

Paper Reference 9EB0/02
Pearson Edexcel
Level 3 GCE

Economics B

Advanced

Paper 2: Competing in the global economy

Tuesday 12 June 2018 – Afternoon

Data Book

In the boxes below, write your name, centre number and candidate number.

Surname					
Other names					
Centre Number					
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INSTRUCTIONS

There may be spare copies of some data sheets in case you need them.

**THIS DATA BOOK MUST BE RETURNED WITH
THE QUESTION PAPER AT THE END OF THE
EXAMINATION.**

Contents

Page

SECTION A

4–5 Extract A for Question 1

6–7 Extract B for Question 1

8–9 Extract C for Question 1

SECTION B

10–11 Extract D for Question 2

SECTION C

12 Extract E for Question 3

13 Figure 1 (Extract E) for Question 3

14–15 Extract F for Question 3

Question 1

Extract A

The value of tourism in England

England's tourism sector is vibrant and vital. Tourism works hand-in-hand with a wide range of sectors across England, including farming, transport, retail, sport, museums and the arts.

Taking into account direct and indirect impacts, tourism in England contributes £106 billion to the British economy and supports 2·6 million jobs. Looking at direct impacts only, tourism still contributes £48 billion, supporting 1·4 million jobs. In 2011, there were 208,880 VAT registered businesses in England's tourism sectors, including accommodation, food and drink, transport, travel agencies and cultural activities.

In 2015, overseas visitors to England spent £19·4 billion, making 31·8 million trips and staying for 241 million nights in accommodation in England. In addition, England's tourism sector is

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Extract A continued.

20 **expected to benefit from the depreciation of the
pound following the decision, in June 2016, to
leave the European Union.**

**The VisitBritain website is a valuable hub of
information for potential tourists and achieved
over 22 million page views in 2015/2016**

(Source: adapted from © British Tourist Authority 2016)

Question 1

Extract B**Number of Chinese tourists visiting UK increases**

5 The number of Chinese tourists visiting the UK increased by **37%** in the first nine months of **2015**, taking the total to more than **200,000** visitors.

10 VisitBritain, which is hoping to double the spending from Chinese visitors to **£1 billion** by **2020**, said they were already among the highest spenders at **£2 688** per person. Chinese visitors already account for almost **25%** of tourist spending in the UK.

15 Higher incomes have allowed millions of Chinese to start taking holidays outside of China. The World Tourism Organization estimates **100 million** Chinese will leave China to go on holiday in **2016**. While Asian countries make up the top five destinations, France, Italy, Switzerland

(continued on the next page)

Extract B continued.

and Germany are also in the top 10

- 20 The UK has proved less popular, as it is outside the EU’s Schengen single–visa bloc. In a bid to boost visitor numbers ahead of Chinese New Year on 8 February 2016, the UK introduced a new two–year visitor visa for Chinese nationals.**
- 25 The new visa costs £85, the same as the previous six–month visa, and enables holders to make multiple trips to the UK.**

“China is the world’s largest outbound market and a huge tourism opportunity for Britain,” said a

- 30 VisitBritain Director.**

(Source: adapted from © 2017 Guardian News and Media Limited)

Question 1

Extract C

London ‘one of the most unethical tourist destinations in the world’

London hotel workers are being exploited with low pay and “shameful” employment practices, a trade union has claimed.

According to the union, many migrants are employed in London’s hotels and are being left exhausted after their shifts because of long hours and staff shortages. Chefs have suffered accidents caused by tiredness and hotel staff do not have time to eat or have a break.

The union’s regional secretary for London said “the London hotel sector is failing its workforce. It has become an example of low pay and exploitation. If these stories tell us anything, it is that shameful work practices, similar to those exposed in the retail sector, have no place in 21st-century Britain. Low pay, zero-hour

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Extract C continued.

contracts and open hostility to trade unions have
20 become standard practice, making London one
of the most unethical tourist destinations in the
world. It is a sad fact that hotel workers in less
developed countries are often shown more respect
when it comes to their basic human and trade
25 union rights, than workers in London, the capital of
the world's fifth largest economy."

(Source: adapted from <http://www.standard.co.uk/news/london/london-one-of-the-most-unethical-tourist-destinations-in-the-world-a3326541.html>)

Question 2

Extract D

Britvic to cut costs amid inflation concerns

Britvic has announced cost-cutting plans as it warned that **2017** would be another ‘challenging’ year amid rising inflation from the Brexit-hit
5 pound.

Britvic, which also bottles Pepsi in the UK, announced it will attempt to cut another **£5** million off its annual costs. It posted a better-than-expected **10%** rise in pre-tax profits
10 to **£151.9** million for the year ending October **2016**, but gave a cautious outlook for the year ahead. The Chief Executive of **Britvic** said:
“**2017** will be another challenging year, with difficult trading conditions and an increase in input
15 costs for the first time in several years.”

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Extract D continued.

The vote to leave the EU and the sugar drinks tax from April 2018 have “created additional uncertainty,” he said. Large consumer goods firms have been under pressure from the weaker pound and rising commodity prices, with Unilever, the maker of Marmite, entering a high-profile dispute with Tesco in October 2016 after seeking unsuccessfully to push through a reported 10% price increase.

(Source: adapted from © Belfast Telegraph)

Question 3

Extract E**The economy of Madagascar**

Madagascar is an island off the east coast of Africa. It is the **131st** largest export economy in the world with **75%** of employment in the agricultural sector.

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The top export destinations in terms of value are France, the United States, Belgium, Luxembourg, Germany and South Africa.

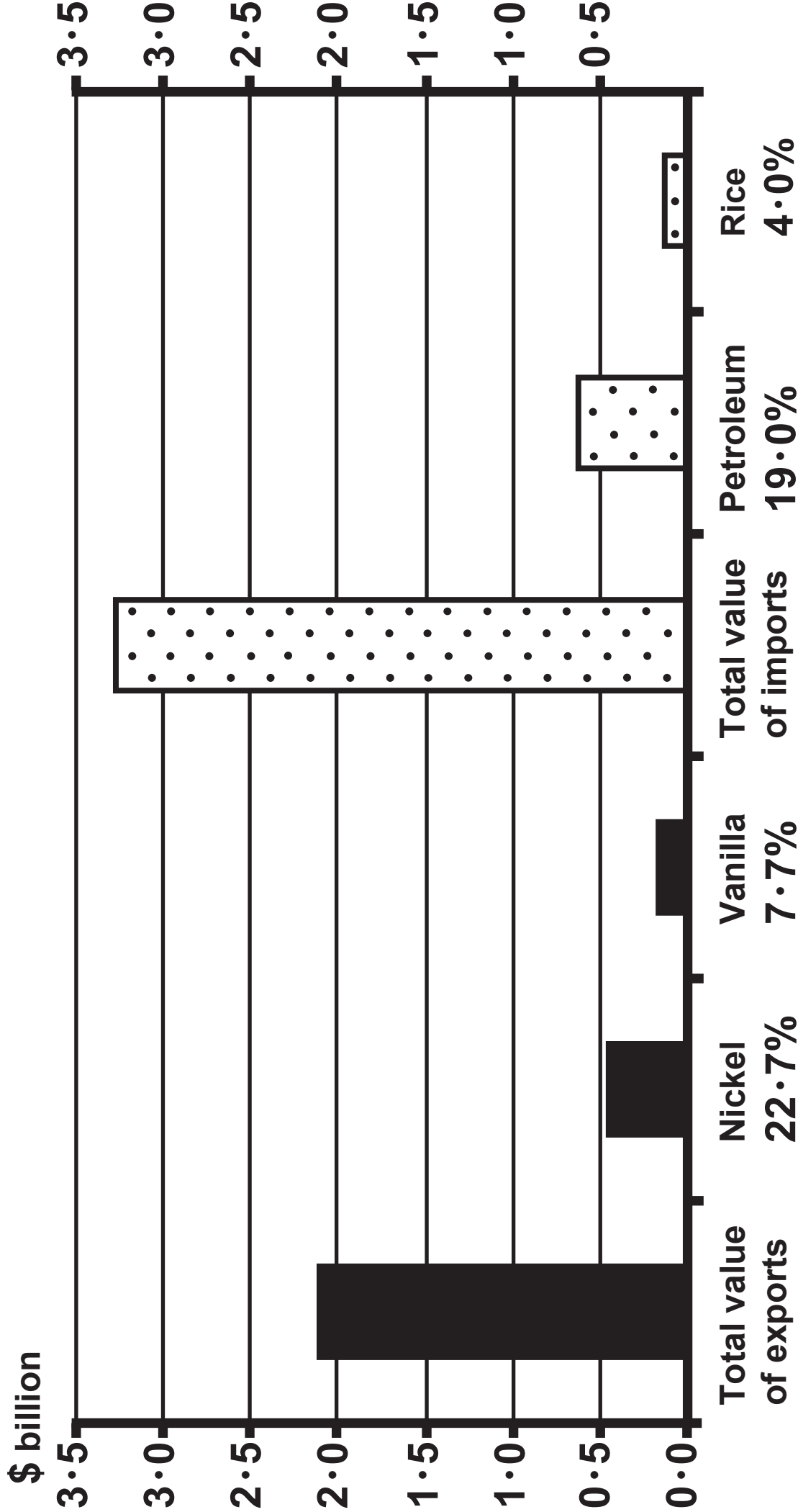
The top import origins are China, the United Arab Emirates, France, India and South Africa.

10

(Source: adapted from <http://atlas.media.mit.edu/en/profile/country/mdg/>)

Question 3

Figure 1 (Extract E)
Balance of trade 2014



Question 3

Extract F**Overcoming the shameful paradox in
Madagascar's vanilla sector**

There is absolutely no reason why
small-scale farmers producing the world's most
5 used flavouring and the second most expensive
spice in the world – vanilla – should live in
absolute poverty. This is, however, currently the
case in Madagascar. About 80,000
small-scale farmers produce Madagascar's vanilla,
10 the majority of whom live on less than \$1 a day
and suffer extreme income insecurity. Meanwhile,
Madagascar is the world's top producer of
natural vanilla.

Recent research indicates that a handful of food
15 and beverage multinationals are the most powerful
stakeholders in the Madagascar vanilla supply
chain. These companies can, and should, help

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Extract F continued.

small-scale farmers to break out of the cycle of poverty by ensuring that they are paid a fair price for their vanilla. A fair price covers, among other things, a living wage for farmers, any other labour either from family members or hired labourers, plus all costs and risks involved in the production.

Earning a fair price will give farmers an opportunity to take better care of their families, invest in insurance to recover from unexpected events, invest in new and diverse crops, and have savings to fall back on. This is the main topic companies should be focusing on in order to ensure a fair system for these farmers and to contribute to sustainable vanilla production.

(Source: adapted from <http://www.fairfood.org/wp-content/uploads/2015/02/Overcoming-the-shameful-paradox-in-Madagascars-vanilla-sector-Deep-Roots-FAO.pdf>)