

Business Studies
Year 11 Term 1

Context	Whenever you're considering an issue in business, you should think how it affects the various stakeholders. This piece of work represents revision of supply and demand principles, how price is determined in the market place and international trade.
Objectives	<ul style="list-style-type: none">• To be able to identify factors affecting price• To be able to consider impact on stakeholders• Know the difference between and import and an export
Assessment	Teacher
Online Help	http://www.tutor2u.net/economics/gcse/revision_notes/demand_supply_price_equilibrium.htm Please copy and paste the link below into your browser for this to work. http://icwales.icnetwork.co.uk/news/wales-news/tm_headline=wales-suffers-christmas-tree-shortage&method=full&objectid=18247254&siteid=50082-name_page.html
Instructions	Read through the case study below and answer the questions that follow.

Wales suffers Christmas tree shortage

Dec 12 2006

Paul Rowland, Western Mail

HEARD the one about Christmas trees being shipped across the sea to be sold in a Welsh pine forest?

Consumers heading to a major Forestry Commission site in South Wales might be shocked to find the trees on sale have not been harvested from the thousands growing there, but have actually been transported hundreds of miles from a nursery in Ireland, due to a shortage of supply which has forced a local seller to import his stock from Northern Ireland.

A spokesman for the Forestry Commission said it took no part in selling Christmas trees at its sites in Wales, instead leasing areas at its visitor centres to private vendors, who are free to source their trees from wherever they choose. He added that Andrew Hughes, who has sold trees at Garwnant for the past nine years, was honest and open about where his trees had been grown.

Mr Hughes defended his decision to import trees from Ireland, saying he had been left with no choice because of a shortages in supply in Wales. He said, "You can't buy them anywhere in Wales at the moment. At some point stocks have to be replenished, but it goes in cycles.

"At the moment it's Ireland we're getting them from, and in a couple of years it may well be Wales again. I've nearly always got them from Wales in the past, but at the end of the day, you have to let the stock grow back at some point."

But the case proves that when it comes to buying local produce, all may not be what it seems. Rhys Evans, deputy director of the Welsh Consumer Council, said it demonstrated that buyers concerned about the origin of their purchases should always ask. "It's like a lot of issues that we deal with - if the origin of any product matters to you, it's always a good idea to ask to make sure

that you are getting what you think you are, " he said.

Difficulties experienced by Welsh suppliers mirror those endured by Danish growers earlier in the season. The country is traditionally the biggest exporter of Christmas trees to Britain, but struggled to meet demand this year, leading to a hike in prices among Welsh vendors.

But environmental groups have urged consumers to beat the shortage and attempt to get their hands on authentically Welsh trees.

A spokesman for the Centre for Alternative Technology, in Machynlleth, said people should be more aware of the potentially damaging impact of what they buy. "The Christmas consumer frenzy has some serious implications for the environment - it generates a lot of climate-changing CO to produce and transport the things you buy," he said.

"It is important to think about this when planning your celebrations. If you can get local food, wine, decorations and presents, it will cut down on your festive carbon emissions, and you can enjoy a guilt free Christmas. After all, climate change might make the white Christmas a thing of the past, as Britain becomes warmer, wetter and stormier."

1. Briefly describe what the main problem is with Christmas trees in South Wales and how vendors are overcoming it?
2. If Christmas trees are in short supply, what might happen to the price and why?
3. List 3 other things that could affect the price of those Christmas trees coming from Ireland or Denmark?
4. Choose 2 of the following stakeholders and describe what they might say about this situation:
Consumers Environmentalists Vendors Forestry Commission Irish Tree Growers

Trick Question:

5. Do Christmas trees from Ireland represent an import or an export, and why?