

外贸英语经典系列教材

# Techniques of Foreign Trade (Third Edition)

## 对外贸易实务英语读本 (第三版)

诸葛霖 杨伶俐 编著



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**(Third Edition)**

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## 第三版前言

《对外贸易实务英语读本》的编写目的是使读者在国际贸易英语的语境中比较系统地学习国际贸易实务知识和操作流程，掌握此领域相关专业术语和英语语言特征，促进读者在商务专门用途英语运用能力方面的提高，学会怎样用英语从事进出口业务。其实用性不言而喻。此书适用于从事对外经济活动的外贸工作者，并可供对外经济贸易、财经、财贸、金融、企业管理等大专院校学员学习与参考之用。

本书语言通俗易懂，深入浅出。内容涵盖面广尤为本书一大特点。包括进出口策略、市场销售、贸易条款、灵活多样的贸易方式、包装装潢、出口单证、运输、保险、国际支付、商业信贷、进出口程序、发盘、接受、成交、成本计算、贸易合同、业务进程、商品检验、技术转让、商标、专利、仲裁、出口许可证、企业组织、国内外专业人员和机构等专题。

此第三版在第一版和第二版的基础上进行了部分内容上的更新，以适应新的国际贸易形势的发展。同时对部分文字和格式进行了调整。

不妥之处，还望各位专家和读者批评指正。

杨伶俐

2014年7月16日

# 前 言

《对外贸易实务英语读本》的编写目的是使读者初步学会怎样做好进出口业务工作。它适用于从事对外经济活动的干部，尤其是外贸工作者，并可供对外经济贸易、财经、财贸、金融、企业管理等大专院校学员学习与参考之用。

编者参阅了国际组织和国内外学者撰写的书刊资料，结合中国对外贸易的实际，尤其是近几年来的新事物，新做法，新法规，新制度和新机构，用简明易学的外贸业务常用的英语整理编写四十一章。内容比较广泛，可供一学年学习之用。

本书内容包括进出口策略、市场销售、贸易条款、灵活多样的贸易方式、包装装潢、出口单证、运输、保险、国际支付、商业信贷、进出口程序、发盘、接受、成交、成本计算、贸易合同、业务进程、商品检验、技术转让、商标、专利、仲裁、出口许可证、企业组织、国内外专业人员和机构等等专题。

在编写过程中，本书编者得到对外经济贸易大学孙维炎校长的鼓励和支持并经广州外贸学院院长石畏三同志审阅，国际贸易促进会法律事务部顾问周泰祚先生和美籍专家瓦尔庚博士精心校阅，上海外贸职工大学蒋耀宗同志为出口单证和运输的编写提供了资料和意见，经贸大学英语教师张勇同志积极合作，编写有关营销学知识的章节（第2到7章），为此表示衷心的感谢。

由于编者的业务与英语水平有限，错误与缺点在所难免，还望海内外专家和读者批评指正。

诸葛霖

1992年春于对外经济贸易大学

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## **Section 1**

### **Introduction to International Trade**

International trade, also known as world trade, foreign trade or overseas trade, is the fair and deliberate exchange of goods and services across national boundaries. It involves trade operations of both import and export and concerns the purchase and sale of both visible and invisible goods.

#### **Reasons for International Trade**

A range of factors contribute to why nations trade with one another. First, difference in resource endowments is one of the important reasons for international trade. No nation in the world has all the commodities that it requires. Some countries are rich in certain resources but scarce in others. A country may have an abundance of natural resources like mineral ores or oil, but lack in skilled labor or capital. It may possess advanced technology, machinery and equipment, but are in shortage of raw materials. Such an uneven distribution of resources around the world provides a basis for nations to trade with each other. Another incentive for international trade is economic benefits. In addition to getting the products it needs, a nation also wishes to gain economically by trading with other countries. Production costs differ by country and this is influenced by labor costs, technology, volume of production and transportation, etc. It has been found that a nation can gain more benefits by producing goods it can make most cheaply and buying those goods that other countries can make at lower costs than producing everything it needs within its own boundary. This is often explained by the theory of comparative advantage developed by David Ricardo in the Nineteenth century.



However, even though a country can produce enough of an item at reasonable costs to meet its own demand, it may still import some from other countries for innovation or a variety of styles. Lack of mobility of the production factors is also a major factor, which means products/resources can only be utilized where they are located or found. In a sense, international trade facilitates the reallocation of resources. Sometimes, trade takes place between two countries out of political objectives. In addition, difference in tastes, preferences and consumption patterns can be a motivation for people of different nations to trade with each other.

## **Benefits from International Trade**

The benefits derived from international trade are numerous, including a wider range of goods or services becoming available. This permits a wider consumer choice and higher levels of consumer satisfaction. Lower production costs, through economies of scale, results in lower prices to the consumer. Enlargement of the market is achieved through increased production, increased investment and expansion of the economy. International trade increases competition and promotes the improvement of the quality of products and services. It also provides a stimulus to economic growth, developing technology and raising living standards.

## **Problems in International Trade**

When dealing in international trade (exporting and importing), a businessman has to face a variety of conditions which differ from those to which he has grown accustomed in the domestic trade. The fact that the transactions are across national borders highlights the differences between domestic and international trade. Generally speaking, there are certain differences which justify the separate treatment of international trade and domestic trade. In particular, the differences involve cultural differences, legal system differences, monetary conversion, different risk levels, and trade barriers.

When companies do business overseas, they come in contact with people from different cultures. They speak different languages and have their own particular customs and manner, and they judge the world from their own ways of looking at things. Therefore, in international trade, business people should be on alert against different language habits, different local customs and cultural norms so as to avoid unnecessary disputes.

In international trade, transactions are made under foreign laws, regulations or subject to international rules. These rules and regulations vary with countries and international rules may

not be adopted or accepted by every country, which adds to the complexity of international trade. Hence, business people are advised to be aware of these laws, rules or regulations before a specific deal.

Monetary conversion is another major problem in conducting international trade, as international transactions might involve foreign currencies. Each currency's value is different from others' and is stated in terms of other currencies. The exchange rates between the currencies change every day and are constantly updated in banks and foreign exchange offices around the world. Exporting firms to whom payment is made in a foreign currency can be involved in significant foreign exchange risks because of the fluctuation in exchange rates. A wise international trade practitioner should consider exchange rate fluctuations to avoid risks and losses in transactions.

Risk levels faced by foreign traders are much higher than those by domestic traders. International businessmen are confronted with political risks, commercial risks, financial risks and transportation risks. An international businessman needs to be sensitive to the risks and try to avoid or minimize the impact of the risks on his business.

Another problem is trade barriers. It is generally assumed, as the famous economist David Ricardo stated in the 19<sup>th</sup> century, that the free flow of international trade benefits all who participate. In actual practice, however, the world has never had a completely free trading system. This is because every individual country puts control on trade for the following reasons: (1) to correct a balance-of-payment deficit; (2) in view of national security; (3) to protect their own industries against the competition of foreign goods. When the total payments leaving a country exceed its total receipts from abroad, a balance-of-payment deficit occurs. The country then will try to limit imports and increase exports. Nations sometimes restrict export of some critical raw materials, high technology, or equipment when such export might harm its own welfare. Sometimes, a country's infant industries or some strategic industries need to be shielded from foreign competition. A country usually offers protection to these domestic industries by taxing imports of similar foreign goods.

There still exist other problems, but the above are the most common in international trade.

## **Classification of International Trade**

International trade can be classified into various categories according to different criteria. From the direction of cargo flow, international trade can be divided into export trade and import trade. From the form of the goods, it can be classified into merchandise (visible) trade

and service (non-merchandise or invisible) trade.

### 1. Merchandise Exports and imports

Merchandise exports are goods sent out of a country, while merchandise imports are goods brought in. Since these are tangible goods that visibly leave and enter countries, they are sometimes referred as visible exports and imports. Exporting is an extension of trading with customers living in another country and can be divided into direct exporting and indirect exporting. Direct exporting involves establishing an export department or even an overseas sales branch. A company can also sell its products abroad indirectly through middlemen, commonly called export agents. Indirect exporting involves less investment and is therefore less risky, which enables small firms with limited capital and product diversification export very easily. Importing, opposite to exporting, is the process of purchasing goods and services from other nations and can be either direct or indirect. Indirect importing is the purchase of foreign goods through domestic middlemen, while direct importing is the direct purchase of goods from overseas market.

### 2. Service Exports and Imports

Service exports and imports are also regarded as invisible exports and imports, referring to international earnings or payments other than those from exporting or importing goods. Transportation service across national boundaries is an important kind of service trade or invisible trade. International transportation involves different means of transport such as ocean ships, planes, trains, trucks and inland waterway vessels, among which maritime ship is the most widely adopted. Insurance is another important type of invisible trade. Goods being transported in international trade are vulnerable to many risks and must be insured against loss or damage. Tourism is yet another important form of service trade. Many countries may have beautiful scenery, wonderful attractions, places of historical interest, or a mild and sunny climate. These countries may attract large numbers of tourists, who spend money for travelling, hotel accommodation, and so on. The fourth type of invisible trade meriting attention is immigrant remittance, which refers to the money sent back to home countries by people working in a foreign land. Import and export of labor service may be undertaken by individuals, or organized by companies or even by states. And this is becoming an important kind of invisible trade for some countries.

## What Is the Balance of Payments?

Balance of payments (BOP) accounts are an accounting record of all monetary transactions

between a country and the rest of the world. These transactions include payments and receipts concerned with the country's imports and exports of goods, services, financial capital, and financial transfers. The BOP accounts summarize international transactions for a specific period, usually a year, and are prepared in a single currency, typically the domestic currency for the country concerned.

When all components of the BOP accounts are included they must sum to zero with no overall surplus or deficit. For example, if a country is importing more than it exports, its trade balance will be in deficit, but the shortfall will have to be counterbalanced in other ways – such as by funds earned from its foreign investments, by running down central bank reserves or by receiving loans from other countries.

While the overall BOP accounts will always balance when all types of payments are included, imbalances are possible on individual elements of the BOP, such as the current account, the capital account excluding the central bank's reserve account, or the sum of the two. Imbalances in the latter sum can result in surplus countries accumulating wealth, while deficit nations become increasingly indebted.

In general there is concern over deficits in the current account. Countries with deficits in their current accounts will build up increasing debt and/or see increased foreign ownership of their assets. The types of deficits that typically raise concern are

- A visible trade deficit. A country has visible trade deficit when it is importing more physical goods than it exports, even if this is balanced by the other components of the current account.
- An overall current account deficit.
- A basic deficit. A basic deficit is the current account plus foreign direct investment but excluding other elements of the capital account like short term loans and the reserve account.

Historically there have been different approaches to the question of how or even whether to eliminate current account or trade imbalances. With record trade imbalances held up as one of the contributing factors to the financial crisis of 2007–2010, plans to address global imbalances have been high on the agenda of policy makers since 2009.

## **Section 2**

### **Importance of Foreign Trade to a Nation**

Foreign trade is of great importance to a nation mainly due to the following three reasons.

First, foreign trade can create job opportunities. The international market is vast compared with the limited domestic market. With foreign trade, a nation can increase its sales volume of its products and services and therefore create jobs at home.

Second, foreign trade can improve living standards. According to international trade theory, a key driver of international trade is cost differentials between countries for the same commodity. A nation can buy goods in a foreign country more cheaply than it can produce those goods at home. Thus, due to the reduced cost and the enlarged range of goods and varieties of services available to the consumer, foreign trade lifts the people's living standards of a country.

Third, competition with foreign companies brings about long-term improvement in industrial competitiveness. Production efficiency can be upgraded by the introduction into the home market of advanced technologies and equipment improvements that can enhance the growth of domestic industries.

### **China's Foreign Trade**

In 1978 China entered the new period of reform and opening up. Devoting major efforts to the development of foreign trade became an important approach to accelerate modernization, shake off backwardness, promote the growth of economy, and improve comprehensive national strength. Over the past 30 years or so, seizing the opportunity of the world economy's

long-term prosperity and the deepening economic globalization, China has opened wider to the outside world, attracted and utilized foreign investment, introduced advanced technology, transformed and upgraded domestic industries, and achieved rapid development in foreign trade through all-round participation in the international division of labor and competition.

China's total trade volume in goods ranks high globally. In 1978 the total value of China's import and export was only 20.6 billion US dollars, ranking 32nd in world trade and accounting for less than 1 percent of the world's total. In 2010 the total value of China's import and export reached 2.974 trillion US dollars, 144 times as much as that in 1978, averaging an annual growth of 16.8 percent. In 2010, the total volumes of China's export and import accounted for 10.4 percent and 9.1 percent of the world's total, respectively. By the end of 2010 China had been the world's largest exporter and second-largest importer for two consecutive years.

The structure of China's trade in goods has fundamentally changed. China's export commodity structure shifted from the primary products dominated to manufactured goods dominated in the 1980s, and from mainly light industrial and textile products to mainly mechanical and electronic products in the 1990s. In the new century, China's export of high-tech products, led by electronics and information technology commodities, has been increasingly expanded. From the 1980s to the early 21st century, China's processing trade flourished, accounting for half of the country's foreign trade volume. Throughout China's foreign trade development, foreign-invested enterprises and processing trade have played very significant roles.

China has formed an all-round and diversified import and export market. Since the adoption of the reform and opening up policy, China has been promoting foreign trade on all fronts, and established trade relations with the vast majority of the world's countries and regions. China's trade partners have increased from a small number of countries and regions in 1978 to 231 countries and regions now. The European Union (EU), the United States, the Association of Southeast Asian Nations (ASEAN), Japan, and the other BRIC countries have become China's major trade partners. In this new century China's trade with newly emerging markets and developing countries has maintained sustained and relatively rapid growth.

China's international competitiveness in services trade has been enhanced. With its WTO entry, China's trade in services entered a new stage of development. With its scale rapidly enlarged and its pattern gradually optimized, China's trade in services now ranks among the top in the world. China's trade in tourism, transport and other fields has maintained a steady

growth momentum. China's cross-border services in construction, communications, insurance, finance, computers and information, royalties and license fees, consultation and related fields, as well as service outsourcing, have been growing rapidly. From 2001 to 2010 China's total services trade value (excluding government services) witnessed a more-than-five-fold growth from 71.9 billion US dollars to 362.4 billion US dollars.

China's foreign trade development has greatly pushed forward the country's modernization drive. China has grown into an open economy. Participation in the international division of labor and competition, introduction of advanced technology, equipment and management methods, and utilization of foreign direct investment have greatly promoted China's technological progress and industrial upgrading, and also improved the management and market competitiveness of its enterprises. The rapid growth of processing trade has brought into play China's comparative advantage of an abundant labor force, and accelerated the country's industrialization and urbanization. Foreign trade has directly contributed to the employment of over 80 million Chinese people, more than 60 percent of whom are from rural areas, and employees' income and living standards have been remarkably improved. Foreign trade, domestic investment and domestic consumption have become the three major engines propelling China's economic growth.

### 1. Promoting Basically Balanced Growth of Foreign Trade

The primary factors determining whether a country's foreign trade is in surplus or deficit are its economic structure and the international competitiveness of its products or services. China does not pursue a foreign trade surplus intentionally. There has been a certain amount of deficit in China's services trade for a long time, and the trade in goods was in deficit for most of the years prior to 1990. After 1990, with large-scale industrial outsourcing and relocation, China enhanced its competitiveness in manufactured goods. Growth in exports overtook that of imports, turning the overall deficit to a surplus in trade in goods.

The fact that China is enjoying a surplus in trade in goods reflects its position in the international division of labor at the current stage. China has now relatively big advantages in the processing and assembling of industrial products, and is the largest producer and exporter of industrial products. The United States, European Union and some other countries and regions are the major end consumer markets. With the transfer of large numbers of labor-intensive processing and assembling sectors to China from Japan, Republic of Korea, Singapore, China's Taiwan, China's Hong Kong and other nations and regions, their surpluses with the United States and Europe were also transferred to China. The result is that while

China is currently enjoying a surplus in trade in goods primarily with the United States and Europe, it also has long-term trade deficits with Japan, Republic of Korea, ASEAN and other major intermediate producers.

As China turned its trade deficit into a surplus, the country improved its international balance of payments and enhanced its resistance to external risks. However, the sharp increase in surplus also created trouble for the Chinese economy. The large volume of RMB input in export settlement complicates macroeconomic control, and the rapid expansion of China's surplus in trade in goods also results in more trade frictions between China and its trading partners, as well as persistent pressure on the RMB to appreciate.

China's measures to promote balanced foreign trade growth have achieved obvious effects. The nation's surplus in trade in goods has been on a steady decline since 2009, and the proportion of surplus in the total import and export trade volume and the GDP also started to drop in 2008, moving toward a balance in foreign trade. China's efforts not only serve the development of its own economy, but are also practical moves to promote the structural adjustment and the rebalancing of the global economy.

## 2. Realizing Sustainable Development of Foreign Trade

At present, unbalanced, inconsistent and unsustainable development factors persist in China's foreign trade. They are manifested in the following ways: Export growth mainly relies on the input and consumption of resources, energy, land, manpower, environment, etc., while the input of science and technology, management, innovation and other factors are insufficient, resulting in an ever more conspicuous contradiction between foreign trade development and the constraint on resource supply and environmental carrying capacity; enterprises are not competitive enough in R&D, design, marketing and services, and products with their own intellectual property rights and with their own brands account for only a small proportion of the exports; the contribution of foreign trade to China's primary, secondary and tertiary industries is unbalanced; central and western China falls behind other regions in the scale and level of foreign trade; and foreign trade needs improvement in terms of the quality of its products and profits. The Chinese government is clearly aware of these problems and has taken active measures to accelerate the change of the development pattern of foreign trade, and achieve sustainable development.

In recent years, with the rising labor cost and spiraling prices of resources, energy and other production factors, the low-cost advantage of export-oriented industries has been greatly weakened. In the face of these new conditions, the Chinese government has set the strategic



goal of turning the mode of foreign trade from extensive to intensive development. During the 12th Five-year Plan period (2011-2015) China will make efforts to maintain its current competitive edge in exports, foster new advantages centering on technology, branding, quality and services at a faster pace, promote industrial transformation and upgrading, extend the value-added chain of processing trade, and the competitiveness and added value of enterprises and products. It will vigorously develop trade in services to promote balanced development between trade in goods and services.

Generally speaking, the quality of China's export products is constantly improving, and they are becoming more and more popular among consumers around the world. According to a report from the Ministry of Health, Labor and Welfare of Japan on imported food, in 2010 tests on 20 percent of food imported from China found that 99.74 percent was up to standard, higher than that of food imported from the United States and European Union in the same period. However, a small number of Chinese enterprises still ignore product quality and safety to bring down cost, while some foreign importers turn a blind eye to quality and credibility, and try every means to bring down the price or even authorize Chinese producers to use substandard materials. All this harms the image of "made-in-China" products. To tackle these problems, in recent years, the Chinese government has improved laws and regulations on product quality and safety, strengthened supervision at every link, and strictly investigated and punished the few enterprises that had violated laws and regulations and caused quality problems.

China's foreign trade is still hampered by many uncertainties and is bound to meet new difficulties and challenges. During the 12th Five-year Plan period China will open itself wider to the outside world as a driver for further reform, development and innovation, make full use of its advantages, strengthen international cooperation in all respects, and integrate itself into the world economy on a wider scale and at a higher level. China is willing to work with its trading partners to cope with the various challenges facing the world economy and trade, and promote its foreign trade to realize a more balanced, coordinated and sustainable development, and share prosperity and mutually-beneficial results with its trading partners.