Webnote 345

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **3.4 Economic integration****Big Question:**1. Is economic integration desirable? |  | **Example** | **U-tube** |  |  |
| **Forms of economic integration** |
| **157** |  |  | Preferential tradeagreements | • Distinguish between bilateral and multilateral (WTO) trade agreements.• Explain that preferential trade agreements give preferential access to certain products from certain countries by reducing or eliminating tariffs,or by other agreementsrelating to trade. |  | **Example** | **U-tube** | **3** |  |
| **Item** | **hl** | **sl** | **Must Know** | **Must know very well! Here are the details of what you need to know.** | **Reading** | **Example** | **U-tube** | **W****E****I****G****H****T** | **W****E****B****N****O****T****E** |
| **158** |  |  | Trading blocs | • Distinguish between a freetrade area, a customs unionand a common market.• Explain that economicintegration will increasecompetition among producerswithin the trading bloc.• Compare and contrast thedifferent types of tradingblocs. |  | **Example** | **U-tube** | **3** |  |
| **159****HL Only** |  |  | Trading blocs | • Explain the concepts of trade creation and trade diversion in a customs union.• Explain that different forms of economic integration allow member countries to gain from economies of scale. |  | **Example** | **U-tube** | **3** |  |
| **160** |  |  | Monetary union | • Explain that a monetary union is a common market with a common currency and a common central bank.• Discuss the possibleadvantages anddisadvantages of a monetary union for its members. |  | **Example** | **U-tube** | **4** |  |
| **TOK****Theory of knowledge: potential connections**What criteria can be used to assess the benefits and the costs of increased economic integration?Might increased economic integration ever be considered undesirable? |