

Name:

Date:

Period:

**Middle East Economic Activity:**

Standards

SS7E6 The student will explain how **voluntary trade** benefits buyers and sellers in Southwest Asia (Middle East).

a. Explain how **specialization** encourages trade between countries.

b. Compare and contrast different types of **trade barriers**, such as **tariffs**, **quotas**, and **embargos**.

c. Explain the primary function of the **Organization of Petroleum Exporting Countries (OPEC)**.

d. Explain why international trade requires a system for **exchanging currencies** between nations.

SS7E7 a. Explain the relationship between investment in **human capital** (education and training) and **gross domestic product (GDP)**.

b. Explain the relationship between investment in **capital** (factories, machinery, and technology) and **gross domestic product (GDP)**.

c. Explain the role of **oil in these countries' economies**.

d. Describe the role of **entrepreneurship**.

SS7G8 e. Evaluate how the **literacy rate** affects the **standard of living**.

Rules	Rounds of Trading
1. You do <u>not</u> have to trade, only if you want something that they have. 2. You are <u>allowed to keep anything</u> you have at the end of the activity. 3. You may <u>not eat anything</u> until the end of the activity. (-5 point and items taken away)	1. Only trade with people wearing the <u>same color shirt/sweater</u> . 2. Only trade with people of the <u>same sex</u> as you. 3. Trade with <u>anyone</u>

**Rubric:**

- 10 points: Keep a record of what value you exchange goods for the class discussion. Example 2 lollipops = 1 bag of goldfish.
- 20 points: You must participate in the class discussion, either by adding valuable information to the discussion or by taking notes.
- 70 points: You must write a 1-2 (or more) paragraph, relating at least 7 of the 14 vocab words bolded in the standard to what you learned in the activity. ½ point per word and ½ point per application of vocab.

[www.worldfactbook.gov](http://www.worldfactbook.gov)

Country	GDP	Population	GDP per capita	Literacy Rate	Economy	Exports	Equivalent
Afghanistan	\$30.11 billion	30,419,928	\$1,000	28.1%	Afghanistan's economy is recovering from decades of conflict. The economy has improved significantly since the fall of the Taliban regime in 2001 largely because of the infusion of international assistance, the recovery of the agricultural sector, and service sector growth. Despite the progress of the past few years, Afghanistan is extremely poor, landlocked, and highly dependent on foreign aid. Much of the population continues to suffer from shortages of housing, clean water, electricity, medical care, and jobs.	fruits and nuts, handwoven carpets, wool, cotton, hides and pelts, precious and semi-precious gems	Q-tips, paper clips

Algeria	\$267 billion	37,367,226	\$7,400	69.9%	Algeria's economy remains dominated by the state, a legacy of the country's socialist post-independence development model. In recent years the Algerian Government has halted the privatization of state-owned industries and imposed restrictions on imports and foreign involvement in its economy. Hydrocarbons have long been the backbone of the economy, accounting for roughly 60% of budget revenues, 30% of GDP, and over 95% of export earnings.	petroleum, natural gas, and petroleum products 97%	Candy: 3-4 pieces
Armenia	\$18.17 billion	2,970,495	\$5,500	99.6%	Under the old Soviet central planning system, Armenia developed a modern industrial sector, supplying machine tools, textiles, and other manufactured goods to sister republics, in exchange for raw materials and energy. Armenia's geographic isolation, a narrow export base, and pervasive monopolies in important business sectors have made it particularly vulnerable to the sharp deterioration in the global economy and the economic downturn in Russia.	Jewelry making, fruit (especially grapes), vegetables; livestock	Note pads, Pencils, Q-tips, paper clips
Egypt	\$235.7 billion	83,688,164	\$6,600	72%	Occupying the northeast corner of the African continent, Egypt is bisected by the highly fertile Nile valley, where most economic activity takes place. Egypt's economy was highly centralized during the rule of former President Gamal Abdel NASSER but opened up considerably under former Presidents Anwar EL-SADAT and Mohamed Hosni MUBARAK. Tourism, manufacturing, and construction are among the hardest hit sectors of the Egyptian economy, and economic growth is likely to remain slow at least through 2012.	crude oil and petroleum products, textiles, food processing, tourism,	Stickers, food, candy 1-2 pieces
Iran	\$1.003 trillion	78,868,711	\$13,200	77%	Iran's economy is marked by statist policies and an inefficient state sector, which create major distortions throughout the system, and reliance on oil, which provides the majority of government revenues. Price controls, subsidies, and other rigidities weigh down the economy, undermining the potential for private-sector-led growth. Private sector activity is typically limited to small-scale workshops, farming, and services	petroleum 80%, chemical and petrochemical products, fruits and nuts, carpets	Candy 3-4, snack, pen, note pad

Iraq	\$129.3 billion	31,129,225	\$3,900	78.2%	An improving security environment and foreign investment are helping to spur economic activity, particularly in the energy, construction, and retail sectors. Iraq's largely state-run economy is dominated by the oil sector, which provides more than 90% of government revenue and 80% of foreign exchange earnings.	crude oil 84%, crude materials excluding fuels, food and live animals	Candy 1-2
Israel	\$238.2 billion	7,590,758	\$31,400	97.1%	Israel has a technologically advanced market economy. It depends on imports of crude oil, grains, raw materials, and military equipment. Cut diamonds, high-technology equipment, and agricultural products (fruits and vegetables) are the leading exports. Israel usually posts sizable trade deficits, which are covered by tourism and other service exports, as well as significant foreign investment inflows.	machinery and equipment, software, cut diamonds, agricultural products, chemicals, textiles and apparel	1-2 Notepads, pens, pencil, stickers, cookies
Jordan	\$37.37 billion	6,508,887	\$6,000	92.6%	Jordan's economy is among the smallest in the Middle East, with insufficient supplies of water, oil, and other natural resources, underlying the government's heavy reliance on foreign assistance.	clothing, fertilizers, refining, tourism manufacturing,	Q-tips, regular pencil, paper clips
Kuwait	\$155.5 billion	2,646,314	\$42,200	93.3%	Kuwait has a geographically small, but wealthy, relatively open economy with crude oil reserves of about 104 billion barrels - about 7% of world reserves. Petroleum accounts for nearly half of GDP, 95% of export revenues, and 95% of government income	oil and refined products, fertilizers , water desalination, food processing, construction materials	6+ candy, pencils, notepad, pens
Lebanon	\$62.23 billion	4,140,289	\$15,700	87.4%	Lebanon has a free-market economy and a strong laissez-faire commercial tradition. The government does not restrict foreign investment; however, the investment climate suffers from red tape, corruption, arbitrary licensing decisions, complex customs procedures, high taxes, tariffs, and fees, archaic legislation, and weak intellectual property rights. The Lebanese economy is service-oriented; main growth sectors include banking and tourism.	banking, tourism, food processing, wine, jewelry, cement, textiles, mineral and chemical products, wood and furniture products, oil refining, metal fabricating	Stickers, pens, pencils, notepad
Libya	\$37.97 billion	5,613,380	\$14,100	89.2%	The Libyan economy depends primarily upon revenue from hydrocarbons, which contribute about 95% of export earnings, 65% of GDP, and 80% of government revenue. Substantial revenue from the energy sector coupled with a small population give Libya one of the highest per capita GDPs in Africa, but little of this income flowed to the lower orders of society	petroleum, petrochemicals, aluminum, iron and steel, food processing, textiles, handicrafts, cement	3-4 pieces of candy

Morocco	\$164.7 billion	32,309,239	\$5,100	56.1%	Key sectors of the economy include agriculture, tourism, phosphates, textiles, apparel, and subcomponents. Despite Morocco's economic progress, the country suffers from high unemployment and poverty.	clothing and textiles, electric components, fertilizers, petroleum products, citrus fruits, vegetables, fish	Stickers, snacks
Oman	\$82.82 billion	3,090,150	\$26,900	81.4%	Oman is a middle-income economy that is heavily dependent on dwindling oil resources. Because of declining reserves and a rapidly growing labor force	petroleum, reexports, fish, metals, textiles	Snack, 4-6 candies
Pakistan	\$494.8 billion	190,291,129	\$2,800	54.9%	Decades of internal political disputes and low levels of foreign investment have led to slow growth and underdevelopment in Pakistan. Agriculture accounts for more than one-fifth of output and two-fifths of employment. Textiles account for most of Pakistan's export earnings, and Pakistan's failure to expand a viable export base for other manufactures has left the country vulnerable to shifts in world demand.	textiles (garments, bed linen, cotton cloth, yarn), rice, leather goods, sports goods, chemicals, manufactures, carpets and rugs	q-tips, paper clips
Qatar	\$184.3 billion	1,951,591	\$104,300	96.3%	Qatar has prospered in the last several years with continued high real GDP growth in 2011. Oil and gas still account for more than 50% of GDP, roughly 85% of export earnings, and 70% of government revenues. Oil and gas likely have made Qatar the second highest per-capita income country - behind Liechtenstein - and the country with the lowest unemployment. Proved oil reserves in excess of 25 billion barrels should enable continued output at current levels for 57 years.	liquefied natural gas (LNG), petroleum products, fertilizers, steel	Notepad, pens, pencils, 10 pieces candy
Saudi Arabia	\$691.5 billion	26,534,504	\$24,500	86.6%	Saudi Arabia has an oil-based economy with strong government controls over major economic activities. It possesses about one-fifth of the world's proven petroleum reserves, ranks as the largest exporter of petroleum, and plays a leading role in OPEC. The petroleum sector accounts for roughly 80% of budget revenues, 45% of GDP, and 90% of export earnings.	petroleum and petroleum products 90% Tourism	6+ candy, notepad, pens, pencil
Syria	\$107.6 billion	22,530,746	\$5,100	79.6%	After modest economic reform in recent years, Syria's economy suffered the effects of political unrest and violence in 2011. Economic growth slowed because of international sanctions and reduced domestic consumption and production.	crude oil, minerals, petroleum, fruits, vegetables, textiles, clothing, meat and live animals, wheat	Snack

Turkey	\$1.087 trillion <i>\$1087 Billion</i>	79,749,461	\$14,700	87.4%	Turkey's largely free-market economy is increasingly driven by its industry and service sectors, although its traditional agriculture sector still accounts for about 25% of employment. The automotive, construction, and electronics industries, are rising in importance and have surpassed textiles within Turkey's export mix.	textiles, food processing, autos, electronics, mining (coal, chromate, copper, boron), steel, petroleum, construction, lumber, paper apparel, foodstuffs, textiles, metal manufactures, transport equipment	Snack, stickers, notepad
United Arabic Emirates	\$262.1 billion	5,314,317	\$48,800	77.9%	The UAE has an open economy with a high per capita income and a sizable annual trade surplus. Successful efforts at economic diversification have reduced the portion of GDP based on oil and gas output to 25%. Since the discovery of oil in the UAE more than 30 years ago, the UAE has undergone a profound transformation from an impoverished region of small desert principalities to a modern state with a high standard of living. The UAE's strategic plan for the next few years focuses on diversification and creating more opportunities for nationals through improved education and increased private sector employment.	petroleum and petrochemicals; fishing, aluminum, cement, fertilizers, commercial ship repair, construction materials, some boat building, handicrafts, textiles Tourism	6+ candy, pencils, pens
USA—for comparison	\$15.09 trillion <i>\$15090 Billion</i>	313,847,465	\$49,000	99%	The US has the largest and most technologically powerful economy in the world, with a per capita GDP of \$48,100. In this market-oriented economy, private individuals and business firms make most of the decisions, and the federal and state governments buy needed goods and services predominantly in the private marketplace. US business firms enjoy greater flexibility than their counterparts in Western Europe and Japan in decisions to expand capital plant, to lay off surplus workers, and to develop new products. (petroleum, steel, motor vehicles, aerospace, telecommunications, chemicals, electronics, food processing, consumer goods, lumber, mining wheat, corn, other grains, fruits, vegetables, cotton; beef, pork, poultry, dairy products; fish; forest products)	highly diversified, world leading, high-technology innovator, second largest industrial output in world;	2 notepads, pencils, pens, candy, snacks, stickers

West Bank	\$12.79 billion	2,622,544	\$2,900	92.4%	The West Bank - the larger of the two areas comprising the Palestinian territories - has experienced a relatively high single-digit economic growth rate since 2008, but this rate has been sustained by inflows of donor aid rather than private sector economic activity. After suffering an almost decade-long downturn following the start of the second intifada in 2000, overall standard-of-living measures have recovered to the levels seen in the late 1990s.	small-scale manufacturing, quarrying, textiles, soap, olive-wood carvings, and mother-of-pearl souvenirs	Q-tips, paperclips, pencil (plain)
Yemen	\$58.71 billion	24,771,809	\$2,300	63.9%	Yemen is a low income country that is highly dependent on declining oil resources for revenue. Petroleum accounts for roughly 25% of GDP and 70% of government revenue. Yemen continues to face difficult long term challenges, including declining water resources and a high population growth rate. Most people are employed in agriculture and herding; services, construction, industry, and commerce account for less than one-fourth of the labor force	crude oil, coffee, dried and salted fish, liquefied natural gas	1 piece of candy

Before:  
List of items you had the beginning of the activity.

Afterwards:  
Did you trade any items? If so what for and for what amount?

Are you happy with these items? Why or why not?

Are you happier now than at the beginning of the activity? Why or why not?