**FLOW OF GOODS AND SERVICES**

Exports

Imports

**More Imports than Exports:**

**Trade Deficit**

Exports

Imports

**More Exports than Imports:**

**Trade Surplus**

Governments usually try to reduce a high trade deficit because it means

**that money is flowing out of the country and fewer jobs are being provided.**

On the other hand, trade surpluses are

 **beneficial to a country’s economy, especially if the surplus is made up primarily of manufactured goods.**

**FIVE WAYS TO OFFSET THE RISKS OF IMPORTING**

Use care when selecting foreign suppliers

Measure consumer interest

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Carefully scrutinize the purchase agreement and then sign it

Learn about a foreign partner’s culture

Check goods for quantity and quality upon arrival