COMMISSION REGIONALE POUR LA
FORMATION DES EXPERTS COMPTABLES
ET FINANCIERS DE L'UEMOA (CREFECF)

UEMOA

DIPLOME D'ETUDES SUPERIEURES DE COMPTABILITE ET GESTION FINANCIERE

DESCOGEF – SESSION 2024

TECHNIQUE D'EXPRESSION ET LANGUE VIVANTE

Durée : 2 heures

Instructions to candidates
Answer all questions
All answers must be clearly and correctly numbered but need not be in numerical order
When you finish, check your work carefully

READING

Trade wars and their effects on developing economies

Trade wars, often seen as economic confrontations between global powers, have far-reaching impacts that extend well beyond the countries directly involved. These conflicts typically begin when one country imposes tariffs or restrictions on imports from another, prompting retaliatory measures. While these tit-for-tat actions may aim to protect domestic industries, they tend to cause widespread disruption—especially for developing economies, which are the most vulnerable to global economic shocks.

Nobel laureate Joseph Stiglitz aptly warns that "trade wars in a globalised world are like playing with fire—everyone gets burned, but developing economies suffer the most." These countries often rely on exports and foreign investments as key drivers of growth. When global trade is disrupted, the consequences for them include rising poverty, reduced government revenue, and increased economic uncertainty.

Many developing nations, including Vietnam, Bangladesh, and Kenya, serve as hubs for labour-intensive manufacturing and commodity exports such as textiles, electronics, oil, and agricultural goods. For example, Vietnam supplies components to tech giants like Samsung and Apple, while Bangladesh's textile industry accounts for over 80% of its exports. During trade wars, the uncertainty caused by shifting tariffs and disrupted supply chains can lead to factory closures, job losses, and a slowdown in economic activity.

A major consequence of trade wars is the disruption of global supply chains. When large economies like the U.S. and China impose tariffs, companies often relocate production to other regions. While this can benefit some developing nations in the short term, it often places unsustainable pressure on infrastructure, labour markets, and environmental regulations. Many of these countries lack the institutional capacity to manage rapid industrial changes, resulting in increased costs, worker exploitation, and environmental degradation.

For export-dependent economies, a decline in global demand can be devastating. In sub-Saharan Africa, for example, falling prices for key exports such as oil and cocoa reduce national income and force governments to cut spending on essential services like education and healthcare. Trade wars thus exacerbate inequalities and hinder development. Another impact is currency volatility. Trade tensions between major currencies like the U.S. dollar, euro, or Chinese yuan cause fluctuations that make it more expensive for developing countries to import goods or service foreign debt. Inflation follows, particularly in critical areas such as food and fuel. The U.S.-China trade war, for instance, devalued the yuan, flooding developing markets with cheap Chinese goods that undercut local producers.

Retaliatory tariffs can also harm unrelated developing nations. For instance, U.S. soybeans originally meant for China were dumped at low prices on global markets, hurting farmers elsewhere. Tariffs on essential materials like steel increased construction costs in countries like India and Brazil, stalling infrastructure development.

Despite these challenges, trade wars can prompt diversification strategies. Nations are investing in renewable energy, digital technology, and e-commerce to reduce reliance on vulnerable sectors. Additionally, international institutions like the WTO and IMF play a crucial role in advocating fair trade and supporting financial stability.

In conclusion, while trade wars originate between economic giants, their most severe consequences are often borne by developing countries. However, with strategic diversification and stronger global cooperation, these nations can turn crises into opportunities for long-term resilience.

PART 1 COMPREHENSION (20 marks)

Question 1: What is the best title for the text?

A) Global Trade and Developing Economies

B) Trade Wars: Global Disruption

C) Trade Wars and Their Consequences

D) Trade Wars and Developing Countries

Question 2: What typically triggers trade wars?

A) The fall of a currency

B) Military confrontation

C) The imposition of tariffs or restrictions

D) Industrial espionage

Question 3: What is the main concern for developing economies during trade wars?

A) Currency strength

B) Tourism decline

C) Global economic shocks

D) Nuclear threats

Question 4: What sector in Bangladesh is highly exposed during trade wars?

A) Construction

B) Oil and gas

C) Electronics

D) Textiles

Question 5: How do trade wars affect global supply chains?

A) They boost manufacturing jobs

B) They promote fair competition

C) They create disruptions and relocation

D) They enhance global cooperation

Question 6: Why might developing countries struggle with production relocation?

A) Weak political leadership

B) Lack of natural resources

C) Inadequate institutional capacity

D) Dependence on tourism

Question 7: Currency volatility due to trade wars results in:

A) Lower fuel prices

B) Stronger exports

C) Increased import costs and inflation

D) Better foreign investment

Question 8: Which example illustrates unintended consequences of trade wars?

A) Cheap Chinese goods harming local industries

B) U.S. steel exports increasing

C) Global cooperation through trade

D) Fall in unemployment

Question 9: Which institution is mentioned as supporting fair trade?

A) WTO

B) IMF

C) Both A and B

D) United Nations

Question 10: What positive outcome might arise from trade wars for developing nations?

A) Increased aid from donors

B) Strategic diversification

C) Free education

D) Cancellation of foreign debts

PART 2 TRANSLATION (20 marks)

Translate into French the following sentences :

1) Trade wars often start with the imposition of tariffs on imported goods.
2) Developing countries are highly vulnerable to global economic shocks.
3) Supply chain disruptions can lead to factory closures and job losses.
4) Currency volatility increases the cost of importing essential goods.
5) Strategic diversification can help countries build economic resilience.

PART 3 TERMINOLOGY AND ACCURACY (35 marks)

Task 1: Find the meaning and the reference

1. The word 'retaliatory' is closest in meaning to:

A) Defensive
B) Strategic
C) Punitive
D) Diplomatic

2. The word 'volatility' in the context of currency refers to:

A) Strength
B) Fluctuation
C) Weakness
D) Increase

Task 2: Match the following terms to their definitions:

Terms:

A) Tariff
B) Infrastructure
C) Inflation
D) Commodity
E) Devaluation
F) Diversification
G) Globalisation

Definitions:

1. Goods such as oil and cocoa traded on markets
2. The process of expanding variety in investments or industries
3. A tax on imports or exports
4. A fall in the value of currency
5. Price increase over time
6. Physical systems supporting economic activities
7. Increased international interconnection

Task 3: Correct the errors in the sentences below:

1. Developing economies suffers the most during trade conflicts.
2. Tariffs creates an economic instability.
3. Global market are affected by this tit-for-tats.
4. Trade tensions make the goods more cheaper.
5. Many countries has limited institutional ability.
6. International cooperations help stabilising trade.

Task 4: Complete the missing forms (NOUN | VERB | ADJECTIVE):

Complete the missing forms (NOUN | VERB | ADJECTIVE):

Question	NOUN	VERB	ADJECTIVE
1	__________	impact	impactful
2	Export/exportation	__________	exportable
3	__________	diversify	diversified
4	investment	__________	investable
5	__________	devalue	devalued
6	inflation	__________	inflationary
7	__________	rely	reliable
8	strategy	strategise	__________
9		sustain	sustainable
10	accounting/accountability	account	

Task 5: Write the numbers in words or words in numbers as indicated:

1. Write in words: 4,000,000
2. Write in words: 0.75
3. Write in words: 15 x 80 / 100
4. Write in words: 1/3
5. Write in numbers: Seventy million seven hundred ninety thousand and three hundred forty CFA
6. Write in numbers: One billion Dollar
7. Write in numbers: One O one
8. Write in numbers: nought point O five
9. Write in numbers: forty-four hundred
10. Write in numbers: four thousand four hundred

PART 4 ESSAY WRITING (25 marks)

Choose Topic 1 <u>OR</u> Topic 2 (Maximum 30 lines):

Topic 1: Discuss the main effects of global trade wars on the economy of a developing country of your choice.

Topic 2: "Trade wars hurt developing economies more than developed ones." Do you agree or disagree? Give reasons and examples to support your answer.