

**Paper Reference 9EB0/03**  
**Pearson Edexcel Level 3 GCE**

**Economics B**  
**Advanced**  
**PAPER 3: The economic**  
**environment and business**

**Data Booklet**

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

<b>Surname</b>										
<b>Other names</b>										
<b>Centre Number</b>										
<b>Candidate Number</b>										

## **INSTRUCTIONS**

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

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

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SECTION B

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## Extract A

**“GDP measures what GDP is supposed to measure. But it doesn’t count everything that counts.”**

**Matthew Yglesias**

## **Extract B**

**Why is the yuan's exchange rate with the US dollar important?**

**The US dollar/Chinese yuan**  
**5 exchange rate is an indicator of**  
**relative economic strength and has**  
**a direct impact on each nation's**  
**economy by affecting the value of**  
**imports and exports. In general,**  
**10 a stronger exchange rate makes a**  
**country's exports more expensive**  
**and makes imports, cheaper.**

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**Turn over**

**Extract B continued.**

**A weaker yuan against the US dollar would generally make Chinese**

**15 goods exported to the US cheaper, increasing demand, while making US exports to China more expensive, reducing demand. As a result the US trade deficit would likely widen. A**

**20 stronger yuan against the US dollar would have the opposite effect.**

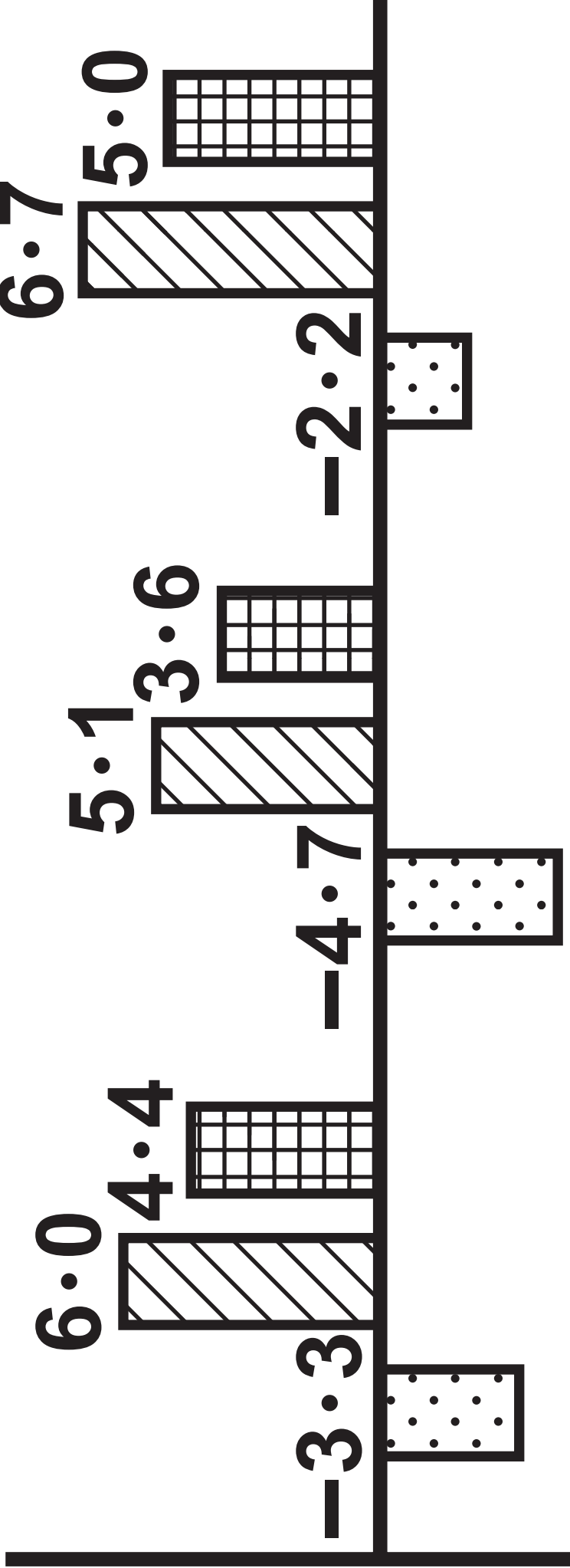
Global growth to accelerate

World Economic Outlook April 2021 Growth Projections

KEY: 2020 2021 2022

Global economy      Advanced economies      Emerging markets & developing economies

% growth



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Turn over

**Extract C continued.**

**The International Monetary Fund (IMF) has predicted that economic growth is likely to increase throughout 2021 and reach 6%. It is then expected to fall to around 4% in 2022. A report by the global investment bank, Credit Suisse, says that the predicted economic growth will be led by vaccine rollouts, expansionary fiscal policies and a broadening services recovery.**

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**Turn over**



**Extract C continued.**

**The United States (US) is planning a**  
**15 \$1·9 trillion borrowing and spending**  
**fiscal policy to help the economy**  
**recover and create many new jobs.**  
**However, Credit Suisse warns**  
**that the risk of inflation is increasing**  
**20 and that the Federal Reserve may**  
**have to increase interest rates in**  
**2023. Credit Suisse noted that**  
**fiscal policy in Europe had also been**  
**expansionary and that government**  
**25 support programmes were expected**  
**to continue until the end of 2021 to**  
**help private sector firms recover.**

## Extract D

**‘Hidden cost’ of energy and transport could add up to \$25 trillion, research estimates**

The ‘hidden cost’ of the world’s  
5 largely fossil fuel–based energy and transport systems could add up to around **\$25 trillion (£18 trillion)** – the equivalent of more than a quarter of the world’s entire  
10 economic output. That is according to new research in the journal **Energy Research & Social Science**. This estimates the hidden environmental, social and health

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**Turn over**

**Extract D continued.**

**15 costs associated with different  
forms of transport and electricity  
generation.**

**The researchers say there are many  
negative externalities associated  
20 with these systems, that occur from  
production to end use. For example,  
the burning of fossil fuels for  
electricity generation not only drives  
damaging climate impacts, such as  
25 more frequent and severe extreme  
weather events, but also deadly air  
pollution.**

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**Turn over**

**Extract D continued.**

**Global reliance on petrol and diesel vehicles is also fuelling climate**  
**30 change and air pollution, as well as**  
**an increased strain on our health**  
**systems through car accidents.**

## Extract E

### **What Germany can teach us about renewable energy**

**At the 12th Annual Petersberg Climate Dialogue conference**  
**5 in 2021, German Chancellor Angela Merkel urged all governments to continue investing to protect the climate. Over the past 20 years, Germany has embarked on a**  
**10 remarkable transition from coal and nuclear energy to renewable energy sources. The set of policies to encourage this rise of green energy is known as energiewende**  
**15 (energy transition).**

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**Turn over**

**Extract E continued.**

**It has been expensive. Germany has spent a great deal of money on energiewende policies. This included billions for public transport  
20 development and aid for electric vehicles, as well as more spending on renewable energy infrastructure. Local and community projects like energy cooperatives have increased  
25 by 800% and it has created hundreds of thousands of jobs in the renewable sector. Nearly 50% of Germany's energy consumption now comes from renewable sources.**

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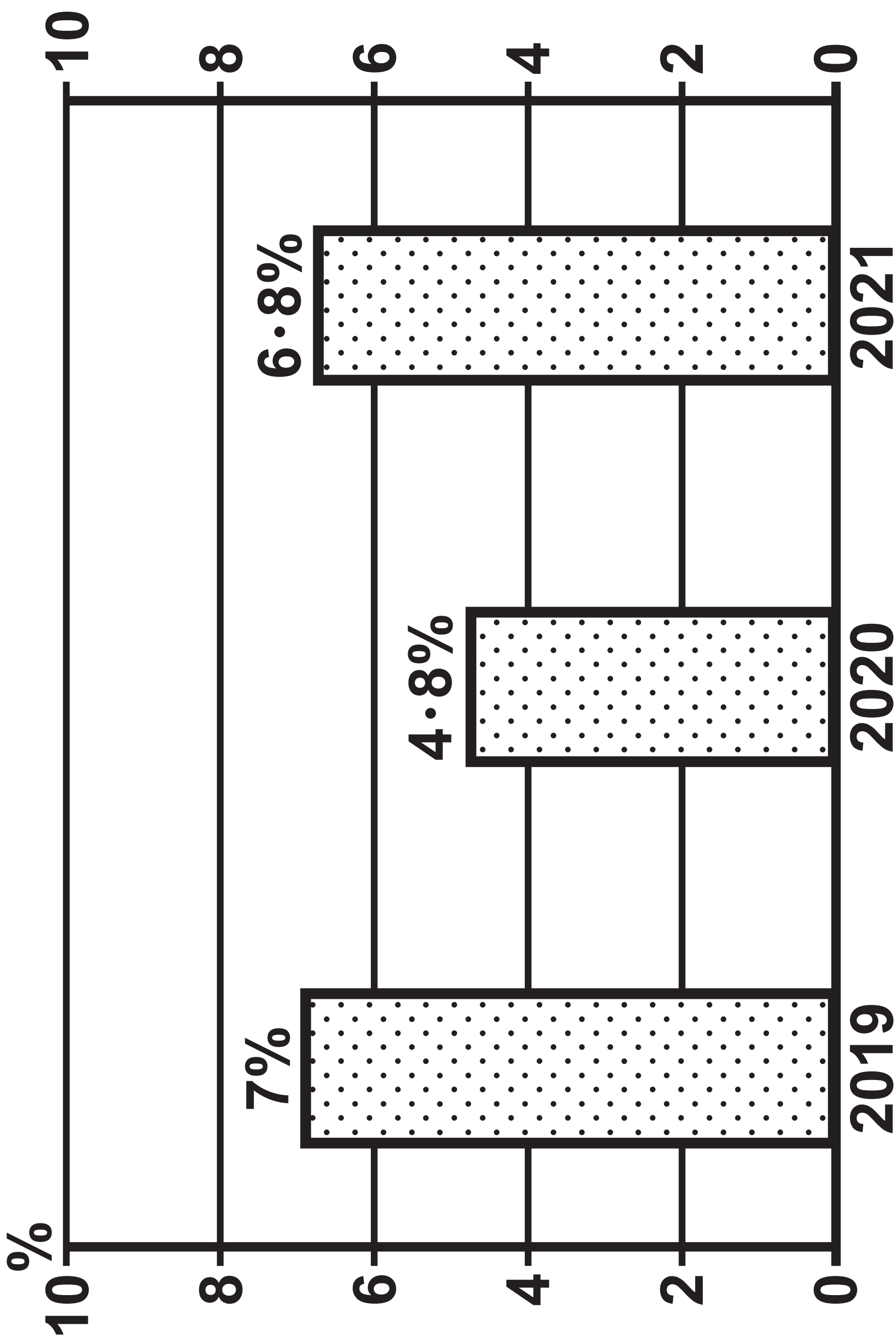
**Turn over**

**Extract E continued.**

**30 Energiewende is not without its downsides. Energy costs remain higher in Germany than other similarly developed nations due to the tax on electricity consumption.**

**35 But this both reflects the negative externalities of energy production and encourages consumers to use energy more efficiently – from cutting out wasteful uses to buying  
40 more efficient appliances.**

# GDP Growth Rate of Vietnam 2019–2021





## Extract G

**How does Vietnam benefit by joining the Regional Comprehensive Economic Partnership (RCEP)?**

- 5 In November 2020, the RCEP was signed in Hanoi, Vietnam after eight years of negotiations. Its 15 members are Australia, China, Japan, New Zealand, South Korea,**
- 10 plus 10 members of the Association of Southeast Asian Nations (ASEAN): Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.**

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**Turn over**

**Extract G continued.**

**15 Once agreed by all its members it will form the world's largest trading bloc, with a market of 2·3 billion people and US\$26·2 trillion in global output.**

**20 The World Bank forecasts that countries in the RCEP will see GDP increase by 1·5% and that the deal could add almost US\$200 billion to the global economy by 2030.**

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**Turn over**

**Extract G continued.**

**25 As Vietnam moves to become  
a high-tech manufacturer, the  
RCEP would help it to access large  
consumer markets. Vietnamese  
firms would be able to increase  
30 exports and Vietnamese consumers  
would be able to access high-quality  
goods.**

**Nevertheless, analysts have also  
noted that once the RCEP takes  
35 effect, Vietnamese firms would face  
competition both domestically and  
for export markets as well.**

## Extract H

### **Foreign Direct Investment (FDI) in Vietnam: A Year in Review and Outlook for 2020**

- 5 In the first 11 months of 2020, foreign investors invested US\$17 billion in Vietnam. As of November 2020, there were 109 countries with investments in**
- 10 Vietnam. Singaporean firms have invested the most with just over \$8 billion.**

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**Turn over**

Extract H continued.

<b>Top 5 investors in Vietnam, November 2020</b>		
	<b>Number of new projects</b>	<b>Total investment in dollars (\$ billion)</b>
<b>Singapore</b>	<b>225</b>	<b>8·07</b>
<b>South Korea</b>	<b>573</b>	<b>3·70</b>
<b>China</b>	<b>311</b>	<b>2·40</b>
<b>Japan</b>	<b>251</b>	<b>2·10</b>
<b>Taiwan</b>	<b>115</b>	<b>2·00</b>

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**Extract H continued.**

**In early 2020, Chinese firms negotiated and gained approval for more major projects in Vietnam. Japanese multinational corporations (MNCs) such as Toyota, Honda, Canon, and Sumitomo have historically had a presence in Vietnam. Newer Japanese firms such as AEON, Uniqlo, and Mizuho have recently expanded their presence in the Vietnamese market, attracted by the investment climate and Vietnam's participation in regional trade agreements.**

## Extract I

**Association of Southeast Asian Nations (ASEAN) economies poised for robust recovery with 6% real GDP growth in 2021, says GlobalData**

**Despite the contraction in real GDP in 2020 due to the global health crisis, ASEAN countries are expected to witness a sharp recovery in 2021.**

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**Turn over**

**Extract I continued.**

- A report from GlobalData said that trade among ASEAN nations is expected to increase in 2021. This has been encouraged**
- 15 by reduced protectionist measures and the signing of the Regional Comprehensive Economic Partnership (RCEP) in November 2020.**
- 20 The six largest ASEAN nations (Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam) are all expected to have positive GDP growth rates in 2021.**

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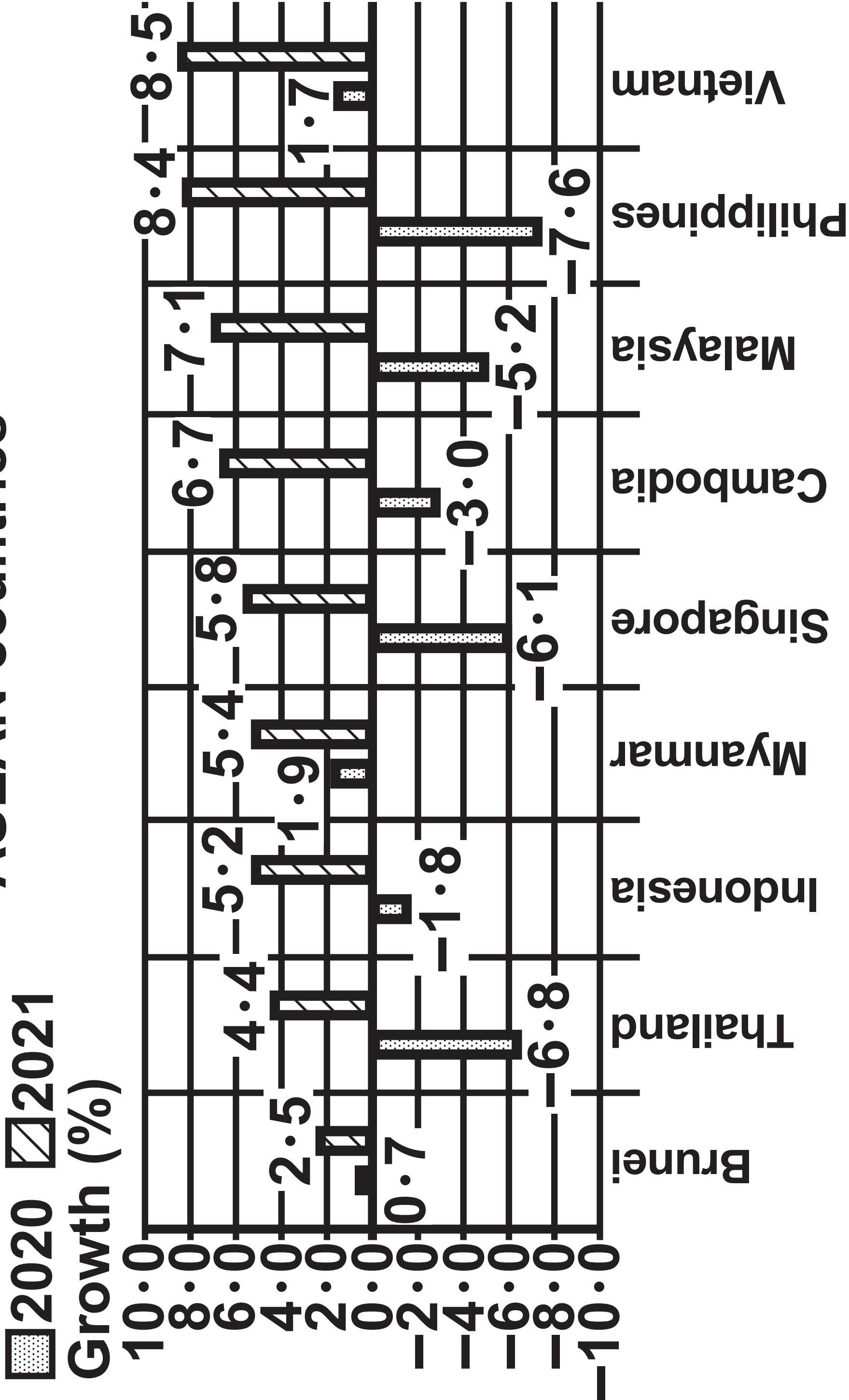
**Extract I continued.**

**25 GlobalData forecasts Vietnam to be the fastest growing economy with a real GDP growth of 8·5% in 2021. Vietnam's growing trade with the EU and its robust fiscal policies, have**  
**30 helped its economy to experience an increase in the growth of the manufacturing and service sectors.**

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**Turn over**

# Real GDP growth (%) forecast for 2021 in ASEAN countries



## Sources

### Extract A

(Source: adapted from <https://www.weforum.org/agenda/2015/06/a-partial-defense-of-gross-domestic-product>)

### Extract B

(Source: adapted from <https://www.scmp.com/economy/china-economy/article/3109340/us-dollar-yuan-exchange-rate-what-it-and-why-it-important>)

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Turn over

**Sources continued.**

**Extract C**

**(Source: adapted from <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>)**

**(Source: adapted from <https://www.wealthbriefing.com/html/article.php?id=191680#.YNhJaTZKhVo>)**

**Extract D**

**(Source: adapted from <https://www.independent.co.uk/climate-change/news/energy-transport-cost-fossil-fuels-b1805808.html>)**

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**Turn over**

**Sources continued.**

**Extract E**

**(Source: adapted from <https://slate.com/technology/2021/05/germany-renewable-energy-energiewende-feed-in-tariffs-nuclear.html>)**

**Extract F**

**(Source: adapted from <https://www.vietnam-briefing.com/news/vietnams-economy-grow-fastest-southeastasia-despite-covid-19.html/>)**

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**Turn over**

**Sources continued.**

**Extract G**

**(Source: adapted from <https://www.vietnam-briefing.com/news/how-does-vietnam-benefit-by-joining-rcep.html/>)**

**Extract H**

**(Source: adapted from <https://www.vietnam-briefing.com/news/fdi-in-vietnam-year-in-review-and-outlook-for-2021.html/>)**

**Extract I**

**(Source: adapted from <https://www.globaldata.com/asean-economies-poised-robust-recovery-6-real-gdp-growth-2021-says-globaldata/>)**