高等学校最新商务英语系列教材二

国际贸易英语

Specialized English for International Trade

何康民 俞建耀 主编

- 了解国际贸易的发展与变化
- 把握国际贸易的趋势与方向
- 体验国际贸易的流程与交流

苏州大学出版社
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前言 Preface

伴随着我国加入WTO及经济全球化进程加快，国际商务交流活动日益频繁，英语在国际经济贸易领域发挥着越来越重要的作用。然而仅仅具有良好的英语能力是不够的，还必须熟悉国际贸易相关的专业知识，只有这样才能在激烈的国际竞争中立于不败之地。编者正是基于这样的指导思想才编写了《国际贸易英语》一书，力求使其成为全国高等学校商务英语类精品教材。

本书共14章，详尽介绍了进出口贸易体系，以期帮助读者了解国际贸易的每笔交易从发生、发展到结束的整个流程。教材内容大都选自国际经济贸易的原版书籍和英文报刊，教材语言注重体验观、语用观，系统展示了国际贸易专业英语的科学性、系统性和实用性，是一本适合高等院校商务英语专业和经贸类专业英语课程使用的教材。本书的编写具有以下几个特点：

- 每章由Lead-in部分引入，便于学生展开思考与讨论。
- 每章配有一些插图、图表，以确保阐述的清晰性、趣味性。
- 每章附有经典案例分析，材料新颖，反映了当前国际贸易新的发展方向与变化。
- 每章附有大量习题，帮助学生把握重点，同时考查学生对知识的掌握程度和应用能力。

本书主编之一何康民曾在湖北省外贸公司从事进出口贸易工作长达十余年之久，积累了丰富的实践经验；主编之二俞建耀曾在中国成套设备进出口广州股份公司从事进出口贸易，后又在广东省外经贸厅WTO事务咨询服务中心从事咨询；其他作者也均在高等学校长期担任国际经济与贸易专业英语教学工作，具有丰富的教学经验。在此，编者愿与广大读者分享进出口业务知识与经验，为培养优秀的国际经贸和英语专门人才贡献自己的绵薄之力。

全书由何康民和俞建耀拟定大纲并负责全书的统稿。教材编写分工如下：湖北经济学院何康民编写第1、5、9章，孙小军编写第4、6、7章；浙江工商大学俞建

耀编写第8、10、14章，项玲编写第3、12、13章，林莉编写第2、11章。本书配有电子练习参考答案，如有需要请联系我们(tangdingjun@suda.edu.cn，0512-67258830)。

在该书的编写和出版过程中，苏州大学出版社的汤定军先生给予了热情的支持和无私的帮助，对此编者深表感谢。

限于编者的理论水平与教学经验，本书的缺点与不当之处在所难免，恳请广大读者批评指正，以便我们修改完善。

编　者

2009年8月

Contents of the Book

UNIT 1

An Overview of International Trade

資料室 Lead-in

Since its accession to the WTO (World Trade Organization), China has become the United States' third-largest trading partner. Between 1998 and 2007, US imports from China rose from \$71 billion to \$321 billion, while US exports to China climbed from \$14 billion to \$65 billion. US has a larger and larger trade deficit with China and United States Congress and the administration wrestles with one another over the proper tactics and strategies to shape US-China economic relations. But as illustrated in Figure 1, focusing on the bilateral trade misses a bigger and more important story:

- The US trade imbalance with China is largely a result of the shifting of US trade with East Asia.
- The US trade deficit with the rest of the world has grown more than with China and East Asia.
- China is now the third-largest US market for goods and growing far faster than any other major export market.

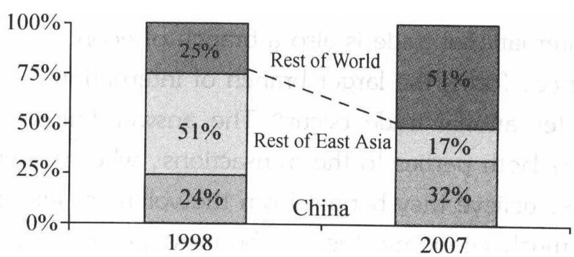


Figure 1 Composition of the US Global Trade Deficit

Text

Trade is the voluntary exchange of capitals, goods, services, assets, or money between one person or organization and another. As it is voluntary, both parties to the transaction must believe they will gain from the exchange or else they would not complete it. International trade is trade between residents of two countries and it represents a significant share of gross domestic product (GDP). The residents may be individuals, firms, not-for-profit organizations, or other forms of associations.

International trade is in principle not different from domestic trade as the motivation and the behavior of parties involved in a trade does not change fundamentally depending on whether trade is across a border or not. The main difference is that international trade is typically more costly than domestic trade. The reason is that a border typically imposes additional costs such as tariffs, time costs due to border delays and costs associated with country differences such as language, the legal system or a different culture.

Another difference between domestic and international trade is that factors of production such as capital and labor are typically more mobile within a country than across countries. Thus international trade is mostly restricted to trade in goods and services, and only to a lesser extent to trade in capital, labor or other factors of production. Then trade in goods and services can serve as a substitute for trade in factors of production. Instead of importing the factor of production a country can import goods that make intensive use of the factor of production and are thus embodying the respective factor. An example is the import of labor-intensive goods by the United States from China. Instead of importing Chinese labor the United States is importing goods from China that are produced with Chinese labor. International trade is also a branch of economics, which, together with internal finance, forms the larger branch of international economics.

Why does international trade occur? The answer follows directly from our definition of trade: Both parties to the transactions, who happen to reside in two different countries, believe they benefit from the voluntary exchange. Behind this simple truth lies much economic theory, business practice, government policy, and international conflict.

Visible Trade & Invisible Trade

In academic world, we tend to classify international business into visible trade and invisible trade. Visible trade refers to the exchange of physically tangible goods between countries, involving the import and export of goods at various stages of production. It is distinguished from invisible trade, which involves the import and export of physically intangible items such as transportation, insurance, tourism and other services.

As Figure 2 indicates, international trade has grown dramatically in terms of both visible trade and invisible trade due to industrialization, advanced transportation, multinational corporations. And its economic, social, and political importance have been on the rise in recent centuries. Increasing international trade is crucial to the continuance of globalization. International trade is a major source of economic revenue for any nation that is considered a world power. Without international trade, nations would be limited to the goods and services produced within their own borders.

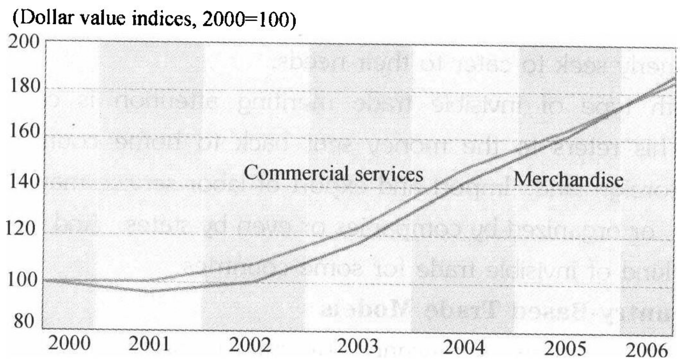


Figure 2 World Export of Goods & Services, 2000 – 2006

In recent decades, in addition to the fast development of visible trade, invisible trade, which involves the exchange of services between countries, has also made a big progress. Invisible trade can be as important to some countries as visible trade is to others. Following are the major forms of invisible trade.

Transportation service across national boundaries is an important kind of invisible trade. International transportation involves different means of transport such as ocean ships, planes, trains, trucks and inland water vessels. However, the most important of them is maritime ships. When an exporter arranges shipment, he generally books space in the cargo compartment of a ship, or charter a whole vessel. Some countries such as Greece and Norway have large maritime fleets and earn a lot by way of this invisible trade.

Insurance is another important kind of invisible trade. In the course of transportation, a cargo is vulnerable to many risks such as collision, pilferage, fire, storm, explosion, and even war. Goods being transported in international trade must be insured against loss or damage to the goods. Large insurance companies provide service for international trade and earn premium.

Tourism is yet another important form of invisible trade. These tourists are typical of the millions of international visitors who flood cities like London, Rome, Osaka, Hong Kong, and San Francisco to absorb their cultures and cuisines. In the process, they spend millions of Dollars, Euros, and Yen on lodging, food, souvenirs, and postcards, creating millions of jobs as airlines, hotel chains, and restaurants eagerly seek to cater to their needs.

The fourth type of invisible trade meriting attention is called immigrant remittance. This 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.

Classical Country-Based Trade Models

Due to the obvious significance of international trade to businesses, consumers, and workers, scholars have attempted to develop theories to explain and predict the forces that motivate such trade. Governments use these theories when they design policies they hope will benefit their countries' industries and citizens. Managers use them to identify markets and profitable internationalization strategies. Several different models have been proposed to predict patterns of trade and to analyze the effects of trade policies such as tariffs, quotas, import license and so on.

- **Ricardian model**

The Ricardian model focuses on comparative advantage and is perhaps the most important concept in international trade theory. In a Ricardian model, countries specialize in producing what they produce best. Unlike other models, the Ricardian framework predicts that countries will fully specialize instead of producing a broad array of goods. Also, the Ricardian model does not directly consider factor endowments, such as the relative amounts of labor and capital within a country.

- **Heckscher-Ohlin model**

The Heckscher-Ohlin model was produced as an alternative to the Ricardian model of basic comparative advantage. Despite its greater complexity it did not prove much more accurate in its predictions. However, from a theoretical point of view it did provide an elegant solution by incorporating the neoclassical price mechanism into international trade theory. This model argues that the pattern of international trade is determined by differences in factor endowments. It predicts that countries will export those goods that make intensive use of locally abundant factors and will import goods that make intensive use of factors that are locally scarce. Empirical problems with the H-O model, known as the Lwontie Paradox, were exposed in empirical tests by Wassily Leontief who found that the United States tended to export labor-intensive goods despite having capital abundance.

- **Specific factors model**

Global Competitiveness Index (2006 - 2007) points out that competitiveness is an important determinant for the well-being of states in an international trade environment. In this model, labor mobility between industries is possible while capital is immobile between industries in the short run. Thus, this model can be interpreted as a "short run" version of the Heckscher-Ohlin model. The specific factors name refers to the given that do in the short run, specific factors of production such as physical capital are not easily transferable between industries. The theory suggests that if there is an increase in the price of a product, the owners of the factor of production specific to that product will profit in real terms. Additionally, owners of opposing specific factors of production (i. e. labor and capital) are likely to have opposing agendas when lobbying for controls over immigration of labor. Conversely, both owners of capital and labor profit in real terms from an increase in the capital endowment. This model is ideal for particular industries. This model is ideal for understanding income distribution but awkward for discussing the pattern of trade.

- **New Trade Theory**

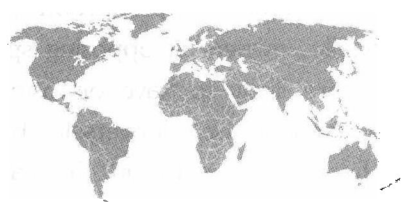
New Trade Theory tries to explain several facts about trade, which the two main models above have difficulty with. These include the fact that most trade is between countries with similar factor endowment and productivity levels, and the large amount of multinational production (i. e. foreign direct investment) which exists. In one example of this framework, the economy exhibits monopolistic competition, and increasing returns to scale.

- **Gravity model**

The gravity model of trade presents a more empirical analysis of trading patterns rather than more theoretical models discussed above. The gravity model, in its basic form, predicts trade is based on the distance between countries and interaction of countries' economic sizes. The model mimics the Newtonian law of gravity which also considers distance and physical size between two objects. The model has been proven to be empirically strong through econometric analysis. Other factors such as income level, diplomatic relations between countries, and trade policies are also included in expanded versions of the model.

Regulations of International Trade

Traditionally trade was regulated through bilateral treaties between two nations. For centuries under the belief in Mercantilism, most nations had high tariffs and many restrictions on international trade. In the 19th century, especially in the United Kingdom, a belief in free trade became paramount. This belief became the dominant thinking among Western nations since then. In the years since the Second World War, controversial multilateral treaties like the General Agreement on Tariffs and Trade (GATT) and the WTO have attempted to create a globally regulated trade structure. These trade agreements have often resulted in protest and discontent with claims of unfair trade that is not mutually beneficial.



Free trade is usually most strongly supported by the most economically powerful nations, though they often engage in selective protectionism for those industries which are strategically important such as the protective tariffs applied to agriculture by the United States and Europe. The Netherlands and the United Kingdom were both strong advocates of free trade when they were economically dominant. Today United States, United Kingdom, Australia and Japan are its greatest proponents. However, many other countries, such as India, China and Russia are increasingly becoming advocates of free trade as they become more economically powerful. As tariff levels fall, there is also an increasing willingness to negotiate non-tariff measures, including foreign direct investment, procurement and trade facilitation.

Traditionally agricultural interests are usually in favor of free trade while manufacturing sectors often support protectionism. This has changed somewhat in recent years, however. In fact, agricultural lobbies, particularly in United States, Europe and Japan, are chiefly responsible for particular rules in the major international trade treaties which allow for more protectionist measures in agriculture than for most other goods and services.

During recessions there is often strong domestic pressure to increase tariffs to protect domestic industries. This occurred around the world during the Great Depression. Many economists have attempted to portray tariffs as the underlining reason behind the collapse in world trade that many believe seriously deepened the depression.

The regulation of international trade is done through the WTO at the global level, and through several other regional arrangements such as MERCOSUR (Spanish for Regional Trade Agreement (RTA) among Argentina, Brazil, Paraguay and Uruguay founded in 1991) in South America, the North American Free Trade Agreement (NAFTA) between the United States, Canada and Mexico, and the European Union (EU) between 27 independent states. The 2005 Buenos Aires talks on the planned establishment of the Free Trade Area of the Americas (FTAA) failed largely because of opposition from the populations of Latin American nations. Similar agreements such as the Multilateral Agreement on Investment (MAI) have also failed in recent years.

Risks in International Trade

The risks that exist in international trade can be divided into two major groups, economic risks and political risks.

- **Economic risks**

⅄ Risk of insolvency of the buyer,

⅄ Risk of protracted default—the failure of the buyer to pay the amount due within six months after the due date

⅄ Risk of non-acceptance

⅄ Surrendering economic sovereignty

⅄ Risk of exchange rate

- **Political risks**

⅄ Risk of cancellation or non-renewal of export or import licenses

⅄ War risks

⅄ Risk of expropriation or confiscation of the importer's company

⅄ Risk of the imposition of an import ban after the shipment of the goods

⅄ Transfer risk—imposition of exchange controls by the importer's country or foreign exchange shortages

⅄ Surrendering

⅄ Influence of political parties in importer's company

Free Trade & Protectionism

Free trade is a system in which the trade of goods and services between or within countries flows unhindered by government-imposed restrictions. Such government interventions generally increase costs of goods and services to both consumers and producers. Interventions include taxes and tariffs, non-tariff barriers, such as regulatory legislation and quotas, and even inter-government managed trade agreements such as the NAFTA and Central America Free Trade Agreement (CAFTA). The most extreme version of Free Trade opposes all such interventions. Trade liberalization entails reductions to these trade barriers in an effort for relatively unimpeded transactions.

One of the strongest arguments for free trade was made by classical economist David Ricardo in his analysis of comparative advantage. Comparative advantage explains how trade will benefit both parties (countries, regions, or individuals) if they have different opportunity costs of production.

Free trade can be contrasted with protectionism, which is the economic policy of restricting trade between nations. Trade may be restricted by high tariffs on imported or exported goods, restrictive quotas, a variety of restrictive government regulations designed to discourage imports, and anti-dumping laws designed to protect domestic industries from foreign take-over or competition.

Free trade is a term in economics and government that includes:

- Trade of goods without taxes (including tariffs) or other trade barriers (e. g., quotas on imports or subsidies for producers)
- Trade in services without taxes or other trade barriers
- The absence of trade-distorting policies (such as taxes, subsidies, regulations or laws) that give some firms, households or factors of production an advantage over others
- Free access to markets
- Free access to market information
- Inability of firms to distort markets through government-imposed monopoly or oligopoly power
- The free movement of labor between and within countries
- The free movement of capital between and within countries

The history of international trade is a focus on the development of open markets. It is known that various prosperous world civilizations throughout history have engaged in trade. Based on this, theoretical rationalizations as to why a policy of free trade would be beneficial to nations developed over time. These theories were developed in its academic modern sense from the commercial culture of England, and more broadly Europe, over the past five centuries. Before the appearance of free trade, and continuing in opposition to it to this day, the policy of mercantilism had developed in Europe in the 1500s. Early economists opposed to mercantilism were David Ricardo and Adam Smith.

Economists who advocated free trade believed trade was the reason why certain civilizations prospered economically. Adam Smith, for example, pointed to increased trading as being the reason for the flourishing of not just Mediterranean cultures such as Egypt, Greece, and Rome, but also of Bengal (East India) and China. The great prosperity of the Netherlands after throwing off Spanish imperial rule, and declaring free trade and freedom of thought, made the free trade/mercantilist dispute the most important question in economics for centuries. Free trade policies have battled with mercantilist, protectionist, isolationist, communist, and other policies over the centuries.