

Paper Reference 9EC0/02
Pearson Edexcel
Level 3 GCE

Economics A
Advanced
Paper 2: The National and Global Economy

Tuesday 2 June 2020 – Morning

Data Book

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

Surname					
Other names					
Centre Number					
Candidate Number					

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.

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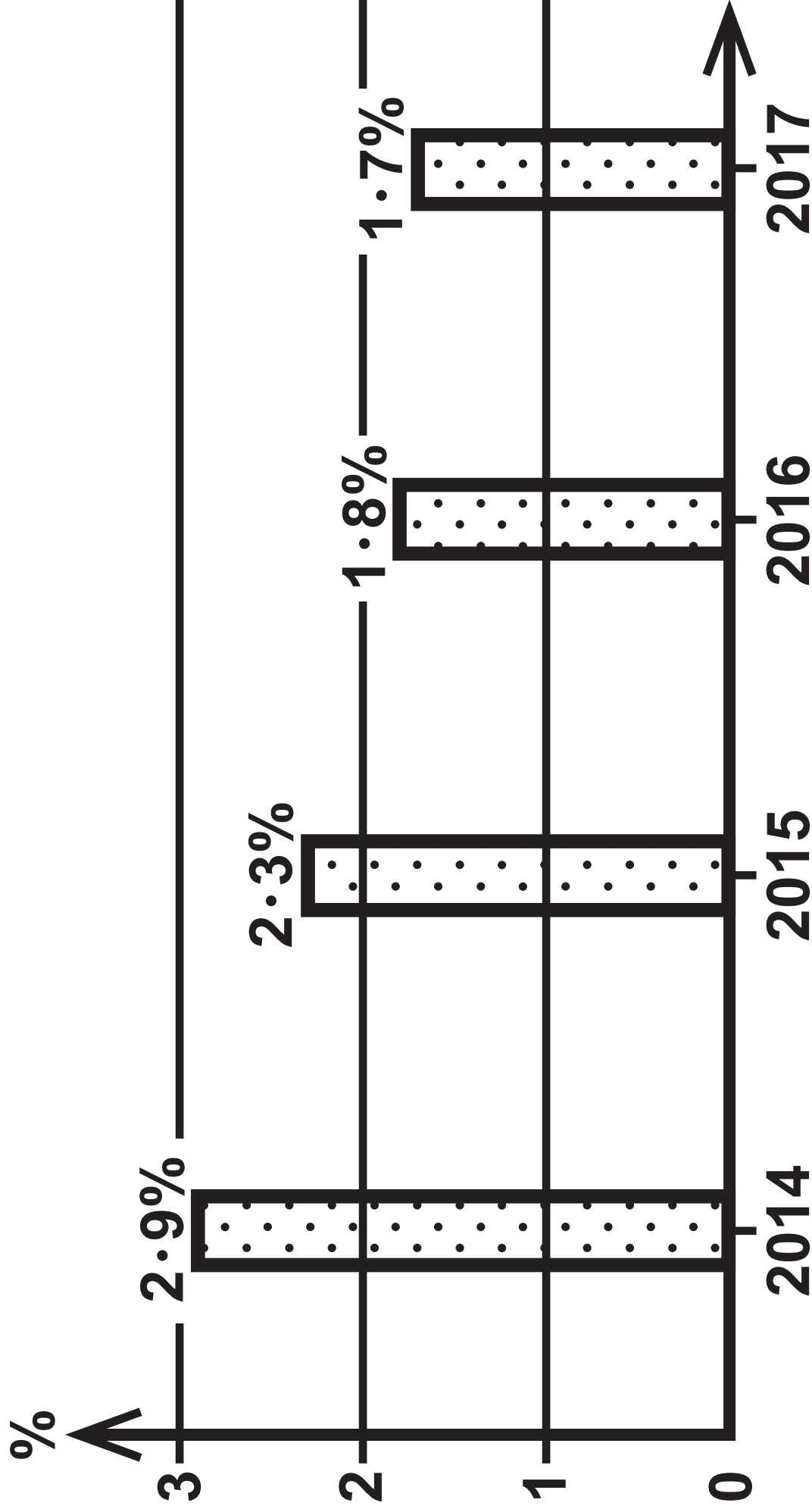
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Question 1

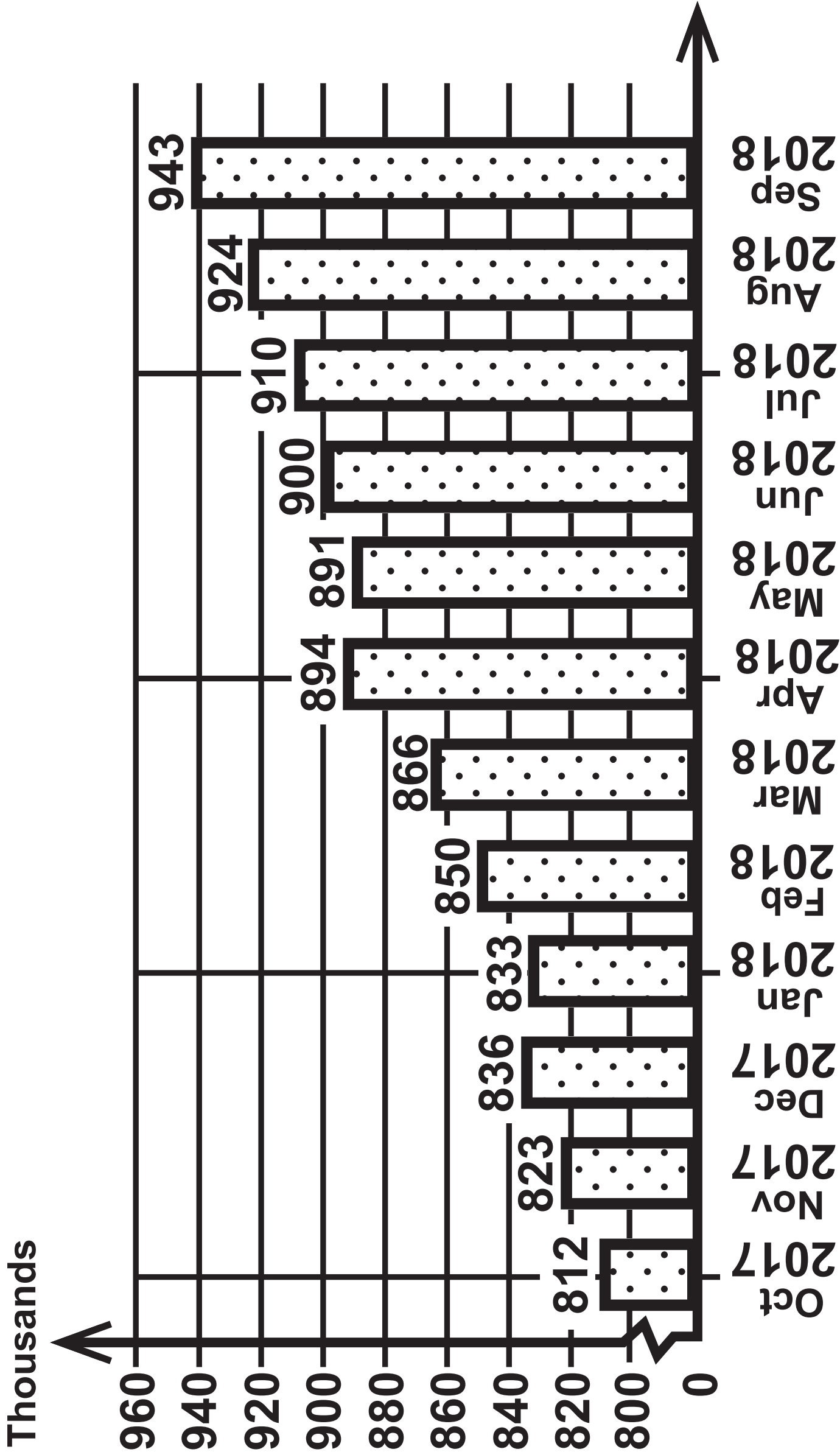
UK real Gross Domestic Product (GDP), annual percentage change 2014–2017



(Source: <https://www.ons.gov.uk/economy/grossdomesticproductgdp/timeseries/ihyp/qna>)

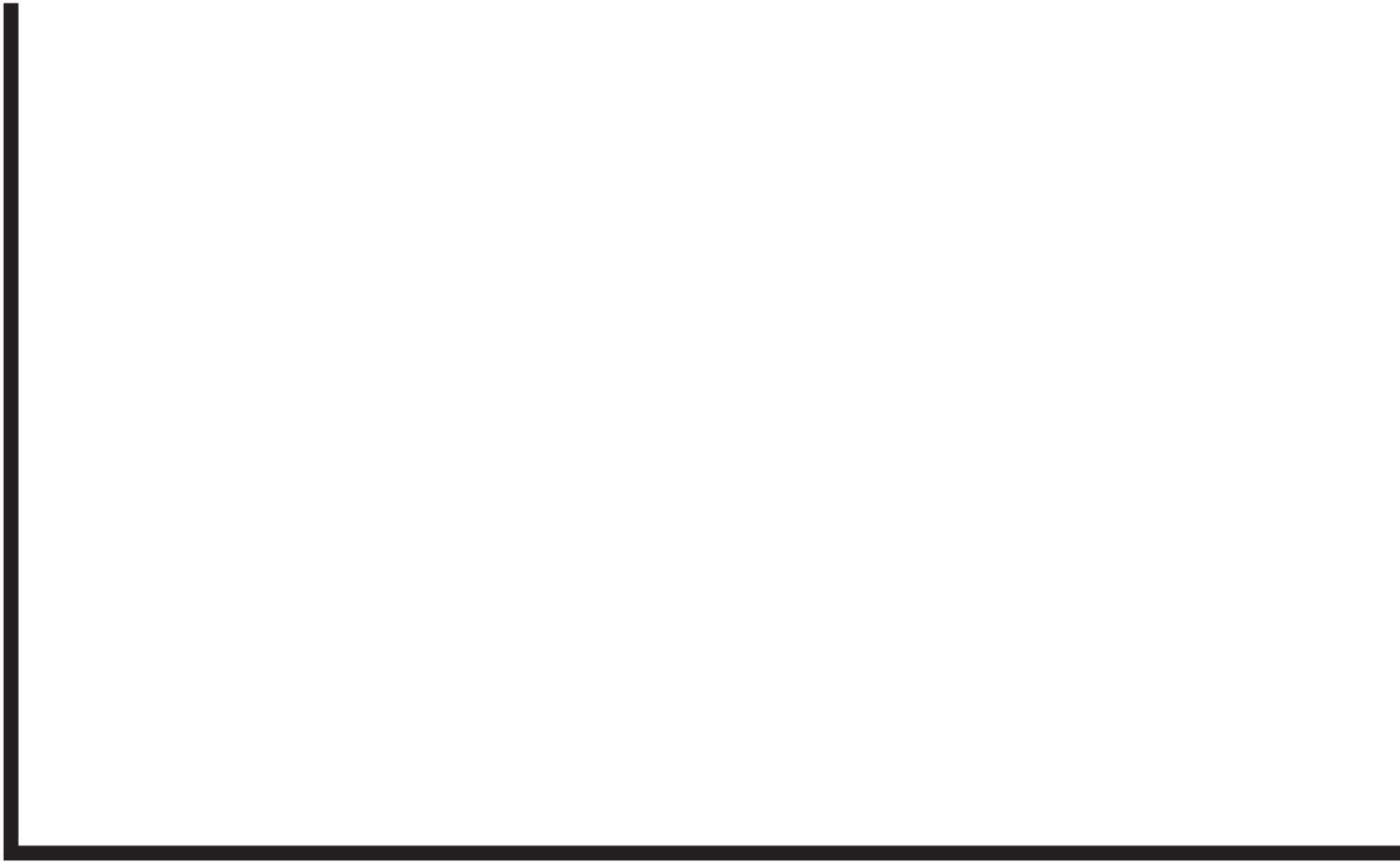
Question 4

Number of unemployed persons, UK, as measured by the claimant count, thousands

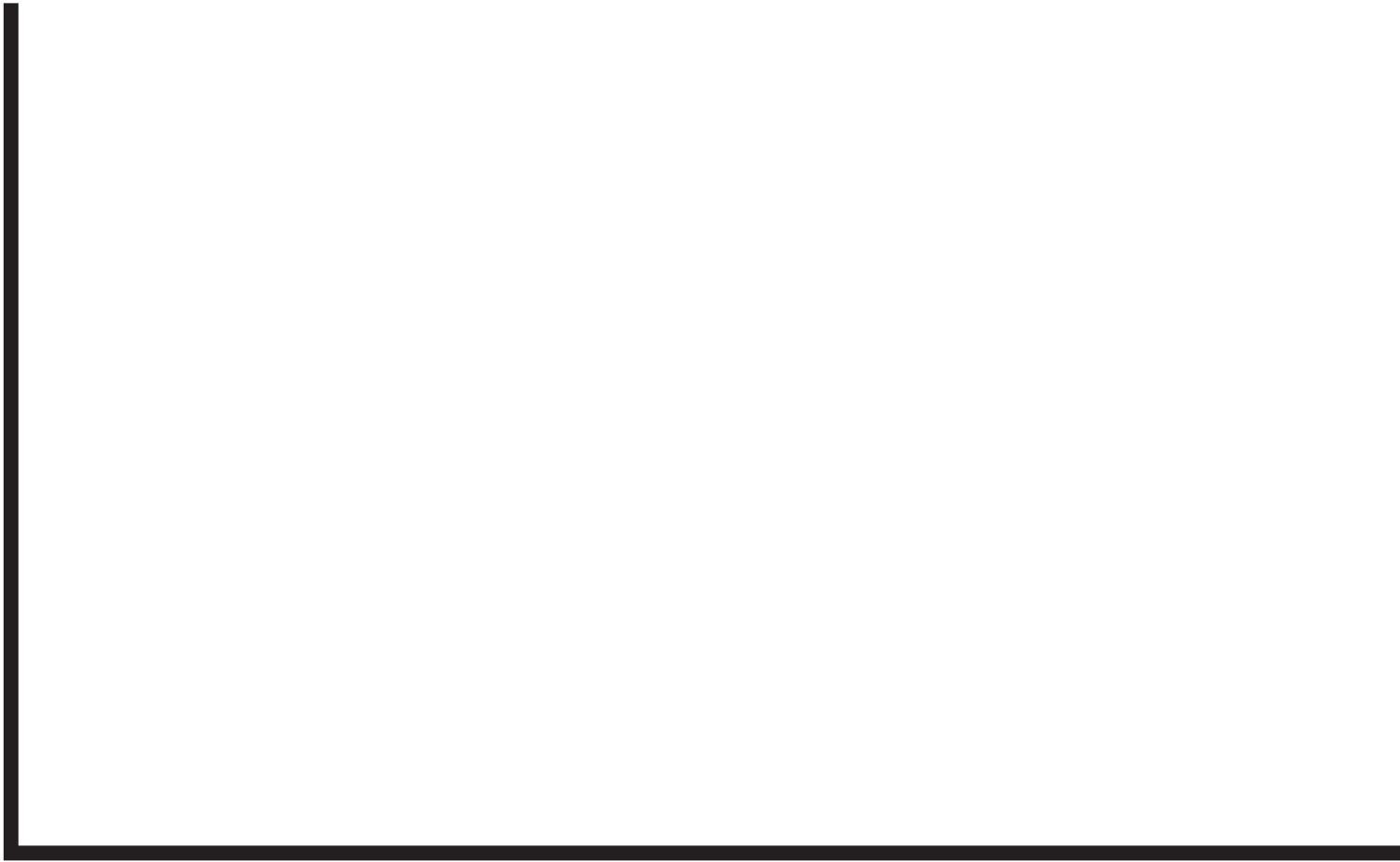


(Source: <https://tradingeconomics.com/united-kingdom/unemployed-persons>)

Question 5(a)

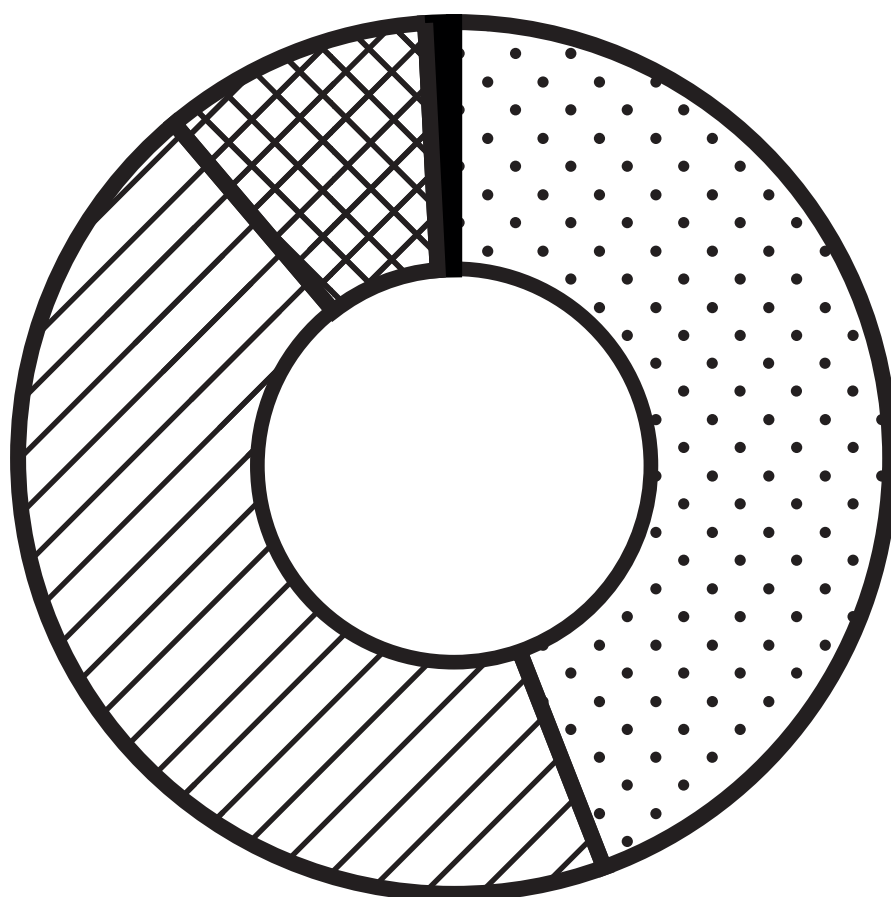
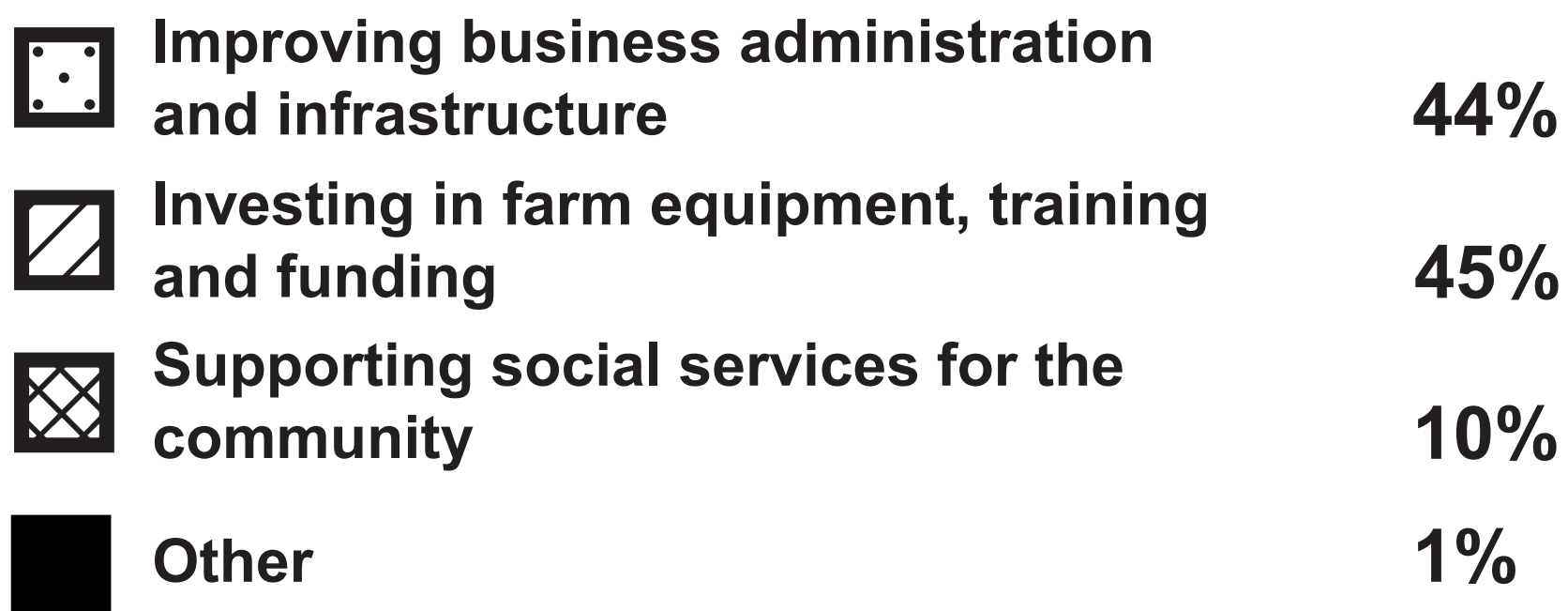


Question 5(a)



Question 6

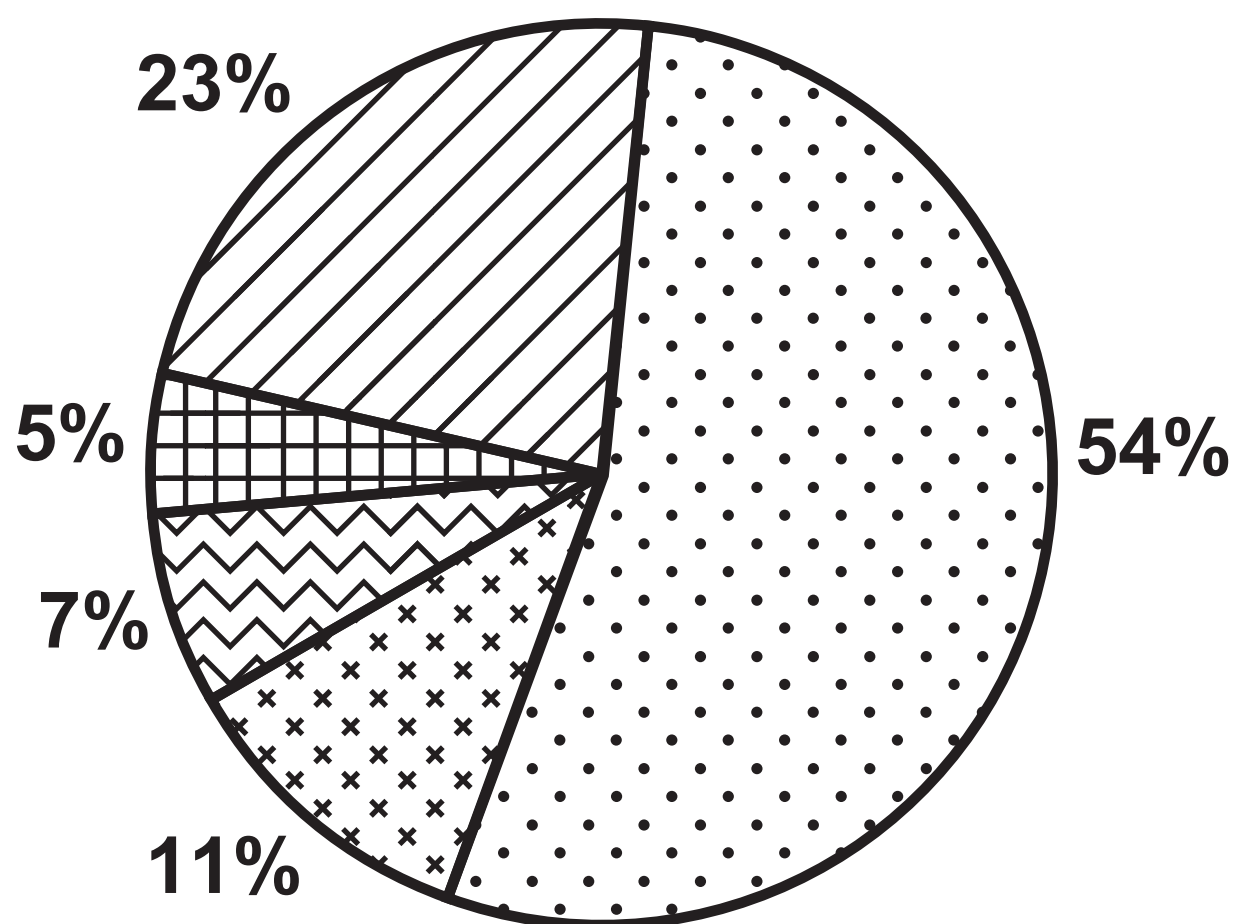
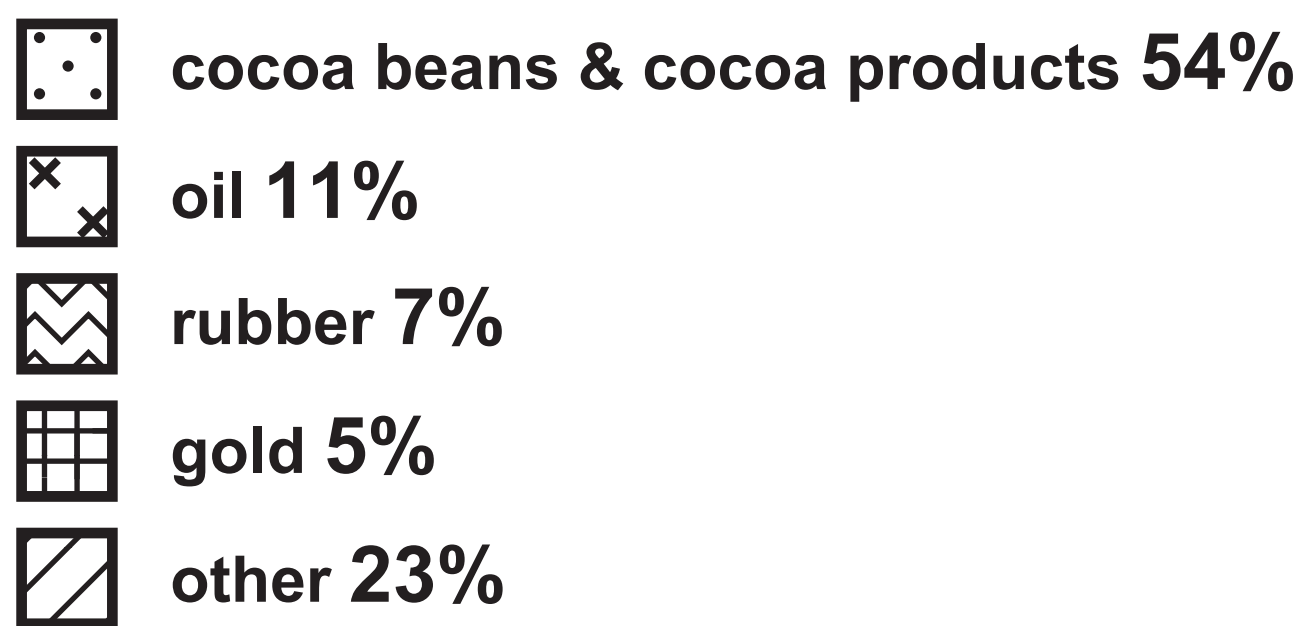
Figure 1: The Fairtrade scheme in the cocoa industry. How the additional revenue is spent by cocoa farmers.



(Source: https://www.fairtrade.org.uk/~media/FairtradeUK/What%20is%20Fairtrade/Documents/Policy%20and%20Research%20documents/Monitoring%20reports/Fairtrade%20Monitoring%20Report_9thEdition%202016.pdf)

Question 6

Figure 2: Ivory Coast exports – relative share of main products (%), 2016



(Source: https://atlas.media.mit.edu/en/visualize/tree_map/hs92/export/civ/all/show/2016/)

Question 6

Extract A**Cheap cocoa is costing farmers dear**

5 The median annual income of cocoa farmers in the west African country, Ivory Coast, is just **US\$2 600**. Research suggests that an annual income of **US\$6 133** is needed for this country's farmers to have a decent, living income. This situation is even worse for farmers who are not part of a Fairtrade scheme.

10 World cocoa prices fell by more than a third in **2017**. Cocoa farmers have to accept all the risk from price volatility, putting a significant strain on their fragile incomes. On the other hand, cocoa processors and chocolate manufacturers are able to adapt or even make high profit and consumers continue to enjoy their chocolate.

15 This is still happening despite considerable investment in agriculture to build a sustainable cocoa sector. The focus has been on raising productivity and diversifying crops. The average cocoa farm in the Ivory Coast produces only around half of the output that could be achieved with
20 training and resources such as fertilisers, equipment and

(continued on the next page)

Extract A continued.

replanting. If farmers diversify into other crops, livestock or non–farm activities, they lower the risk they face of fluctuating world cocoa prices.

25 Even tripling farm output would not provide the average cocoa farmer with a living income. Diversification alone will not always make farms more profitable. If we want farmers to earn a living income, we must also be willing to pay farmers more.

(Source adapted from: <https://www.fairtrade.org.uk/Media–Centre/Blog/2018/October/Cheap–cocoa–is–costing–farmers–dear>)

Question 6

Extract B**Sub-Saharan Africa is becoming more integrated**

- 5** After two years of negotiations, representatives of a large number of African countries signed the African Continental Free Trade Agreement (AfCFTA) in Kigali on March **21, 2018**. This created a trading bloc of **1.2** billion people with a combined gross domestic product of more than **US\$2** trillion. The agreement committed countries to removing tariffs on **90%** of goods and to liberalise services.
- 10** This can be seen as a sign of rapid and steady regional integration. Sub-Saharan Africa in particular is much more integrated today than in the past. The level of integration in sub-Saharan Africa is now similar to that in the world's other developing and emerging market
- 15** economies.

However, the two largest African economies, Nigeria and South Africa, refused to sign the agreement. Nigeria's manufacturers and trade unions are concerned about the potential negative impacts of becoming more open to

(continued on the next page)

Extract B continued.

20 imports from other African countries with lower labour costs.

25 Greater interdependence can expose small economies to their partners' recessions. After nearly **20** years of strong economic activity, sub-Saharan Africa experienced the downside of integration in **2015**. The collapse in commodity prices and the slowdown in economic activity in Nigeria and South Africa contributed to sub-Saharan African growth slowing sharply. Since **2017** growth has begun to recover. The recovery is mixed, though, and it **30** is unclear to what extent the slow recovery of the larger economies is still affecting the rest of sub-Saharan Africa.

(Source adapted from: <https://www.imf.org/> and <https://www.pulse.ng/>)