

Paper Reference 9EB0/03
Pearson Edexcel
Level 3 GCE

Economics B
Advanced

**PAPER 3: The economic
environment and business**

Friday 7 June 2024 – Morning

Data Booklet

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

Surname					
Other names					
Centre Number					
Candidate Number					

INSTRUCTIONS

**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

Tesla

In early 2022, Tesla upgraded its Shanghai factory in China. This increased the factory's output capacity to 88,000 electric vehicles (EVs) per month.

In September 2022, Tesla produced 83,135 EVs, the highest monthly output for the factory since production began there in December 2019.

Extract B

Risk of Global Recession in 2023

According to a study by the World Bank, the world may be moving toward a global recession in 2023.

5 Central banks around the world have been simultaneously raising interest rates this year, a trend that is likely to continue into 2023, according to the report.

10 The global economy is now in its steepest slowdown since 1970. Global consumer confidence has already suffered a much quicker

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Turn over

Extract B continued.

**15 decline than in the run–up to
previous global recessions. The
world’s three largest economies –
the United States, China and the euro
area – have all been slowing sharply.**

Extract C

Starbucks invests \$1 billion in enhancing employee experience, training and pay

Starbucks is to spend \$1 billion
5 on improving conditions for its
employees. This will include
increased pay, benefits and
training. From June 2022, there
will be increased wages and
10 further increases for long-service
employees. All new baristas and
new shift supervisors will have their
training time doubled and training
programmes will be enhanced.
15 Other planned benefits include

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Turn over

Extract C continued.

opportunities to increase sick leave and advice on student loans and finance.

Starbucks' Chief Financial Officer,
20 Rachel Ruggeri said: "We are confident the investments we are making in our employees, will deliver significant returns, resulting in accelerated long-term growth."

Extract D

Super Mario and the return of supply–side economics

When Mario Draghi, the previous Prime Minister of Italy, took office in 5 **2021** he made clear that supply–side policies were his priority for Italy. Closing the growth gap between Italy and the euro area was to be achieved through a combination 10 of structural reforms – taxation, public administration and justice – and a broad public investment plan focused on education, digitisation and infrastructure.

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Turn over

Extract D continued.

- 15 These supply–side policies were very different from the demand–side policies that had been launched in the previous year to keep economies afloat during the global health crisis.**

Extract E

Furniture firm Moko raises 786·6 million Kenyan shillings (KES) to expand

**5 Moko, a Kenyan furniture company,
sells home furnishings, sofas, beds
and mattresses. It has raised
KES 786·6 million (\$6·5 million) in
venture capital to expand.**

**10 Moko will use the money raised to
expand its business across Kenya
through its digital platform and by
forming partnerships with more
retailers. Some of the venture capital**

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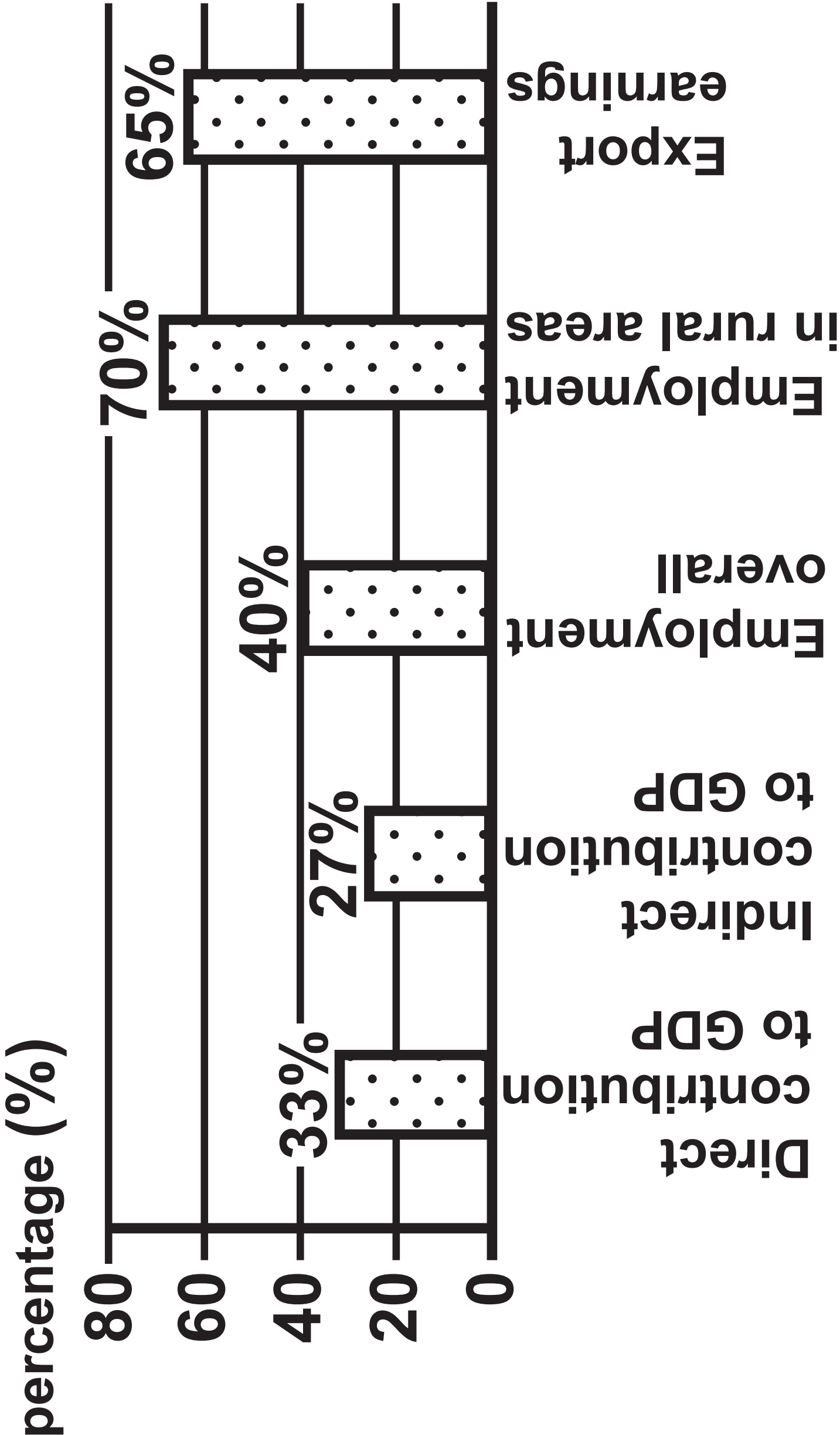
Extract E continued.

**15 will be invested in new machinery
and in expanding its product range.**

**20 Moko plans to enter new markets
in other African countries by 2025.
The demand for furniture across the
continent is expected to grow, driven
by population growth, urbanisation
and increasing purchasing power.**

Contribution of agriculture to the Kenyan economy

Importance of Agriculture to Kenyan economy



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Turn over

Extract F continued.

In 2020, Kenya's total exports were \$6.52 billion. Of these the largest
5 were tea (\$1.2 billion), cut flowers (\$596 million), refined petroleum (\$308 million), gold (\$262 million), coffee (\$229 million) and tropical fruits (\$191 million).

Extract G

Kenyan shilling (KES) drops to a new historic low of 120 against the US Dollar

**5 The Kenyan shilling dropped to
a new low in August 2022, at
119.85 shillings to the dollar amid
controversies surrounding President
William Ruto's victory in the keenly
contested Kenyan presidential
10 elections.**

**This was the 16th month in a row
that the shilling has depreciated
against the dollar. As one financial**

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Turn over

Extract G continued.

**analyst puts it, a depreciating shilling
15 means imports, such as petrol, food
and raw materials, will become more
expensive. This will further push
up the household cost of living as
importers pass their increased costs
20 onto consumers.**

Extract H

Africa's Free Trade Area Has a Slow Take Off

5 The African Continental Free Trade Area (AfCFTA) started in January 2021 but its impact has been slow due to the global health crisis and an economic downturn in Africa.

10 Out of the 55 African countries, 54 have signed the agreement, the exception being Eritrea. It is hoped that these 54 countries will grow together to form a single market.

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Extract H continued.

Over time, they have pledged to
 15 eliminate import tariffs on 97%
 of goods traded between African
 countries. Many hope this will
 increase trade between the
 54 African countries, which will in
 20 turn boost economic growth and
 bring more prosperity and social
 equality to those on the continent.

African countries currently trade
 more internationally than with each
 25 other. Intra–African trade accounts
 for just 17% of African exports,
 which is low compared to 59% for
 Asia and 68% for Europe, according
 to the World Economic Forum.

Sources

Extract A

(Source: adapted from: <https://www.proactiveinvestors.co.uk/companies/news/996196/tesla-cuts-prices-for-its-vehicles-in-china-by-up-to-9-report-996196.html>)

Extract B

(Source: adapted from: <https://www.worldbank.org/en/news/press-release/2022/09/15/risk-of-global-recession-in-2023-rises-amid-simultaneous-rate-hikes>)

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Turn over

Sources continued.

Extract C

(Source: adapted from: <https://www.hcamag.com/nz/news/general/starbucks-invests-1-billion-in-enhancing-employee-experience-training-and-pay/404655>)

Extract D

(Source: adapted from <https://www.omfif.org/2021/03/super-mario-and-the-return-of-supply-side-economics/>)

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Turn over

Sources continued.

Extract E

(Source : adapted from (<https://www.capitalfm.co.ke/business/2022/10/furniture-firm-moko-raises-sh786-6-million-to-expand-business-line/>)

Extract F

(Source: adapted from: <https://www.fao.org/kenya/fao-in-kenya/kenya-at-a-glance/en/> and <https://oec.world/en/profile/country/ken>)

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Turn over

Sources continued.

Extract G

(Source: adapted from: <https://africa.businessinsider.com/local/markets/kenyan-shilling-drops-to-a-new-historic-low-of-120-against-the-us-dollar/gt9zsy9>)

Extract H

(Source: adapted from <https://allafrica.com/stories/202201030312.html>)