**Externalities**

**(third party effects of economic activity)**

**An example of market failure**

**Positive Externalities**

**MSB>MPB**

**Negative Externalities**

**MSC>MPC**

**Consumption**

* **Sport**
* **Education**
* **Health (especially inoculation)**
* **Solar panels**

**Production**

* **Forest**
* **Wind farms**
* **Farming**

**Consumption**

* **Smoking**
* **Alcohol**
* **Fatty foods**
* **Car use**

**Production**

* **Power Station**
* **Factory**
* **Air Travel**
* **mining**