

Speaking

Discuss the questions.

- What is the most popular fast food outlet in your country? Is it a local firm or a foreign firm? If it is local, do you know if it has outlets in other countries?
- Is fast food relatively cheap in your country? Are there cheaper options if you want to buy a simple takeaway snack or meal?

The Big Mac® Index

The Big Mac® is a powerful symbol of globalization. You can buy it all over the world. From New York to Beijing. From Rio to Rome. There are local variations which depend on the local culture. In India, for example, the top-selling burger is made with chicken. In Australia it has less fat and fewer calories than burgers of the same name which are sold in the US. In some countries it is one of the cheapest fast food options. In other countries it's an expensive meal that is eaten mainly by tourists. And in the world of global economics, it is used to compare various economic factors around the world.



The original Big Mac® Index was created by The Economist in 1986. It compares the difference in price between Big Mac® burgers in different countries. The index is used to compare currency rates and the cost of living in different parts of the world. It is a very simple comparison which is effective and interesting. In 2011 the most expensive burgers were sold in Switzerland and the cheapest (in dollars) in South Africa.

A second index compares the wages of workers who work for the franchise in different countries (McWages). The differences in this index are much bigger and allow economists to calculate a 'Big Mac® per hour' wage index. This index shows how long a worker needs to work for in order to buy a Big Mac® and compares people's purchasing power in different countries. In Tokyo the rate is ten minutes. In Nairobi it takes almost three hours.

Reading

Read the article and answer the questions.

- 1 What is the Big Mac® Index?
- 2 What can it tell us?
- 3 What are McWages?
- 4 What do they show us?

Read the article again and answer the questions.

- 1 In what way do Big Macs® vary around the world?
- 2 On which continent are they a) more expensive b) less expensive?
- 3 Where are the workers paid the best wages?

Find these expressions in the article and explain what they mean.

- 1 globalization
- 2 currency rates
- 3 cost of living
- 4 purchasing power

Discussion

Do you think the Big Mac® Index gives a real indication of cost of living and purchasing power?

Why or why not?

What do you think it might show about your country?



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Business English lesson from *Straightforward Pre-intermediate*, new edition, Macmillan Publishers

KEY

- 1
 - 1 It is a comparison of the price of Big Mac® burgers in countries across the world.
 - 2 It can help us evaluate currency exchange rates and compare the cost of living in different countries.
 - 3 The wages paid to people who work at the McDonald's® franchises across the world.
 - 4 They allow us to compare wages and purchasing power in different countries.
- 2
 - 1 the ingredients and the value of the burger
 - 2 a) Europe b) Africa
 - 3 Tokyo, Japan
- 3
 - 1 the idea that the world is developing a single economy and culture as a result of improved technology and communications and the influence of very large multinational companies
 - 2 the amount of money that you get if you convert one currency into another, eg dollars to yen
 - 3 how much money people spend to clothe, feed and house themselves
 - 4 what and how much you can buy with the money you earn