

## Specialization and Trade

Imagine how different your life would be if you had to produce *everything* you needed and could not obtain or buy anything from others. That would be very

difficult for most people. Trade exists at local, national, and international levels. For instance, countries specialize in various products for several reasons, such as abundant natural resources, warmer climates or good conditions for growing fruits or vegetables, along with skilled workers. Countries should try to produce goods in which they have a **comparative advantage** (focusing on using a country's resources) to other nations. Countries specializing in producing certain products can leverage international trade markets, gain efficiencies through higher production, and remain competitive in the global market. Some countries specialize in products that are native to their part of the world, such as coffee. The top countries for coffee are Brazil, Vietnam, Colombia, Indonesia, Honduras, and Ethiopia. Love cocoa? 30% of the world's cocoa beans comes from the Ivory Coast in Africa. The graphic below provides some insight into each country's top exports.



Data sourced from the Observatory of Economic Complexity. Full data can be found via [bit.ly/import-and-exports](http://bit.ly/import-and-exports)



How Much <https://howmuch.net>

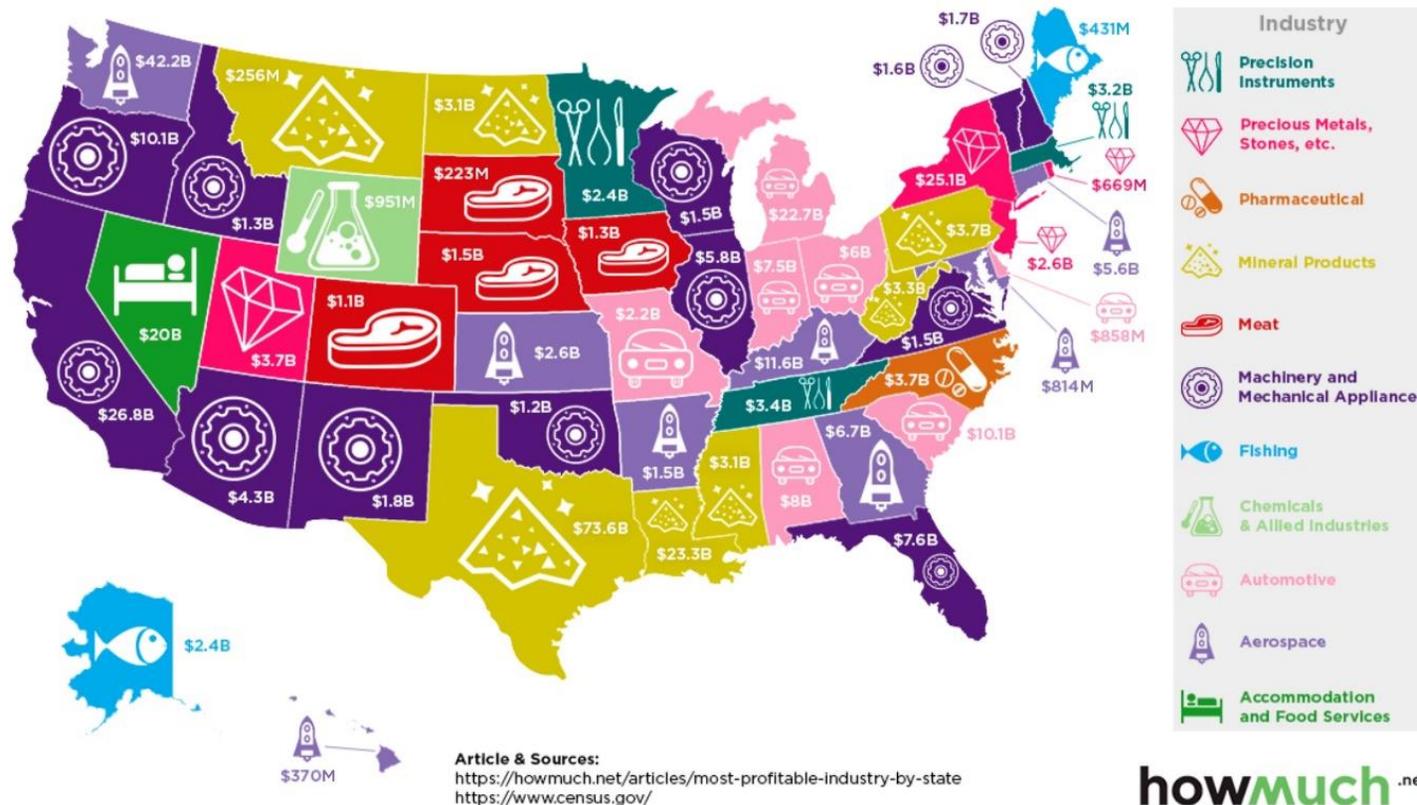
Kenton, Will. "Specialization." *Investopedia*, Investopedia, 8 May 2019, [www.investopedia.com/terms/s/specialization.asp](http://www.investopedia.com/terms/s/specialization.asp).

*Visual Capitalist*, [www.visualcapitalist.com/wp-content/uploads/2018/02/top-export-every-country-map.html](http://www.visualcapitalist.com/wp-content/uploads/2018/02/top-export-every-country-map.html).

Specialization happens in the United States too. The image below shows the most profitable industries in each state. Both federal and state governments help support specialization, trade, and jobs.

## The Most Profitable Industry In All 50 U.S. States

Value of the industry's top-selling products (\$ billion)



Specialization is very important to countries around the world. It helps develop a skilled workforce, creates jobs, and advance innovation within a region, state, or nation.

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Kenton, Will. "Specialization." *Investopedia*, Investopedia, 8 May 2019, [www.investopedia.com/terms/s/specialization.asp](http://www.investopedia.com/terms/s/specialization.asp).

*Visual Capitalist*, [www.visualcapitalist.com/wp-content/uploads/2018/02/top-export-every-country-map.html](http://www.visualcapitalist.com/wp-content/uploads/2018/02/top-export-every-country-map.html).