GCE AS MARKING SCHEME

SUMMER 2025

AS
ECONOMICS – COMPONENT 1
B520U10-1

About this marking scheme

The purpose of this marking scheme is to provide teachers, learners, and other interested parties, with an understanding of the assessment criteria used to assess this specific assessment.

This marking scheme reflects the criteria by which this assessment was marked in a live series and was finalised following detailed discussion at an examiners' conference. A team of qualified examiners were trained specifically in the application of this marking scheme. The aim of the conference was to ensure that the marking scheme was interpreted and applied in the same way by all examiners. It may not be possible, or appropriate, to capture every variation that a candidate may present in their responses within this marking scheme. However, during the training conference, examiners were guided in using their professional judgement to credit alternative valid responses as instructed by the document, and through reviewing exemplar responses.

Without the benefit of participation in the examiners' conference, teachers, learners and other users, may have different views on certain matters of detail or interpretation. Therefore, it is strongly recommended that this marking scheme is used alongside other guidance, such as published exemplar materials or Guidance for Teaching. This marking scheme is final and will not be changed, unless in the event that a clear error is identified, as it reflects the criteria used to assess candidate responses during the live series.

GENERAL MARKING GUIDANCE

Positive Marking

It should be remembered that learners are writing under examination conditions and credit should be given for what the learner writes, rather than adopting the approach of penalising him/her for any omissions. It should be possible for a very good response to achieve full marks and a very poor one to achieve zero marks. Marks should not be deducted for a less than perfect answer if it satisfies the criteria of the mark scheme, nor should marks be added as a consolation where they are not merited.

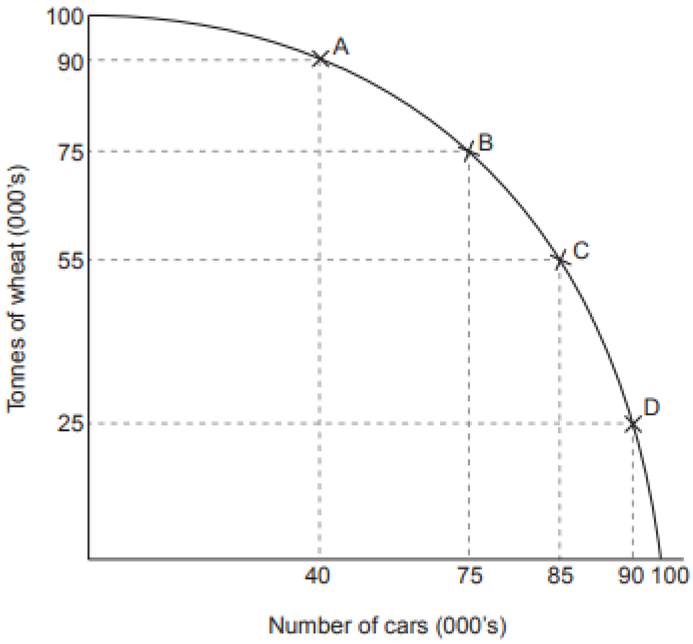
For each question there is a list of indicative content which suggest the range of economic concepts, theory, issues and arguments which might be included in learners' answers. This is not intended to be exhaustive and learners do not have to include all the indicative content to reach the highest level of the mark scheme.

The level-based mark schemes sub-divide the total mark to allocate to individual assessment objectives. These are shown in bands in the mark scheme. For each assessment objective a descriptor will indicate the different skills and qualities at the appropriate level. Learner's responses to questions are assessed against the relevant individual assessment objectives and they may achieve different bands within a single question. A mark will be awarded for each assessment objective targeted in the question and then totalled to give an overall mark for the question.

EDUQAS GCE AS ECONOMICS – COMPONENT 1

SUMMER 2025 MARK SCHEME

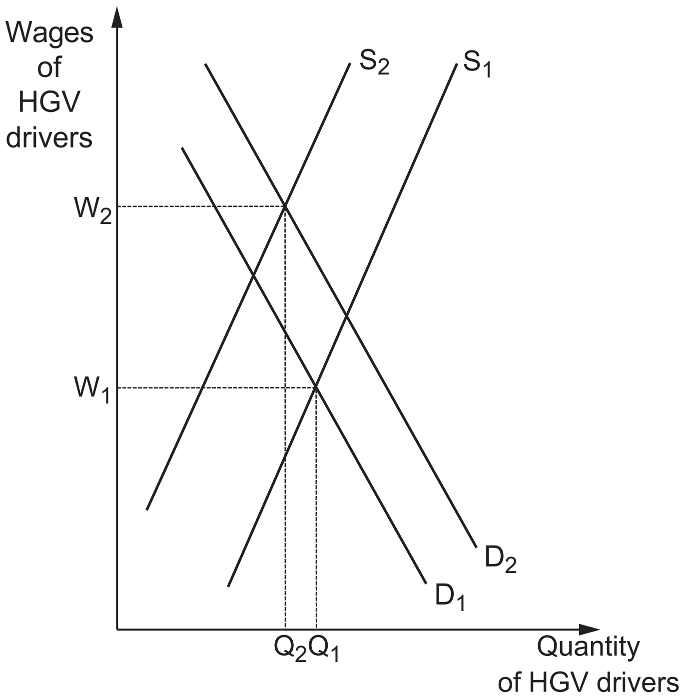
Q1 (i)	State what is meant by a production possibility frontier. [2]
	AO1: 2 marks **Indicative content:** A production possibility frontier (PPF) shows the maximum possible output combinations of two goods (1) or services an economy can achieve when all resources are fully and efficiently employed (1)



Q1 (ii)	**Using calculations in your answer, outline why the PPF is curved**. **[4]**
	AO1: 2 marks Award **2** marks for accurate understanding: includes 2 of the following 3: it is curved due to due to imperfect factor substitution (1) as resources are difficult to reallocate from one output to another/not as suitable/not as productive (1) which changes opportunity cost (1)) Award **1** mark for understanding that it is curved due to opportunity cost changes or due to imperfect factor substitution (1) **AO2: 2 marks** Award **2** marks for two calculations of output given up vs gained to show increasing / the changing opportunity cost. Award **1** mark for using descriptions of data to compare changes in cars gained and wheat given up but not showing increasing / changing opportunity cost . **Indicative content:** Increasing opportunity cost Point A to Point B gain 35 000 of cars and give up 15 000 units of wheat 1 more car produced = 0.43 units of wheat given up Point B to Point C gain 10 000 cars and give up 20 000 tonnes of wheat 1 more car produced = 2 units of wheat given up Point C to Point D gain 5 000 cars and give up 30 000 tonnes of wheat of Y 1 more car produced = 6 units of wheat given up

Q 2.	**Using a labour market diagram, outline the likely impact of these changes on the wages of HGV drivers in the UK. [4]**	
Band	**AO1**	**AO1**
	2 marks	**2 marks**
	Is diagram correct?	*Is understanding clear?*
2	**2 marks** Good understanding with an accurately labelled diagram showing supply shifting inward and demand shifting outward.	**2 marks** Good understanding. Impact on wages outlined due to overall excess demand or supply deficient
1	**1 mark** Limited understanding. Diagram showing limited understanding. One shift correct.	**1 mark** Limited understanding. Impact on wages outlined but not showing understanding of excess demand or supply deficiency fully.
0	**0 marks** No valid diagram.	**0 marks** No valid understanding.

Indicative content:
AO1



Wages likely to rise due to decreased supply S1 to S2 as those retired leave the available workforce
and increased demand D1 to D2 leading to wages increasing from W1 to W2 due to derived demand of good bought online
Due to excess demand/supply deficient/scarcity of labour

3.	**Using the data, discuss whether countries such as South Africa should follow the UK's example of state provision of healthcare that is free for all patients when needed. [7]**		
Band	**AO2**	**AO3**	**AO4**
	2 marks	**2 marks**	**3 marks**
	Is the answer in context?	Are the benefits explained?	Is the answer debated and judged?
3			**3 marks** Excellent evaluation. A reasoned judgement on the whether countries such as South Africa should offer healthcare free for all patients when needed.The evaluation is clearly set in the context
2	**2 marks** Good application. The data is used effectively to support arguments on healthcare free for all patients when needed.	**2 marks** Good analysis. Developed lines of analysis making use of economic theory to explain benefits of healthcare for all patients when needed.	**2 marks** Good evaluation of whether countries such as South Africa should offer healthcare free for all patients when needed. Counter arguments are present and developed.
1	**1 mark** Limited application. Learner makes limited reference to the data. Data is used, but its use is underdeveloped, taking the form of occasional references rather than forming strong supporting evidence.	**1 mark** Limited analysis. There is limited chain of reasoning of the benefits of healthcare free for all patients when needed.	**1 mark** Limited evaluation. Counterpoints are present, but none of them are developed. Judgement(s) that is/are unsupported will be in this band or a supported one-sided judgment.
0	**0 marks** No valid application.	**0 marks** No valid analysis.	**0 marks** No valid evaluation.

Indicative content:

AO2
Helps access to health care as in South Africa – those on lower incomes have access to free healthcare with 100% subsidy but those on middle incomes have to pay 60% due to 40% subsidy.

The UK follows a process of state provision with its NHS healthcare scheme, available free at point of use for any UK citizen. only 11% of the population has private health insurance and even then, that 11% still have access to free healthcare if necessary.

80% of doctors work for the private sector and leave state healthcare system under resourced.**AO3**

Healthcare is a merit good and so if not free at point of use, would be under consumed in a free market and so economy misses out on external benefits.

Free at point of use can improve equality as those on lower incomes can access healthcare, benefit from improved health and consistent income and a higher level of standard of living. Profit incentive is not needed for healthcare, as the objective is to provide the highest standard of healthcare possible for the benefits of the population.

AO4
However, it depends on government finances tax revenue as in South Africa the care for lower incomes is only subsidised at 100% for those on lower incomes possibly due to the cost incurred. In the UK 100% of the population has access to free at point of use healthcare, financed by the government through tax revenues. South Africa's tax revenues are unlikely to be as reliable as the UK's.

Depends on if the private sector is still more attractive to work in – as in South Africa where 80% of doctors work in the private system, possibly leading to a shortage of doctors for the state provided service. In this case if free health care was more available, less doctors might have demand in the private sector.

Depends on health care capacity in the country – free at point of use for all healthcare options could lead to overuse in South Africa. As such free at point of use for some services such as emergencies but paid for access to non-emergency care as a possibility.

Depends on efficiency of state provided bodies: Private healthcare firms may have efficiency incentives to provide better service than government bodies.

Depends on demographics in the country. Countries with an ageing population and increased range of treatments, demand for health care is rising faster than economic growth. This means that governments are having to spend a higher % of government spending on healthcare – but are still struggling to keep up with expectations. A greater role for the private sector enables health care providers to keep up and reduce the burden on government spending – enabling lower tax rates.

Credit any other valid argument.

Answer is reversable.

Q4 (a)	**Describe how the price of transporting goods changes between 2019 and 2023. [3]**
	AO2: 3 marks Award **3** marks excellent use of index numbers to show price changes using % change at some point in their answer and refers to before 2021 Q3, prices between 2021Q3 and 2023 Q1 and prices after 2023 Q1. Award **2** marks good use of index numbers to show price changes before 2021 Q3 and between that and 2023 Q1 and either the price before 2021 Q3 or after 2023 Q1 Award **1** mark for limited use of index numbers to show price changes in one of the periods of time or describes price changes across the time period without use of the numbers to show differences . **Indicative content:** before 2020 Q3 were either at the same level as 2023 Q1 or lower by 5% (and once at 10% lower). prices between 2020 Q3 and 2023 Q1 rose quickly at the start of 2021 parking at 567% higher and remaining elevated until 2022 Q2 before falling quickly. prices after 2023 Q1 started to lower and be lower by 5% and then 10% compared to 2023 Q1.

4. (b)	**Explain how the price changes of shipping during 2021 could have affected the ability of both households and firms to achieve their objectives. [4]**	
Band	**AO1**	**AO3**
	2 marks	**2 marks**
	Are households and firms objectives understood	*Is the way price changes affect objectives explained?*
2	**2 marks** Good understanding. Clear understanding of an objective for each.	**2 marks** Good analysis. Developed lines of analysis making use of economic theory to explain impact of price rises on objectives of both households and firms.
1	**1 mark** Limited understanding. Only one objective understood..	**1 mark** Limited analysis. Developed lines of analysis making use of economic theory to explain impact of price rises on objectives of either households or firms.
0	**0 marks** No valid understanding.	**0 marks** No valid analysis.

Indicative content:

AO1
Households or individuals: The objective of households is to maximize their utility, which means they seek to consume goods and services that will give them the most satisfaction.

Allow maximising consumer surplus.

Firms: The objective of firms is to maximise their profits. This maximisation means they seek to produce and sell goods and services at the highest price possible while incurring the lowest costs.

Allow revenue as an objective for firms.

AO3
Price rises during 2021 could harm households' ability to maximise their utility, as they have to pay higher prices for their goods leading to some goods not being able to be purchased and utility being missed out upon due to a decrease in quantity consumed that cause utility.

Price rises during 2021 could harm firms that are importers and cannot pass on the increase in costs fully to consumers. Their profits would fall due to higher costs.

Price rises during 2021 could increase the profits of the shipping companies themselves as prices rise and so revenues rise leading to higher profits.

Credit any other valid argument.

<table>
<tr><td>4(c)</td><td colspan="3">Using figures 1 and 2, consider the impact that the changes in the Shanghai price index could have on the inflation rate in the UK. [6]</td></tr>
<tr><td rowspan="2">Band</td><td>AO2</td><td>AO3</td><td>AO4</td></tr>
<tr><td>2 marks</td><td>2 marks</td><td>2 marks</td></tr>
<tr><td></td><td>Is the answer in context?</td><td>Is why volatile container prices impact on inflation in the UK?</td><td>Is the answer debated and judged?</td></tr>
<tr><td>2</td><td>2 marks
Good application.
The data is used effectively to support arguments on the impact of container unit price changes on inflation rate in the UK. Figure 1 and Figure 2 are used.</td><td>2 marks
Good analysis.
Developed lines of analysis making use of economic theory to explain why higher container prices impact inflation rate in the UK.</td><td>2 marks
Good evaluation.
Counter argument is present and developed.
Judgement(s) as to extent to which changes in containerised freight price could impact inflation rate in the UK.</td></tr>
<tr><td>1</td><td>1 mark
Limited application.
Learner makes limited reference to the data. Only Figure 1 or 2 is used.</td><td>1 mark
Limited analysis.
There is limited chain of reasoning to explain why higher container prices impact on inflation rate in the UK.</td><td>1 mark
Limited evaluation.
Counterpoints are present, but none of them are developed.
Judgement (s) that is/are unsupported will be in this band.
Or a supported one-sided judgment.</td></tr>
<tr><td>0</td><td>0 marks
No valid application.</td><td>0 marks
No valid analysis.</td><td>0 marks
No valid evaluation.</td></tr>
</table>

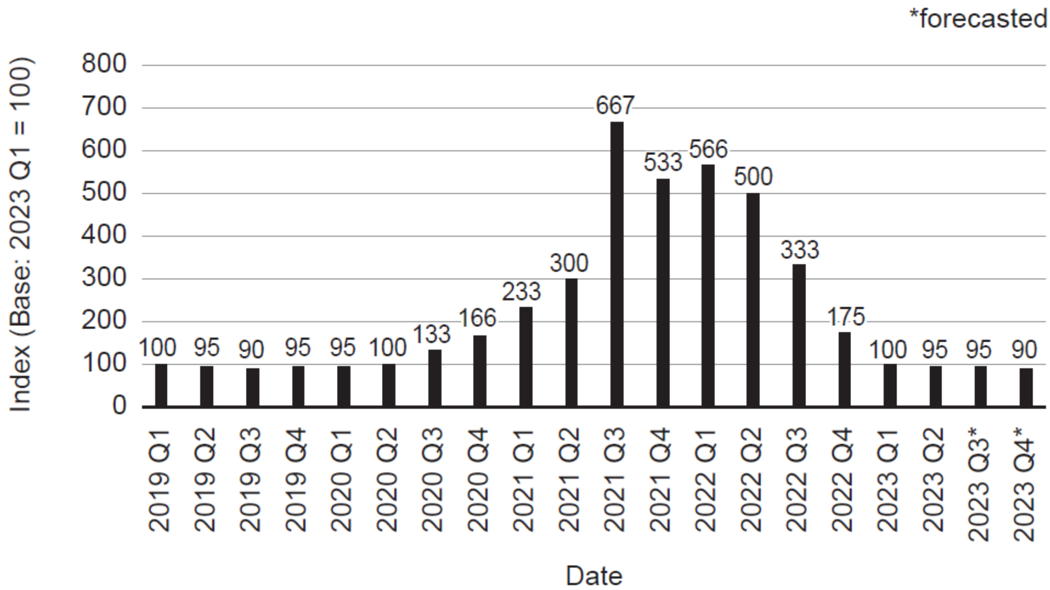
Indicative content:

AO2
The price rises in 2021 of shipping costs as the index indicated a large % change in comparison to 2020 (correct % change calculation to be credited depending on which quarter considered) is likely to have led to increased costs of transport for firms and increasing inflation rate.

After 2021 Q3 (apart from Q4) shipping costs started falling until Q1 2023 where they were the same as Q2 2020 and Q1 2019.

Q2 2023 onwards suggested shipping costs would decrease further.

36.2% of UK GDP is made up of imports which could be affected by higher transport costs.



AO3
Shipping prices affect the costs of transporting goods across the world. If costs of transport increases, then this could increase firm's costs of supplying goods to the economy.

As costs increase, firms could increase the price of good sold in the economy to maintain their profit margin.

As prices rise at a faster rate the rate of inflation rises due to cost push inflation

More recently prices of shipping costs decreased from 2022 Q2 decreases until 2023 Q1 and prices of shipping cost are predicted to fall below 2023 Q1 that could lead to cost deflation or at least disinflation (depending on other variables) for importers.

An AD/AS diagram is not necessary but can be used to support the answer.

Allow arguments that suggest due to increased prices of Chinese exports/UK imports from China, there would be decreased demand and so net exports could rise OR increased consumption for locally made goods, increasing AD and causing demand pull inflation.

AO4
It depends on the period of time being considered as most recently prices have fallen by 5% compared to 2023 Q1 and predicted to fall further by 10%, causing deflationary pressures.

It will still depend on other costs of production and their market price – their market price might be falling which could offset the higher transport price.

It will depend on wages vs inflation as if cost push inflation is a problem. If wages, then rise to counter the increase in prices of goods then the inflation rate may not decrease as costs rise due to higher wages as inflationary expectations become embedded.

It will depend on the individual fiscal and monetary responses of countries, which combined could affect demand pull inflation to either increase or more likely due to this period decrease inflation rates.

Credit any other valid argument.

5. (a)	**With reference to Figure 3, outline two reasons why the UK Government wishes to achieve increased productivity. [4]**	
Band	**AO1**	**AO2**
	2 marks	**2 marks**
	Is a reason / are reasons fully outlined	*Is the answer in context?*
2	**2 marks** Good understanding. Clear understanding of two benefits of productivity growth outlined.	**2 marks** Good application. The data is used effectively to support argument(s) to support a productivity gap.
1	**1 mark** Limited understanding. Only one benefit outlined.	**1 mark** Limited application. Learner makes limited reference to the data.to support low productivity Data is used, but its use is underdeveloped, taking the form of occasional references rather than forming strong supporting evidence.
0	**0 marks** No valid understanding.	**0 marks** No valid application.

Indicative content:

AO1
Productivity growth can lead to:
1. Lower average costs: These cost savings might be passed onto consumers in lower prices, encouraging higher demand, more output and an increase in employment.
2. Improved competitiveness and trade performance: Productivity growth and lower unit costs are key determinants of the competitiveness of British firms in global markets.
3. Higher profits: Efficiency gains are a source of larger profits for companies which might be re-invested to support the long-term growth of the business.
4. Higher wages: Businesses can afford higher wages when their workers are more efficient.
5. Economic growth: If the British economy can raise the rate of growth of productivity, then the trend growth of national output can pick up as each total output for the population size increases.

AO2
The UK's GDP per hour is behind the other G7 economies except Japan suggesting poor productivity.

There is a productivity gap between the UK and other G7 economies – USA, France and Germany.

Country	GDP per hour worked ($)	Productivity gap for UK GDP per hour ($)
UK	73.3	
France	83.4	10.1
Japan	52.0	
Germany	86.7	13.4
United States	89.9	16.6

This suggests the economy in the UK is behind the majority of the other G7 economies (apart from Japan) suffering from less potential economic growth and less of the other benefits listed above.

5.(b) To what extent will the budget initiatives help the UK close the productivity gap shown in Figure 3? [9]			
Band	**AO2**	**AO3**	**AO4**
	3 marks	**3 marks**	**3 marks**
	Is the answer in context?	*Are the consequences explained?*	*Is the answer debated and judged?*
3	**3 marks** Excellent application. The data and case is used very effectively to support the budget initiatlves to increase productivity and close the productivity gap. Answer is thoroughly embeded in the data **and** text.	**3 marks** Excellent analysis. Detailed lines of analysis explaining the possible consequences on productivity. All stages in the process are fully explained.	**3 marks** Excellent evaluation. A reasoned judgement as to the extent they agree that the budget initiatives lead to increased UK productivity and close the productivity gap. The evaluation is clearly set in the context.
2	**2 marks** Good application. The case is used effectively to support arguments on the budget initiatlves to increase productivity.	**2 marks** Good analysis. Developed lines of analysis explaining possible consequences on productivity.	**2 marks** Good evaluation. A reasoned judgement whether they agree that the budget initiatives lead to increased UK productivity and close the productivity gap. Counter argument(s) are present and developed.
1	**1 mark** Limited application. Learner makes limited reference to the data. Case is used, but its use is underdeveloped, taking the form of occasional references rather than forming strong supporting evidence.	**1 mark** Limited analysis. Limited development of possible consequences. There is a chain of reasoning, but its use of economic theory is underdeveloped; explanations are superficial.	**1 mark** Limited evaluation. Counterpoints are present, but none of them are developed. Judgement(s) that is/are unsupported will be in this band or a supported one-sided judgment.
0	**0 marks** No valid application.	**0 marks** No valid analysis.	**0 marks** No valid evaluation.

Indicative Content:

Answer is reversible and mark scheme is set up to reflect this as most will reverse it.

AO2
Reduction in tax bills: companies who invest in their business's plant and machinery assets between 2023 and 2025 can reduce their tax bills, could encourage investment.

Incentives for firms to take on apprentices to rise to £3,000 for apprenticeships and £126m for vocational traineeships, could encourage firms to employ workers and increase their skills.

New visa scheme to help start-ups and technology firms' source talented labour from overseas could allow an increase in high skilled labour in these areas.
Immigration rules to be relaxed for five roles in construction sector, to ease labour shortages that could allow increased construction.

AO3
All three are supply-side policies and as such could increase productivity.

Reduction in tax bills: investment in R&D and improves processes could lead to technological / capital advances, increasing the output per worker (GDP per worker per hour) to increase and higher productivity.

Apprenticeships: could encourage firms to employ workers and increase their skills with training on the job by firms. A higher skilled workforce could produce more output per worker per hour and increase productivity.

Start-ups and technology firms visa scheme. Could lead to attracting the enterprise factor of production increasing with an increased number of start-ups using creative ideas to maximise efficiency in order to compete against established firms. Visa scheme for technology firms could allow them to access the labour required to support their R&D and develop new technological improvements that lead to higher efficiency.

Immigration rules to be relaxed for five roles in construction sector would allow construction to continue during periods of employee holidays or illnesses and so more output created.

AO4
Reduction in tax bills: but could firms invest in assets that still count for a rebate but do not significantly increase productivity.

Reduction in tax bills: Depends on if all firms qualify for the tax reduction.

Reduction in tax bills: Depends on actions of large firms. Large firms have a historic record of finding tax loopholes/tax avoidance to limit their taxable profits.

Reduction in tax bills: Depends on confidence in the future of the economy.

Apprenticeships: depends on how effective the apprenticeship schemes are. Depends on their attractiveness to potential recruits.

Visas and Immigration rules: depends on the quantity of Visa's authorised.

Whether increase productivity – depends on other factors that might decrease it.

Overall, improving the productivity of the UK economy is essential for continued growth and increasing it is proving to be a problem. The policies should be attractive for firms and could help improve capital, labour and enterprise thus improving the supply side of the economy, though how much improvement will depend on the quantity and other factors that could harm productivity growth.

In regards the productivity gap, there is relatively large gap, especially with the US who may be also implementing their own supply side policies to improve their productivity. As such may improve productivity but not close the gap.

Credit any other valid argument.

Q6a (i)	**State the meaning of a tariff.** **[1]**
	AO1: 1 mark Award **1** mark for an accurate definition **Indicative content:** Tariffs are taxes charged on the import of goods from foreign countries (1)
Q6a (ii)	**Assuming firms pass on the full tariff, calculate the new quantity demanded of Australian wine in China.** **[3]**
	AO2: 3 marks **Indicative content:** 120 % x 0.6 (1) = - 72% (1) New demand = 44.8m bottles (1) as 160m x -72/100 = 44.8m Subtract 1 mark if not expressed in millions. OFR
Q6a (iii)	**Calculate the tax revenue raised for the Chinese government** **[3]**
	AO2: 3 marks **Indicative content:** 72% decrease in bottles = 44.8m bought 120% increase in price = 48 yuan tax per bottle (1) 44.8m bottles with 48 yuan tax per bottle (1) = 2 150.4m yuan tax revenue (1) Accept 2.1504 billion yuan or 2.15 billion yuan Subtract 1 mark if not expressed in correct units of Yuan Allow error carried forward. OFR
Q6.b (i)	**State what is meant by a quota.** **[1]**
	AO1: 1 mark Award **1** mark for an accurate complete definition **Indicative content:** An import quota is **a limit on the volume or quantity of imports that can be brought into a particular country**. **Allow maximum amount**

Q6.b (ii) The UK government stated that British producers have nothing to fear from the free trade deal with Australia. **Using Figure 4, to what extent do you agree with this statement? [9]**			
Band	**AO2**	**AO3**	**AO4**
	3 marks	**3 marks**	**3 marks**
	Is the answer in context?	*Are the consequences to uk producers explained?*	*Is the answer debated and judged?*
3	**3 marks** Excellent application. The data and case is used very effectively to support arguments on whether free trade with Australia will be harmful for UK producers. Answer is thoroughly embeded in the data **and** text.	**3 marks** Excellent analysis. Detailed lines of analysis explaining the possible consequences of free trade with Australia to UK producers. All stages in the process are fully explained.	**3 marks** Excellent evaluation. A reasoned judgement as to the extent they agree that free trade with Australia will be harmful for UK producers. The evaluation is clearly set in the context.
2	**2 marks** Good application. The data or case is used effectively to support arguments on whether free trade with Australia will be harmful for UK producers.	**2 marks** Good analysis. Developed lines of analysis explaining possible consequences to UK producers of freer trade.	**2 marks** Good evaluation. A reasoned judgement whether they agree that free trade with Australia will be harmful for UK producers. Counter argument(s) are present and developed.
1	**1 mark** Limited application. Learner makes limited reference to the data or case. Data or case is used, but its use is underdeveloped, taking the form of occasional references rather than forming strong supporting evidence.	**1 mark** Limited analysis. Limited development of possible consequences. There is a chain of reasoning, but its use of economic theory is underdeveloped; explanations are superficial.	**1 mark** Limited evaluation. Counterpoints are present, but none of them are developed. Judgement (s) that is/are unsupported will be in this band or a supported one-sided judgment.
0	**0 marks** No valid application.	**0 marks** No valid analysis.	**0 marks** No valid evaluation.

Answer is reversible.

Indicative content:

AO2
Under the deal, Australia will be able to send a quota of agricultural goods per year to the UK such as beef tariff-free, increasing competition for UK farmers so might harm producers in agricultural goods.

Over time, these quotas will increase until after 15 years, there will be no quotas or tariffs on agricultural produce, increasing competition for UK farmers so might harm producers in agricultural goods.

Canadian government also expressed a wish to remove barriers to trade with the UK including those faced by Canadian exporters of dairy, beef and wheat. If other countries such as Canada also gained freer trade with the UK, it could provide more competition for UK farmers so might harm producers in agricultural goods.

Producers in the UK are not only agriculture and in 2020 there is £3.74 bn exports to Australia in comparison to £1.56bn imports, free trade might benefit these exporters.

Every part of the UK apart from the Southeast have more exports than imports so might benefit them, though Wales has smallest positive difference.

Area	Exports £m	Imports £m	Difference £m
South West	238	120	118
West Midlands	355	87	268
Wales	116	43	73
North West	459	81	378
Northern Island	118	11	107
Scotland	321	61	260
North East	194	73	121
Yorkshire and Humber	242	101	141
East Midlands	204	81	123
East	494	144	350
London	450	181	269
South East	546	574	-28
Total	3737	1557	2180

AO3
Nothing to fear as the UK is a net exporter to Australia according to 2020 figures. As such an export deal with free trade could lead to increased exports as tariffs are removed, lowering prices and making their goods more price competitive in Australia, leading to greater demand.

Nothing to fear as the UK is a net exporter to Australia according to 2020 figures. As such an export deal with free trade could lead to increased exports as tariffs are removed, allowing same prices to be charged but lowering costs increasing profit margins for UK firms. Removal of any quotas in Australia could lead to increased demand to UK firms for exports, as limits on quantity of exports are removed, allowing an increase in exports and revenues.

Nothing to fear as if lower tariffs also applied to commodities, then UK firms may receive cheaper imports and so importers benefit from lower costs and so can increase supply for the same price.

AO4

Agriculture:
However, depends on which sector, as UK farmers may be worried by increased competition to beef and sheep products, which may harm demand for their UK made products. However, this depends on cost of transport from Australia, comparative quality and whether consumers will switch to non-UK farmed goods.

Depends on if other countries use this trade deal as a basis for trade deals with the UK, such as during this period the Canadian government also expressed a wish to remove barriers to trade with the UK including those faced by Canadian exporters of dairy, beef and wheat. If other countries such as Canada also gained freer trade with the UK, it could provide more competition for UK farmers.

Depends on timescale as short-term quotas still exist, longer term these will disappear,

Other producers/firms:

Less so as net exporter:
But depends on which location the producer is located in, as the South East are net importers that may suggest they could face greater competition.

But it depends on goods exported to Australia and imported from Australia, as it might be that imports from Australia are low due to current trade barriers and once these disappear industries that are currently not threatened as Australian goods are more expensive, become threatened due to lower prices appear different suggesting comparative advantages in different goods, thus limiting competition.

Depends on if this leads to joining other free-trade agreement, as this could lead to far greater opportunities for UK firms but also threats.

On the whole British firms might benefit as currently the UK is a net exporter, and farmers shouldn't be greatly worried yet. However, over a period of time they may face more competition and so will depend on how they can maintain their advantage through price and non-price factors.

Credit any other valid argument.