UNIVERSITY OF CAMBRIDGE INTERNATIONAL EXAMINATIONS
International General Certificate of Secondary Education

ECONOMICS **0455/33**

Paper 3 Analysis and Critical Evaluation **October/November 2010**

1 hour 30 minutes

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READ THESE INSTRUCTIONS FIRST

This Insert contains extracts for Questions 1 and 2.

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International Examinations

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Extract for Question 1

The power of Gazprom

Demand for natural gas is increasing throughout the world. Gazprom is the world's largest gas company and the largest company in Russia. In 2008 it had more than an 80% share of the sales of gas in its domestic market and more than a quarter of sales in the European market. Gazprom wants to grow even further and has set itself the objective of becoming the world's largest company by 2013, overtaking large companies such as General Electric and Wal-Mart. Some economists question whether European consumers will benefit if Gazprom gains a monopoly share of the European market.

In 2007 Gazprom earned a profit of US$21.6 billion. In 2008 its profit had increased by 11%. Despite this rise, the company reduced its dividend by 86% at the start of 2009 to just 37 kopecks (approximately US 2 cents) per share. The company had large debts of US$33 billion.

Gazprom was also planning to spend US$32 billion in 2009 building pipelines through the Baltic and to new gas reserves in remote Arctic regions even though demand for gas was forecast to decline over the next four years.

In its search for a greater share of the market, Gazprom recruits some of the best engineers and buys capital equipment from a variety of countries.

Extract for Question 2

Information on Gross Domestic Product (GDP), Human Development Index (HDI), foreign aid and health expenditure in selected countries

Country	GDP per head (US$) 2005	HDI value 2005	Foreign aid received per head (US$) 2005	Health expenditure per head (US$) 2004
South Africa	11,110	0.674	15.5	748
Brazil	8,402	0.800	1.0	1,520
Cuba	6,000	0.838	7.8	229
Egypt	4,337	0.708	12.5	258
Bangladesh	2,053	0.547	9.3	64
Uganda	1,454	0.505	41.6	135
Zambia	1,023	0.434	81.0	63
Sierra Leone	806	0.336	62.1	34