

International trade assignment

Business



Running head: LASA 2 International Trade Yolanda Grace Argosy University
Atlanta EC0201 LASA 2: International Trade China and US Trade Balances
2007-2012 China -31 US (<http://www.export.gov/tradedata/index.asp>)

Based on the data provided, create a report in Microsoft Word discussing the trade balance between China and the U. S. for the most recent five year period. In your discussion, include an analysis of the effect of such trade balance on the economies of China and the U.

S. , both individually and comparatively. Justify your discussion and analysis by using appropriate examples and references. Include in your report n analysis of the impact on the U. S. economy of the situation where China holds such a large amount of the U. S. debt. According to the lecture, the effects of trade balances effect the exchange rate for the countries currency in the exchange market. Things that effect the value of a countries currency are supply and demand.

A countries balance of trade is a measurement of imports and exports in a given time period. Individually both China and the US have more imports than exports, meaning that they have a deficit and are spending more money on imports than they are earning from exports. (Gayle, Charlene 2013) ([http:// www.export.gov/tradedata/index.asp](http://www.export.gov/tradedata/index.asp)) Comparatively The US has much less a deficit than China. On the site <http://www.export.gov/tradedata/index.sp> the US has a balance of zero indicating that we have a balance of capital and current accounts, and China still has a deficit. This may indicate that China does not have as many capital accounts to balance out the current accounts, and the US does. When analyzing the impact on the US economy where China holds a large amount of the US debt, US <https://assignbuster.com/international-trade-assignment-essay-samples-2/>

currency does not hold as much value in the open market. References Gayle, Charlene 2013 <http://www.export.gov/tradedata/index.asp>