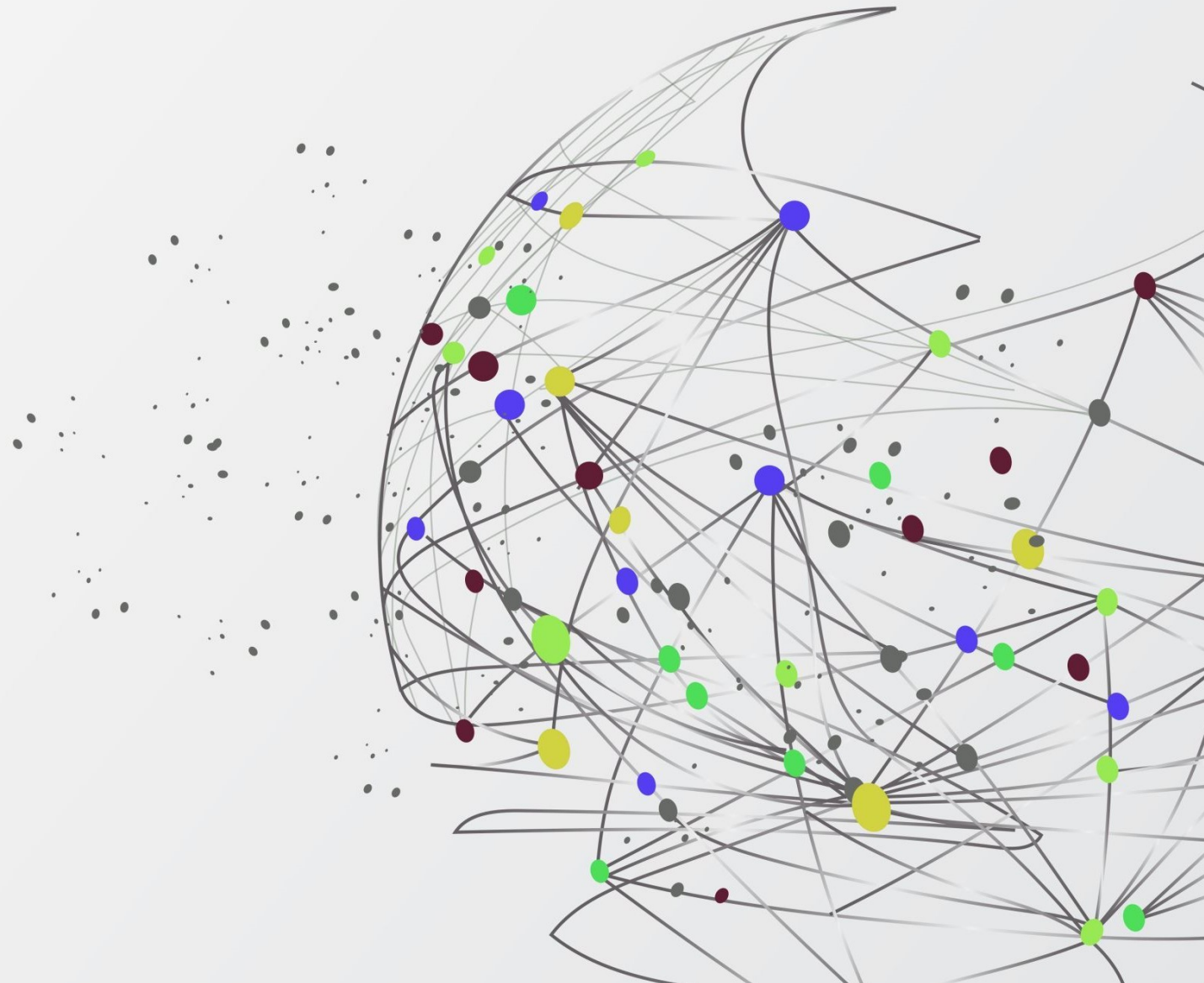


ROLE PLAYING A GLOBAL ECONOMIC SUMMIT

I CAN EXPLAIN HOW
PRODUCTION,
CONSUMPTION AND
INTERDEPENDENCE
INCREASE WHEN REGIONS
AND NATIONS TRADE
WITH EACH OTHER AS A
RESULT OF USING
COMPARATIVE
ADVANTAGE.



WHAT DO THESE COUNTRIES HAVE IN COMMON?

United
States

China

Japan

Germany

India

WHAT IS DIFFERENT ABOUT THESE COUNTRIES?

United
States

China

Japan

Germany

India

WHAT ARE THE
POTENTIAL
COMPARATIVE
ADVANTAGES
OF THE FIVE
LARGEST
ECONOMIES IN
THE WORLD?

Comparative Advantage: the ability to produce goods and services at a lower opportunity cost than others

What does each country specialize in? What are their strengths? What do they need to trade for?

TASK: DAY 1

- Read through the summaries of each of the 5 countries - pay particular attention to economic overview and indicators
 - Highlight/underline important information in one color
 - Highlight/underline terms to look up in a second color



DAY 2

- What information from the countries summaries did you find important?
- What did you learn from your "research?"

TASK #1 – FILL OUT CHART ON PAGE 1

| | Economic Indicator | United States | China | Japan | Germany | India |
|---|---|--|--|--|--|--|
| 1 | GDP (Purchasing Power Parity) | | | | | |
| 2 | GDP – Composition, by sector of origin | Agriculture: Industry: Services: | Agriculture: Industry: Services: | Agriculture: Industry: Services: | Agriculture: Industry: Services: | Agriculture: Industry: Services: |
| 3 | Exports – Partners | | | | | |
| 4 | Exports – commodities (list at least 3) | | | | | |
| 5 | Imports – Partners | | | | | |
| 6 | Imports – commodities (list at least 3) | | | | | |
| 7 | Your choice: | | | | | |
| 8 | Your choice: | | | | | |

TASK #1 – FILL OUT CHART ON PAGE 1

| | Economic Indicator | United States | China | Japan | Germany | India |
|---|---|--|---|---|--|--|
| 1 | GDP (Purchasing Power Parity) | | | | | |
| 2 | GDP – Composition, by sector of origin | Agriculture: .9% Industry: 19.1% Services: 80% | Agriculture: 7.9% Industry: 40.5% Services: 51.6% | Agriculture: 1.1% Industry: 30.1% Services: 68.7% | Agriculture: .7% Industry: 30.7% Services: 68.6% | Agriculture: 15.4% Industry: 23% Services: 61.5% |
| 3 | Exports – Partners | | | | | |
| 4 | Exports – commodities (list at least 3) | | | | | |
| 5 | Imports – Partners | | | | | |
| 6 | Imports – commodities (list at least 3) | | | | | |
| 7 | Your choice: | | | | | |

TASK #2 – FILL OUT FIRST TWO ROWS OF CHART ON PAGE 2

| | | United States | China | Japan | Germany | India |
|---|--|---------------|-------|-------|---------|-------|
| 1 | What is one observation or conclusion about this country's economy or society? | | | | | |
| 2 | What is another observation or conclusion about this country's economy or society? | | | | | |
| 3 | What might be this country's comparative advantage? | | | | | |
| 4 | What might this country seek to gain through trade? | | | | | |

TOMORROW

- 5 groups → each group will represent one country
 - Share data and observations
 - Start to game plan for “Global Economic Summit”

TASKS FOR DAY 3

1. Compare answers for chart on page 2
2. Complete chart as a group
3. Pick countries and start to plan for summit

| | | United States | China | Japan | Germany | India |
|---|---|---------------|-------|-------|---------|-------|
| 3 | What might be this country's comparative advantage? | | | | | |
| 4 | What might this country seek to gain through trade? | | | | | |

COUNTRY "DRAFT"

Our Country's Goals and Interests
(List at least 3)

BE SPECIFIC

Economic?

National Security?

Future Development?

Improving citizens' utility?

ROLES FOR THE SUMMIT

- **President** – will serve as the “face” of the country and engage with other presidents
- **Secretary of State** – will sign off on any negotiations and create a country symbol
- **Trade Ambassadors** – will engage in specific negotiations to reach a deal with other countries

DAY 4 TASKS – SIT AT THE SAME TABLE AS YESTERDAY

- 1. Decide on roles: President, Secretary of State, Trade Ambassadors
- 2. Prepare for summit
 - **President** – create and practice 2 minute speech
 - Introduction to your country, it's strengths, and interests
 - **Secretary of State** – create "flag" for your country
 - Name & Symbols of your country
 - **Trade Ambassadors** – strategize for tomorrow (*Who will you try to make agreements with? What do you want? What might they want?*)
 - Trade Ambassadors will also help with speech and "flag"

DAY 5 – GLOBAL SUMMIT!

- Today we will bring the five biggest economies together to discuss agreements for trade and cooperation
- Your country's goal: Create 3 different arrangements with one or more countries to advance your own economic interests, national security interests, and/or your citizens' utility

GLOBAL SUMMIT

- 1. Each president will open with a speech
- 2. Trade Ambassadors will circle the room to make agreements
 - Presidents and Secretaries of State can also engage in negotiations (will “stay home” while Trade Ambassadors visit with others)
- 3. Secretaries of State will sign off on any agreements
- 4. If you cannot make three agreements, you must enact a trade penalty or sanction on one or more other countries

GLOBAL SUMMIT AGREEMENTS

Trade & Cooperation Alliance Examples:

- [Country A] will promise to trade _____ to [Country B]. [Country B] will promise to trade _____ to [Country A].
- [Country A], [Country B], and [Country C] will not have tariffs/quotas on _____.
- [Country A] will trade _____ in exchange for [Country B] promising to _____. (Could be investment or national security related.)
- [Country A], [Country B], and [Country C] agree to _____. (Could be investment or national security related.)

FAILURE TO REACH AGREEMENTS

If your country cannot reach a mutual agreement with another country, you will enact sanctions on another country (or multiple countries).

- **Examples:**

- We will put tariffs/quotas on _____ from [Country B].
- We will put [economic sanctions – travel bans, asset freezes, arms embargo] on [Country B] and [Country C].

GLOBAL SUMMIT SCHEDULE

1. President's Opening
2. 15 minutes of negotiations
3. Economic sanctions (if needed)
4. Debriefing Questions

DEBRIEF QUESTIONS

- What points were the easiest upon which to reach an agreement? Why?
- What points were the hardest upon which to reach an agreement? Why?
- What disagreements/disputes remain? Why?
- **How did the comparative advantage of each country play into their negotiations?**
- What might be some short- or long-term consequences of the agreed upon terms?
- In what ways do you think this simulation would be similar or different to real life trade talks?