

主 编◎刘 芳 吴 卫 ▲ 副主编◎朱周贤 王 靖 何学容 宇 宙◎全德超

olche walmag Vingvi



推图 汽车

## 汽车外贸英语

主编 刘 芳 吴 卫 副主编 朱周贤 王 靖 何学容主 审 余德超

#### 图书在版编目 (CIP) 数据

汽车外贸英语 / 刘芳, 吴卫主编. —北京: 中国财富出版社, 2015. 6 (职业活动导向—体化培训教材) ISBN 978-7-5047-5712-8

I. ①汽··· II. ①刘··· ②吴··· III. ①汽车—对外贸易—英语—高等职业教育—教材 IV. ①H31

中国版本图书馆 CIP 数据核字 (2015) 第 100504 号

策划编辑 寇俊玲

责任编辑 苏佳斌 辛倩倩

责任印制 何崇杭

责任校对 饶莉莉

出版发行 中国财富出版社

**社** 址 北京市丰台区南四环西路 188 号 5 区 20 楼 邮政编码 100070

电 话 010-52227568 (发行部) 010-52227588 转 307 (总编室)

010-68589540 (读者服务部) 010-52227588 转 305 (质检部)

网 址 http://www.cfpress.com.cn

经 销 新华书店

印 刷 中国农业出版社印刷厂

书 号 ISBN 978-7-5047-5712-8/H·0141

开 本 787mm×1092mm 1/16 版 次 2015年6月第1版

印 张 8 印 次 2015 年 6 月第 1 次印刷

字 数 180 千字 定 价 22.00 元

## 出版说明

《国家中长期教育改革和发展规划纲要》从现代化建设的全局出发,确定了到 2020 年 我国教育发展的战略目标,提出"优先发展、育人为本、改革创新、促进公平、提高质量"的工作方针,并将职业教育作为六大发展任务之一。为更好地完成这一任务,必须进 一步深化职业教育教学改革,提高教育教学质量。

高质量的职业教育离不开高质量的职业教育教材。如何真正使职业教育教材符合现代职业教育特点,达到企业对用工的"学以致用"的要求,是我们一直以来对教材改革、探索的目的。

本着以上精神,我们组织开发了本套"职业活动导向一体化培训教材"。本套教材具 有以下特点。

- 1. 对传统教材固有结构的改变。本套教材强调基于职业活动能力的教学模块分析与整合,每个专向教学模块内容、知识和技能不是简单的拼凑,而是能够真正体现出实际职业活动的特色。
- 2. 内容与工作任务的有效融合,注重解决问题和学习能力的培养。工作标准、相关知识、相关技能都是从典型化的工作任务出发,分解而成。每一个学习单元/学习任务都是一个完整的工作过程,注重学生职业能力的提高和持续学习能力的获取。
- 3. 展现以企业工作场景为平台,校企合作的成果。在编写过程中,组织聘请了多个著名企业参与论证,修订内容。从而保证了教材的校企共同研发,而非"传统编写",体现教材的职业教育价值。
- 一套好的职业教材,需要不断地在实践中运用、论证、修改才能日益完善,我们组织 的这套教材也不例外,存在失误、不足在所难免,恳请各位读者提出指正,以便今后的修 订改进。

## 前言

在汽车工业国际化、全球化的背景下,蓬勃发展的中国汽车工业势不可挡地融入了世界汽车工业之林。在竞争全球化的背景下,培养具有国际汽车贸易知识和懂得以英语作为沟通工具的人才迫在眉睫。本书从实际应用的角度出发,通过对汽车外贸的基础知识(包括:谈判、流程、方法和术语、合同签订、准备、索赔、报关、退税和付款等内容)进行详细论述,可以使学生既具备基本的汽车外贸知识和理论,又具备最基本的从事汽车外贸工作的实践操作技能。

本教材注重职业院校学生以工作过程为导向的职业教育理论,重点突出汽车外贸人员在具体外贸工作中的实践操作能力和汽车外贸英语的知识迁移能力,达到提高学生应用汽车外贸英语的能力和掌握汽车外贸知识的目的。本教材具备以下两个特点:实战性,整个提纲来源于汽车外贸企业的工作内容及工作流程,体现基于工作过程的教学改革理念;实用性,本书将采用大量来自汽车外贸的各种单证及证书,缩短学生熟练上岗时间。

本书是由重庆电子工程职业学院刘芳、吴卫、朱周贤、何学容,以及重庆房地产职业学院的王靖共同完成,并有幸获得重庆长安跨越集团海外部部长余德超先生主审,另外,余先生还为本教材提供了大量来自行业实践的指导、建议和案例。除此之外,本教材还得到重庆长安跨越集团海外部诸多员工及其他汽车外贸工作人员建议和支持,在此本书编者向各位表示深深的谢意!此外,在本书的编写过程中,我们查阅了大量的文献资料和网站资讯,为本书的编写提供了一些有益的思路和部分资料,在此也对这些文献资料的作者表示诚挚的感谢!

本书建议学时为 48~60 学时,各学校可按自身专业设置的具体情况灵活调整。 限于编者的水平,书中难免有不妥之处,敬请广大读者给予批评指正。

编 者 2015年3月

## **Contents**

Chap	oter One The Basic Knowledge of Automobile Foreign Trade	1
1.1	What is foreign trade	1
1.2	What is automobile foreign trade ·····	1
1.3	The current situation of automobile foreign trade	2
1.4	The trade barriers of automobile industry	7
1.5	Organizational structure of the automobile industry	11
Exerc	cises ·····	
Chap	ter Two Introduction to Automobile Foreign Trade Negotiation Practice	
2. 1	Introduction to automobile foreign trade negotiation practice	
2. 2	Negotiation strategies on automobile foreign trade practice	
2. 3	The product introduction and quotation skills	31
2.4	The notable characteristics of international business negotiation	33
Exerc	rises	33
Chap	oter Three The Procedures, Ways as well as the Trade Terms of Automobile	
Chap	oter Three The Procedures, Ways as well as the Trade Terms of Automobile Foreign Trade	35
1		
3. 1	Foreign Trade	35
3. 1	Foreign Trade	35 43
3. 1 3. 2 3. 3	Foreign Trade  The procedures of automobile import and export business  The main ways of automobile foreign trade	35 43 47
3. 1 3. 2 3. 3	Foreign Trade  The procedures of automobile import and export business  The main ways of automobile foreign trade  Trade terms of automobile foreign trade practice	35 43 47
3. 1 3. 2 3. 3 Exerc	Foreign Trade  The procedures of automobile import and export business  The main ways of automobile foreign trade  Trade terms of automobile foreign trade practice	35 43 47 51
3. 1 3. 2 3. 3 Exerc	Foreign Trade  The procedures of automobile import and export business  The main ways of automobile foreign trade  Trade terms of automobile foreign trade practice	35 43 47 51
3. 1 3. 2 3. 3 Exerce Chap 4. 1	Foreign Trade  The procedures of automobile import and export business  The main ways of automobile foreign trade  Trade terms of automobile foreign trade practice  cises  oter Four The Contract Signing of the Automobile Foreign Trade	35 43 47 51 53 53
3. 1 3. 2 3. 3 Exerce Chap 4. 1 4. 2	Foreign Trade  The procedures of automobile import and export business  The main ways of automobile foreign trade  Trade terms of automobile foreign trade practice  cises  Oter Four The Contract Signing of the Automobile Foreign Trade  The contract specifications and requirements of the automobile foreign trade	35 43 47 51 53 53
3. 1 3. 2 3. 3 Exerc	Foreign Trade  The procedures of automobile import and export business  The main ways of automobile foreign trade  Trade terms of automobile foreign trade practice  cises  Oter Four The Contract Signing of the Automobile Foreign Trade  The contract specifications and requirements of the automobile foreign trade  Methods of stipulating quality of commodity	35 43 47 51 53 53 53 56

4. 6	Means of transportation	
4. 7	Transportation insurance	
4. 8	Disputes, claim and arbitration ·····	
Exer	rcises ·····	. 95
	Contents	
Cha	pter Five Preparation for Automobile Foreign Trade ·····	. 97
5. 1	Sending samples ·····	
5. 2	Manufacturing process and standards ·····	. 98
	Pre-shipment inspection	
Exer	rcises ·····	107
	The instance of the second	
Cha	pter Six Customs Declaration	108
6. 1	China's tariff on imported automobile	108
6. 2	The customs declaration	109
Exer	rcises	111
Cha	pter Seven Payment Verification and Tax Rebate	113
7. 1	Payment verification	113
7. 2	Tax rebate	114
Exer	rcises	116
	It was the decorated a of international business negatified a succession of	
Refe	erence ·····	117
	pier Thrus. The Procedures, Wurk us well as the Trade Terms of Automobile	
	and the state of t	
	Trade acres of amountally facilities used processes accommon to acres about	
	pres Four The Louisnet Sening of the Automobile Foreign Trade	
	object opings of the compared to the second open but an experience of the contract of	
	manuscript to a discount of the second of the second of	
	The second secon	

# Chapter One The Basic Knowledge of Automobile Foreign Trade

#### 1. 1 What is foreign trade

As its name implies, foreign trade is the exchange of products, services, and money across national borders; essentially trade between countries. For example, when consumers in the U. S. purchase Swiss-made watches, Guatemalan-grown fruits, Chinese-made toys and electronics, and Japanese-manufactured automobiles, they experience the end result of international trade.

Foreign trade is all about imports and exports. The backbone of any trade between nations is those products and services which are being traded to some other locations outside a particular country's borders. Some nations are adept at producing certain products at a cost-effective price. Perhaps it is because they have the labor supply or abundant natural resources which make up the raw materials needed. No matter what the reason is, the ability of some nations to produce what other nations want is what makes international trade work.

In some cases, the products produced in a foreign trade situation are very similar to other products being produced around the world, at least in their raw form. Therefore, these products, known as commodities, are often pooled together in one mass market and sold. This is called trading commodities. The automobile foreign trade belongs to one of them.

### 1. 2 What is automobile foreign trade

Automobile foreign trade is the exchange of integrated automobiles, automobile parts, and after-sale services between countries. This type of trade gives rise to the world economy, in which prices, or supply and demand, affect and are affected by global events. Foreign trade in automobiles is important not only for its effects on the global economies, but also because it engenders a distinctive geography related to, yet different from, spatial patterns of production. The exports and imports of automobiles and their parts create numerous economic effects in individual areas of the world. Shippers, trucking and railroad companies, airlines,

warehouses, terminal operators, freight forwarders, stevedores, marine banks, and insurance companies all earn a substantial portion of their income from this trade; public agencies such as port authorities and federal customs districts also derive revenues from it.

#### 1. 3 The current situation of automobile foreign trade

The global automotive industry involves the manufacture and sales of automobiles and other retail activities, such as gas-station retail and the sale of car parts. The industry's yearly growth rate is expected to exceed 5.5% from 2010 to 2015, reaching a value of more than \$5.1 trillion by 2015, according to research from Market Line.

The auto industry is a leading driver of global economic growth, says the International Organization of Motor Vehicle Manufacturers, and it has expanded over 30% in the ten-year period ending in 2005. The industry is a leading employer throughout the world, with 9 million people involved in making 60 million vehicles, or 5% of global manufacturing jobs. Indirect employment from automotive activity is fivefold, representing 50 million jobs connected indirectly to the auto industry. Other industries involved in the manufacture and service of vehicles include textiles, plastics, iron, steel, glass, aluminum, computer chips and rubber. The industry also involves significant research and development activity, representing investment of nearly \$85 billion. It is estimated that the manufacture of vehicles contributes more than \$430 billion to the governments of 26 countries combined.

Looking back the history, the automobile industry started from western countries. It was mostly concentrated in Europe and the U. S. In the late nineteenth century, German engineer Karl Benz and American Henry Ford built four-wheel cars almost at the same time. Soon Henry Ford and his colleagues brought the U. S. into car era dependent on his T-model cars and assembly line (Wild, 1975). This was the famous Mass production period. Later when Europe automobile industry abandoned its adherence to noble origin and introduced the popular car concept, Europe came into car era too.

#### 1. 3. 1 The American automotive market

The U.S. vehicles sales and production account for around 40% of the global automotive industry, according to Global Automakers, whose members have contributed close to \$45 billion to the U.S. automotive activity. The investment represents 300 facilities and employment for around 80 000 people with a combined yearly payroll of \$6 billion. Leading U.S. manufacturers include Ford, General Motors and the Chrysler Group.

The United States has one of the largest automotive markets in the world and is home to 13 auto manufacturers. The automobile manufacturing industry is one of the largest industries

within the U.S., and is a vital engine for the U.S. economy contributing greatly to employment and productivity. The U.S. is the world's largest producer and consumer of motor vehicles. From 2008 to 2012, manufacturers produced an average of over 8 million passenger vehicles annually in the United States.

Since Honda opened its first U. S. plant in 1982, almost every major European, Japanese, and Korean automaker has produced vehicles at one or more U. S. assembly plants. In addition to Honda and the big three U. S. auto companies—General Motors, Ford and Chrysler-Toyota, Nissan, Hyundai-Kia, BMW, Mercedes-Benz, Mazda, Mitsubishi, and Subaru all have U. S. manufacturing facilities. In May 2011, Volkswagen opened a new U. S. plant, bringing the manufacturer count to 13. In addition, many manufacturers also have engine and transmission plants and are conducting research and development, design, and testing in the United States. The automotive industry, including dealerships accounts for approximately 3.5 percent of U. S. gross domestic product. Motor vehicles and parts manufacturers directly employed 786 000 people at the end of 2012.

There is an extensive network of auto parts suppliers serving the industry. Suppliers produced \$225.2 billion in industry shipments in 2012, accounting for nearly 4 percent of total U.S. manufacturing. According to a study by the Motor & Equipment Manufacturers Association in collaboration with Information Handling Services, the total employment impact of the auto parts industry was estimated at over 3.62 million jobs directly and indirectly nationwide in 2012-more jobs and economic wellbeing than any other manufacturing sector.

Despite challenges within the industry in recent years, the U. S. automotive sector is at the forefront of innovation. New research and development initiatives are transforming the industry to better respond to the opportunities of the 21st century.

In 2012, the United States exported approximately 2.6 million vehicles valued at \$63 billion to more than 200 countries around the world, with additional exports of automotive parts valued at approximately \$75 billion. Unlike the Japanese and European automotive markets, the U. S. does not rely significantly on foreign exports. The U. S. auto trade relies mostly on its own domestic market, and to some degree on the Canadian market. Canada is the largest market for U. S. vehicle exports with subsidiaries of U. S. automakers accounting for most of the imports. Integration of the U. S. and Canadian automotive industry dates back to the U. S. - Canadian Automotive Products Trade Agreement established in 1965.

With an open investment policy, a large consumer market, a highly skilled workforce, available infrastructure, and government incentives, the United States is the premier place for the future of the auto industry.

#### 1. 3. 2 European automotive market

The European Union is made up of 27 member states, moreover, additional countries are

engaged in negotiations and waiting in the wings for membership. It represents an evolving region of diverse economies; some with indigenous automotive operations, and most with aspirations for attracting new, or more, automotive foreign direct investment.

The European automotive market is comprised of a concentrated and sophisticated global network, which includes joint-ventures, cooperatives, productions and assembly sites. It is led by production in Germany, Italy and France. The European automotive industry is considered as a leader in the global market with integrated operations consisting of; research, design, development, production and sales. The European automotive industry producers have a combined output that exceeds that of the U. S. and Japan, however no one individual country produces more than its U. S. or Japanese competitor. The European automotive market has immense pressure at the moment as the auto industry struggles with the falling sales volumes, the increased discounting, idle plant capacity as well as the world fierce competition.

#### 1.3.3 Asian automotive market

The Asian motor vehicle market is comprised of three "core" markets, Japan, South Korea and China, so the following part talks about the above mentioned markets respectively.

#### virgal. The Japan's automobile industry or to be made and with the same and the

Japanese automobile industry started its fast development after World War II. By learning Mass production from the U. S. and developing Lean production, Japan surpassed the U. S. and reached the top level in automobile manufacturing. Toyota and Honda were the most prominent representatives. Until 1980s, Japanese had created numerous self-owned brands such as Lexus, Acura, Infiniti, etc. Soon Korean cars followed and emerged in the world market, with low price and fast-growing market share.

Japan is also the third leading producer of motor vehicles after the U. S. and the E. U. The U. S. is the largest market for Japanese vehicle exports; however, automobile production has fluctuated downward over the last several years in Japan. Like the auto industries in the other regions, the industry has also experienced major restructuring, which is the result of a downturn in domestic demand. Japanese automakers have responded to stagnate domestic economic conditions by reducing production capacity through plant closures, and have offered equity ownership to foreign automakers to receive financial and managerial assistance. Overall, Japanese market share fell around 4% year-on-year to just under 35% in August 2011. Japan holds around a 45% share in both the compact car and compact crossover markets, and 48% in the mid-size car market, according to a Kelly Blue Book report. The March 11th earthquake and tsunami cut revenue for leading carmakers Toyota and Honda by \$5 billion and over \$3

billion, respectively. Leading Japanese automotive manufacturers include Toyota, Suzuki, Honda, Isuzu, Mazda, Daihatsu, Yamaha and Kawasaki.

The Japanese automotive industry relies heavily on exports, with imports making up a much smaller percentage of auto trade. German automaker imports account for the greatest percentage of imports at nearly 70%. However, trade barriers on foreign automotive imports in Japan have often created problematic trade relations with U. S. automakers and U. S. trade policy officials.

#### 2. South Korea's automobile industry

Currently, South Korea has no independent auto manufacturers. Daimler Chrysler and Hyundai Motor Co. have formed an alliance in which Daimler Chrysler will acquire a 10 % equity in Hyundai. Korean automakers have made efforts to join in collaborative ventures with foreign automakers and sold significant portions of its equity in order to continue to operate in the domestic market, as well as receive financial assistance. Industry specialists suggests that in order to become more competitive and efficient in both the domestic and foreign markets, Korean automakers must consolidate platforms domestically and with foreign partners; create strategies that more efficiently utilize regional sourcing; and enhance production and production platforms, as well as supply networks.

#### 3. China's automobile industry

China's automobile industry had Soviet origins mainly (plants and licensed auto design were founded in 1950s with the help of USSR) and had small volume for the first 30 years of the republic, not exceeding 100 thousand ~ 200 thousand per year. It has developed rapidly since the early 1990s. China's annual automobile production capacity first exceeded one million in 1992. By 2000, China was producing over two million vehicles. After China's entry into the World Trade Organization (WTO) in 2001, the development of the automobile market further accelerated. Between 2002 and 2007, China's national automobile market grew by an average 21 percent, or one million vehicles year-on-year. In 2006, China's vehicle production capacity successively exceeded six, then seven million, and in 2007, China produced over eight million automobiles. The automotive industry in China has been the largest in the world measured by automobile unit production since 2008. Since 2009 annual production of automobiles in China has exceeded that of the European Union or that of the United States and Japan combined.

In 2009, China produced 13.79 million automobiles, of which 8 million were passenger cars and 3.41 million were commercial vehicles, and surpassed the United States as the world's largest automobile producer by volume. In 2010, both sales and production topped 18

million units, with 13.76 million passenger cars delivered, in each case the largest by any nation in history.

Of the automobiles produced, 44.3% were local brands (including BYD, Dongfeng Motor, FAW Group, SAIC Motor, Lifan, Chang'an (Chana), Geely, Chery, Hafei, Jianghuai (JAC), Great Wall and Roewe), and the rest were produced by joint ventures with foreign car makers such as Volkswagen, General Motors, Hyundai, Nissan, Honda, Toyota, Mitsubishi etc. While most of the cars manufactured in China are sold within China, exports reached 814, 300 units in 2011. China's home market provides its automakers a solid base and China's economic planners hope to build globally competitive auto companies (see Figure 1-1)

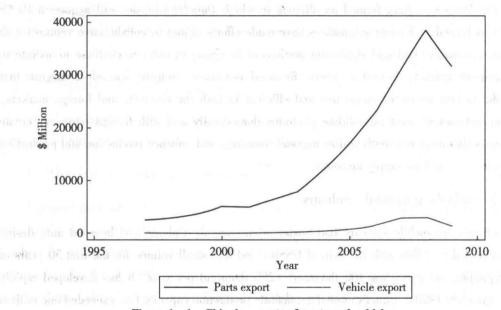


Figure 1-1 China's exports of parts and vehicles

Government officials in China have initiated policies that are intended to encourage the continuing development of China's domestic automobile manufacturing industry. Nevertheless, there are significant trade barriers for foreign competitors in the way of tariff policies that are applied to foreign auto imports. This restrictive trade environment has contributed to the serious problem of illegal imports of foreign cars into China.

Although improvements have been made in this field in the past decade, China's growing auto industry, industry productivity lags behind other Asian competitors, and it lacks the ability to conduct research and development, relying on its foreign partners to develop new vehicles. Also China's after-sales products and services still lag far behind those of developed countries. However, WTO commitments have brought about significant changes in the after-sale market.

#### The trade barriers of automobile industry

#### The trade barriers' definition and classification

There are a number of issues with imports and exports that must be taken into consideration when conducting foreign trade. For example, some countries have industries they may want to protect. These industries may be in competition with foreign companies for the opportunity to sell products domestically. To protect domestic trade, countries may institute various trade barriers according to different situations or purposes.

Trade barrier is to impose high import duties and a variety of import surcharges to limit and stop import of foreign goods. Trade barrier can be divided into tariff barrier and non-tariff barrier. A tariff barrier is a direct monetary burden to discourage trade in which a duty or fee is levied on goods being imported into (or exported out of) a country. Non-tariff barrier refers to a country's government to take various ways, other than the duties adjusted to their foreign trade activities, management and control of the sum of all the policies and measures. Nontariff barriers include quota, license, foreign exchange control, technical standards, and regulations, etc.

#### 1. 4. 2 Why are the barriers used

Barriers are often created to protect infant industries and developing economies, but are also used by more advanced economies with developed industries. Here are six of the top reasons why barriers are used.

#### 1. Protecting Domestic Employment

The levying of tariffs is often highly politicized. The possibility of increased competition from imported goods can threaten domestic industries. These domestic companies may fire workers or shift production abroad to cut costs, which means higher unemployment and a less happy electorate. The unemployment argument often shifts to domestic industries complaining about cheap foreign labor, and poor working conditions and lack of regulation allowing foreign companies to produce goods more cheaply. In economics, however, countries will continue to produce goods until they no longer have a comparative advantage (not to be confused with an absolute advantage).

#### 2. Protecting Consumers

A government may levy a tariff on products that it feels could endanger its population. For

example, South Korea may place a tariff on imported beef from the United States if it thinks that the goods could be tainted with disease.

#### 3. Protecting Infant Industries

The use of tariffs to protect infant industries can be seen by the Import Substitution Industrialization (ISI) strategy employed by many developing nations. The government of a developing economy will levy tariffs on imported goods in industries in which it wants to foster growth. This increases the prices of imported goods and creates a domestic market for domestically produced goods, while protecting those industries from being forced out by more competitive pricing. It decreases unemployment and allows developing countries to shift from agricultural products to finished goods.

Criticisms of this sort of protectionist strategy revolve around the cost of subsidizing the development of infant industries. If an industry develops without competition, it could wind up producing lower quality goods, and the subsidies required to keep the state-backed industry afloat could sap economic growth.

#### 4. Protecting National Security

Barriers are also employed by developed countries to protect certain industries that are deemed strategically important, such as those supporting national security. Defense industries are often viewed as vital to state interests, and often enjoy significant levels of protection. For example, while both Western Europe and the United States are industrialized, both are very protective of defense-oriented companies.

#### 5. Retaliation

Countries may also set tariffs as a retaliation technique if they think that a trading partner has not played by the rules. For example, if France believes that the United States has allowed its wine producers to call its domestically produced sparkling wines "Champagne" (a name specific to the Champagne region of France) for too long, it may levy a tariff on imported meat from the United States. If the U. S. agrees to crack down on the improper labeling, France is likely to stop its retaliation. Retaliation can also be employed if a trading partner goes against the government's foreign policy objectives.

#### 6. Economic Purposes

They are implemented for two clear economic purposes. First, they provide revenue for the government. Second, they improve economic returns to firms and suppliers of resources to domestic industry that face competition from foreign imports. These measures, for the developed countries, first, as a defensive weapon, it can protect domestic industries and monopoly profits. Second, it can be used as leverage in international trade negotiations. For the developing countries, first, it can restrict the discretionary entrance, save foreign exchange. Second, it can restrict imports to protect domestic national industry and weak industry.

#### The trade barriers of the automobile industry

Since the automobile industry is regarded as a critical sector, and also because of the competitive environment, some governments have taken some relevant measures and policies to protect this industry. The main measures include the fiscal subsidies and technical restrictions. price discrimination, certification barriers encountered etc.

The Automobile industry reflects sensitivity to these measures and regulations. For example, the certification barriers, China 3C certification standards with foreign standards have in fact not much difference, but that is not to be recognized abroad, which is unfair to China's auto enterprises. Malaysia, for example, in order to protect our national automobile industry to modify the standards of imported vehicles, results in more than 200 units of Chery 00 cars piled up in the local customs terminals shall not retreat, Japanese, Korean car also was rejected.

Another example is the price discrimination. It has been less than unusual marketing practices. Motorcar manufactures in Europe put different prices on different national markets for import restraints, difference in taxes and customer preferences. In addition to price discrimination, strategic margin for skimming pricing or predatory pricing to acquire initial market presence for outsiders is likely to be limited. This dimension of marketing strategy is particularly relevant to firms from outside. Considering the reasonable quality at a lower price has been prevailing mode of Korean motorcar manufactures, the convergence of price differences and subsequent reduction of general price level may create difficult environment for outsiders at the lower ends such as Korean brands.

#### Impacts of trade barriers on business

Most trade barriers work on the same principle: the imposition of some sort of cost on trade that raises the price of the traded products. If two or more nations repeatedly use trade barriers against each other, then a trade war results.

The state aid (such as the form of debt trite-offs, and regional assistance, etc.) has resulted in an unfair environment for competition and prohibited restructuring of the industry. Also the national aid for less competitive domestic manufactures did not form an effective instrument for structural adjustment and left the industry vulnerable. If the competitive environment has become fair due to regulations on the state aid, the decrease in the number of state aid cases and the national dominance of indigenous makers should be observed. Limited state aid and restrictions to unfair practices in the market have facilitated a competitive but fair market environment. In a fair market, national dominance of local makers should be naturally be diminished.

Also, the automobile industry is particularly sensitive to technical barriers because they affect all the areas of business activities including pre-production, production, sales and marketing. In addition, the technical harmonization also affects the products attributes towards increased standardization with less number of technical specifications conforming to the national requirements. This is likely to enable firms to concentrate more global standardization of their products and pays less attention to the local applications.

Rationalization efforts may be observed in the forms of relocation, merger, concentration and the subsequent improvement of efficiency and dynamic growth. Industrial concentration accelerated by the economic integration, increased the size of firms within the region and further rationalization efforts should be observed. Such alliances and networks are emerging in the European automotive industry as they attempt to partially recreate the buyer-supplier relations within the integrated market.

Marketing networks and distribution channel are likely to be areas that most significantly affected. Within the context of economic integration, the market may well served from the less number of geographical locations and the fragmented distribution channels would also affected to be concentrated.

Trade barrier obstructs free trade. Before exporting or importing to other countries, firstly, they must be aware of restrictions that the government imposes on the trade. Subsequently they need to make sure that they are not violating the restrictions by checking those related regulation on tax or duty, and finally they probably need a license in order to ensure a smooth export or import business and reduce the risk of penalty of violation. Sometimes the situation becomes even more complicated with the changing of policy and restrictions of a country.

#### 1. 4. 5 Customs clearance procedures and handling process

There might be all sorts of issues to be dealt with by foreign businesses in customs clearance for their imported goods in China. Even though there is no success formula, attention to the following details should help ease the necessary clearance procedures. The date of landing of the imported goods should be duly noted and the time and details of the shipment should be promptly checked to ensure that customs declaration will commence within the 14-day period prescribed by the Customs. In the event of failure to make customs declaration