



UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS  
International General Certificate of Secondary Education

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**ECONOMICS**

**0455/32**

Paper 3 Analysis and Critical Evaluation

**May/June 2010**

**1 hour 30 minutes**

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**READ THESE INSTRUCTIONS FIRST**

This Insert contains extracts for Questions 1 and 2.

Anything written on this Insert will not be marked.

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This document consists of **3** printed pages and **1** blank page.



**Extract for Question 1****High rice prices lead to export restrictions**

In 2008 the world price of rice trebled. Several factors contributed to this dramatic increase. There were floods in North Korea, a pest outbreak in Vietnam, cyclones in Bangladesh and a prolonged drought in Australia. All four countries are major rice producers.

Rising incomes in China, India and a number of African countries increased the demand for rice. In addition, more land was being used to grow biofuels instead of rice.

Most of the rice that is grown in the world is consumed by the countries that produce it. This means that only a relatively small proportion, approximately 6%, is exported. In 2008 even less rice was exported, as a number of countries including Egypt, India and Vietnam banned exports of rice in an attempt to keep it affordable in their domestic markets. This action harmed consumers in countries that import rice.

In the Philippines the higher price of imported rice resulted in a greater amount being spent on rice. This, in turn, increased the country's trade deficit. The President of the Philippines urged Vietnam to remove its export restrictions so that poverty levels could be reduced in both countries.

In Thailand the high prices in 2008 made rice farming three times more profitable than a year before. Fields that previously had not been used were ploughed and planted with rice. Some Thai economists suggested that Thailand, the world's largest exporter of rice, should specialise even more in rice production.

## Extract for Question 2

## A social and economic comparison of selected Indian States 2006

	Assam	Gujarat	Kerala	Madhya Pradesh	Punjab
% of population living in poverty	19.7	16.8	15.0	38.3	8.4
Life expectancy at birth (in years)	58.7	63.9	73.9	57.7	69.2
Infant mortality rate (per thousand live births)	67.0	53.0	15.0	74.0	44.0
Senior school enrolment ratios (% of 16–18 year olds attending senior school)	14.4	21.8	27.9	25.3	27.9
% of households having electricity	76.4	54.6	96.0	27.0	70.8
% of households having safe drinking water	58.8	84.1	23.4	68.4	97.6

'%' denotes Percentage

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