with many other places—states, regions, and countries. North Carolina depends on resources and products from other places. In turn, those other places depend on North Carolina's resources and products.

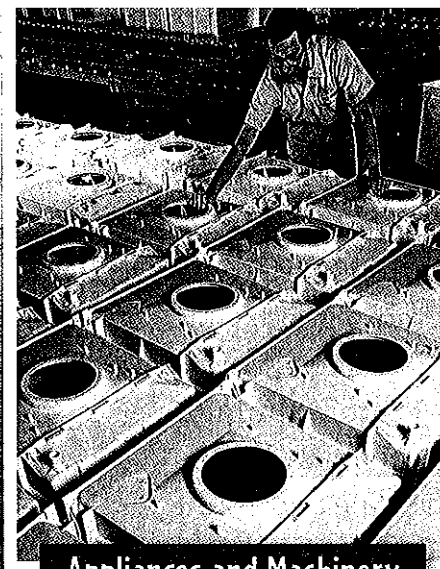
All businesses depend on *markets*, or places to buy and sell goods. North Carolina sells raw materials, machinery, crops, and products to markets around the world. Factories in other countries use North Carolina's raw materials and machinery to make finished products.

The imports and exports of a market often depend on the resources of a region. For example, crops such as tobacco, cotton, and soybeans grow well in North Carolina. However, fruits such as oranges and grapefruits grow well in warmer climates. North Carolinians must buy oranges from other states and countries. At the same time, those places buy certain crops that grow well only in North Carolina.

► **NORTH CAROLINA'S EXPORTS** include apples (left), appliances (center), and computer electronics.



**Agricultural Products**

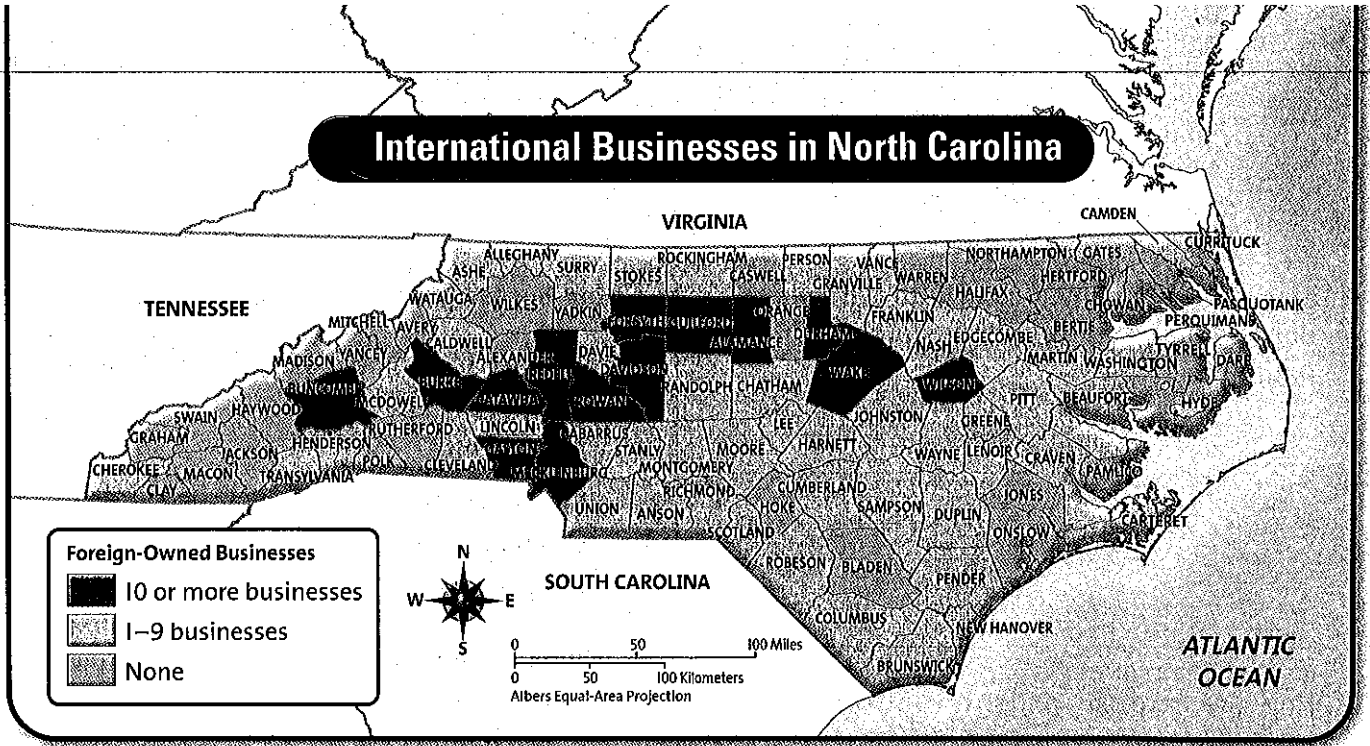


**Appliances and Machinery**



**High-Tech and Electronics**

## International Businesses in North Carolina



### International Businesses

The cost of natural, human, and capital resources is different in different places. The cost of these resources can also change over time. Entrepreneurs weigh these costs when making business decisions.

Some businesses have closed factories and mills in North Carolina in recent years. This is especially true in the textile and furniture industries. In some cases, the way a product was made or the demand for a product changed. In other cases, businesses moved to other states or countries because the resources were less expensive there.

In recent years, some businesses from outside North Carolina have moved into the state. In fact, more than 750 international businesses are now located in the state. These businesses are based in more than 35 different countries. International businesses now provide more than 200,000 jobs in North Carolina. Some are part of the high-tech industry.



**7 REGIONS** Study the map. In what region are most international businesses located?

**8** Scan the text on this page. Underline reasons that some mills and factories have closed in North Carolina.

1. **SUMMARIZE** How does North Carolina depend on trade with other states and nations?

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2. How are **imports** and **international trade** related?

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3. How are exports and interdependence related?

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**Circle the letter of the correct answer.**

4. Which of the following is a large shipping port in North Carolina?
- A Charlotte
  - B Wilmington
  - C Winston-Salem
  - D Asheville
5. Which country is North Carolina's leading trade partner?
- A Mexico
  - B Great Britain
  - C China
  - D Canada
6. What do entrepreneurs consider when deciding where to locate their businesses?
- A interdependence
  - B imports and exports
  - C cost of resources
  - D specialization

### *activity*



**Create a Chart** Using information from this lesson, make a chart listing North Carolina's main imports and exports. Then use the chart to explain to other students the interdependence between North Carolina and other places.