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## **Main aspects of international trade**

*(дополнительные материалы к учебнику «Learningenglish2.ru»)*

**Учебно-методическое пособие**

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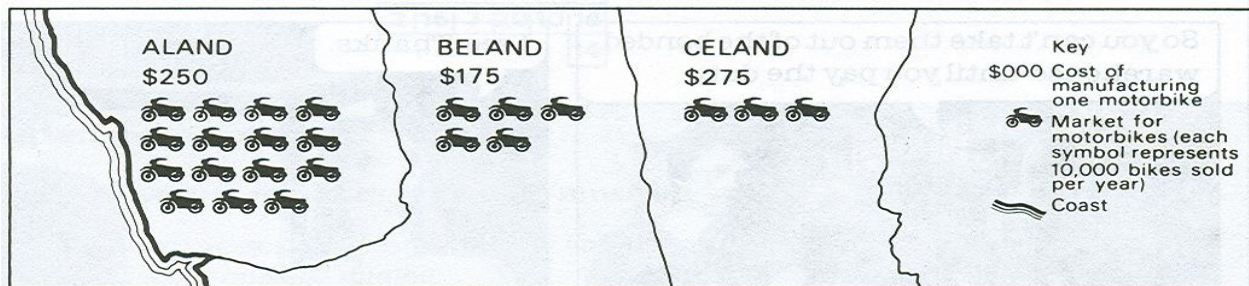
Учебно-методическое пособие «Main aspects of international trade» представляет собой органичное дополнение к теме «Международная торговля» учебника «Learningenglish2.ru» часть 2 и предназначено для аудиторной работы студентов 2 курса экономических специальностей. Данное пособие рассматривает основные понятия, используемые в международной торговле, образцы документов, а также содержит широкий спектр лексических упражнений, направленных на усвоение основной терминологии в сфере международной торговли.

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## Reading text (1.)

## Import regulations



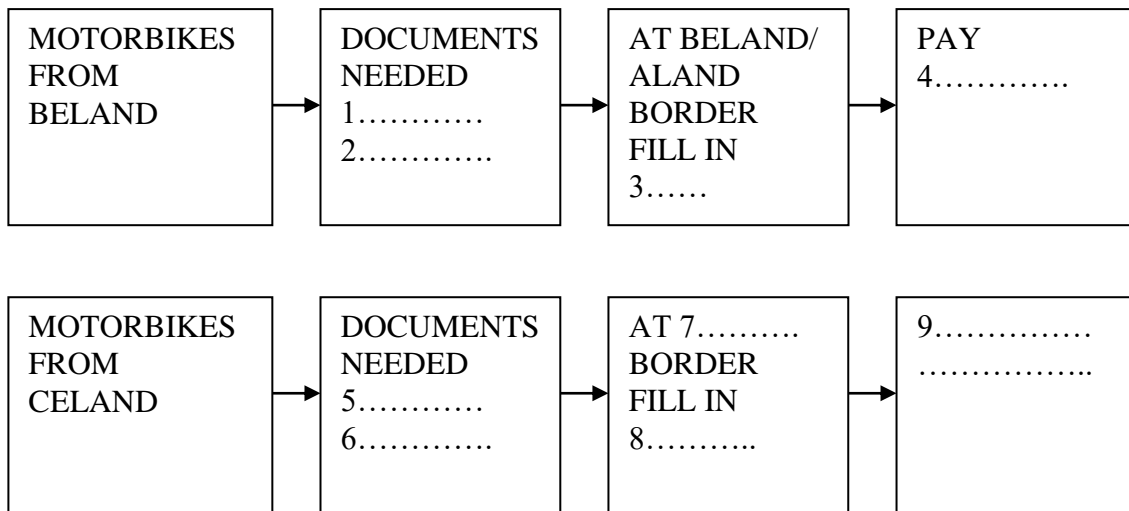
Aland, Beland and Celand all manufacture motorbikes. The biggest market for motorbikes is in Aland, so both Beland and Celand export to Aland. It is cheaper to manufacture motorbikes in Beland than in Aland, so the Beland bikes could sell at a cheaper price. However, the Aland government wants to protect its own manufacturers, so it has imposed import restrictions. The first restriction is that only a certain number of motorbikes may be imported into Aland each year, so anyone who wants to import motorbikes must have an import licence (permission to import).

The second regulation is that importers of motorbikes manufactured in Beland must pay import duty on them. There is no duty on bikes manufactured in Celand. When motorbikes arrive in Aland from abroad, the importer fills in a Customs entry form giving details of the goods and where they are coming from. These details must be the same as the details on the commercial invoice. (This is the name of an invoice for imported goods. The commercial invoice may contain charges for transport and insurance as well as giving details of the goods and price like an invoice for the domestic market.) The Customs officials use the details on the commercial invoice to calculate the duty.

When goods are imported from Beland, the Customs officials want to be sure that the details on the commercial invoice are correct. When motorbikes are imported from Beland, a special commercial invoice must be signed by a representative of Aland's government who lives in Beland. This person is called the consul and the special invoice is called a consular invoice.

Goods from Celand have to travel through Beland to reach Aland. All motorbikes from Celand have a certificate of origin to prove that they have come from Celand.

**1. Take your information from the text and write notes to replace the numbers to complete this flow chart:**



**2. Reading comprehension**

**Give short answers to these questions about the text.**

1. Which countries manufacture motorbikes?
2. Where is the biggest market for motorbikes?
3. How much does it cost to manufacture motorbikes in each country?
4. Do Aland motorbike manufacturers need an import licence to sell bikes in Aland?
5. Who needs an import licence?
6. Which document must every importer fill in?
7. On which country's motorbikes do importers have to pay duty?
8. Why don't importers have to pay duty on Celand's bikes?
9. Why do importers need a certificate of origin for bikes manufactured in Celand?
10. Would importers want a certificate of origin for bikes manufactured in Beland?

**3. Rearrange the letters in brackets to complete the sentences.**

1. The government has introduced new regulations on the .....of beef. (IPTMOORNTAI)
2. Do you agree with ...../.....? (EFER / RDTAE)

3. They expect free access to our market, but use ..... to guard their own! (RMCOTETSPIONI)
4. Their ..... Is terrible; just look at all this paperwork. (BRUCEAYURAC)
5. We could introduce ..... to limit the number of cars we import. (AUQOTS)
6. Fixing high ..... Would make them less attractive to potential customers. (RTFAISF)
7. Just because their products are cheap doesn't mean that they are .....goods on the market. (PUMDGIN)
8. Too many..... Are bad for the balance of trade. (TIPMOSR)
9. The explorers ..... jewellery and guns for gold and ivory. (ABRERDET)
- 10.The..... Market is also known as the home market. (OECMSIDT)

**4. Complete these sentences about types of market with a word from the box.**

<b>domestic competitive overseas target niche</b>
---

1. Well, we are aiming at Australians and new Zealanders of Scottish origin who still have sentimental feelings about the old country. They are our ..... market.
2. Our product only appeals to people with a specialized interest. Focusing on such a ..... market is a risk but we have customers in thirty-seven countries so far, and sales are growing all the time.
3. Most of our sales are to customers who live in this country. We focus on the ..... market.
4. It is certainly getting more difficult to survive. There are too many other manufacturers offering similar products. It's such a ..... market.
5. Over 90% of our production is for export to Europe, Asia, Latin America, and the use. We focus on the ..... market.

5. *An expert is talking about the advantages of exporting for small businesses.*

*Complete the text with words from the box.*

**overseas      delivery      risk      brochures      turnover**  
**trade fair      agent      price list      niche      domestic**

'Small business need to increase their 1..... in order to grow. If the 2..... market is too competitive, the answer is to export. This spreads 3. .... across different markets, and creates volume for specialized, 4.....products. You can increase production and achieve economies of scale. Attending a 5..... in a good way of meeting customers, or you can travel 6.....in search of customers. Another way is to appoint an 7..... to sell your goods o your behalf. Remember you may need to translate your 8..... into another other languages and your 9..... may need to be in different currencies. You will have to organize reliable forms of transport in order to respect 10..... dates. Exporting is a challenge and the learning curve is very steep: however, businesses which make the decision to export rarely regret it.'

**Reading text (2.1)**

**Sales documentation**

When you travel by train, you need a ticket as proof that you have paid. When you send a consignment of goods by rail or road you also need a receipt to prove the transport company has taken the goods. A consignment note is both a ticket and a receipt. A consignment note for goods sent by air is called an air consignment note or an air waybill. A consignment note for goods sent by sea is a Bill of Lading. A combined transport document is for goods sent by more than one means of transport.

When companies buy goods, they send an order to the suppliers. If the buyers are regular customers, the suppliers send the goods and then send an invoice. The buyers do not always pay the invoice immediately. Usually the suppliers send a statement at the end of the month which shows all the transactions between the suppliers and the buyers in that month. The buyers then pay the amount outstanding on the statement.

Sometimes when the suppliers receive an enquiry, they send a pro-forma invoice. This is a quotation which looks like the final invoice so the buyers know how much they have to pay. If the suppliers do not know the buyers, the buyers might pay in advance against the pro-forma when placing their order.

These questions refer to the words in italics in the text:

1. Which ones are requests for payment?
2. Which ones are a sort of ticket for transporting goods?
3. Which two mean exactly the same thing?
4. Which one is a request for goods?
5. Which ones are receipts for goods?
6. Transworld in Manchester is a regular customer of 80S in London. 80S usually sends goods by train. Which documents will be used when they do business?
7. Household Designs in Manchester sent goods to a customer in Liverpool by trailer. This was the first time the customer had bought anything from Household Designs. Which documents do you think were used?
8. Household Designs sent goods by air to a regular customer in France. Which documents do you think were used?

***1. Decide which sentence on the right refers to which word in italics and rewrite the sentences, like this:***

*Anne sent an order to House Designs.*

*Anee sent an order, which is request for goods, to Household Designs.*

*Jane made out an air waybill.*

*Jane made out an air waybill, which is the ticket and receipt for goods sent by air.*

- |  |   |
|--|---|
| 1. GLM paid <i>the pro-forma invoice</i> before they received the goods. | It is a receipt for goods in transit.<br>It is a request for goods. |
| 2. Transworld received a <i>statement</i> .                              | It showed what the goods cost.                                      |
| 3. Anne gave <i>the invoice</i> to Liz in the accounts department.       | It is the consignment note for goods sent by sea.                   |
| 4. Kevin asked for <i>the Bill of Lading</i> .                           | It showed all their transactions.                                   |



5. BOS usually send goods by rail with a *consignment note*.

It is used for goods sent by more than one means of transport.

6. Jane made out the combined *transport document*.

It is the ticket and receipt for goods sent by air.

It is a request for payment.

## **I. Reading text (2.2)**

### **Bill of Lading**

A Bill of Lading is a receipt signed by the captain of a ship for the cargo he has received on board.

It is an essential document in international trade. It provides an acknowledgement that the goods have arrived on the board the ship in good condition. If the shipowners agree that the goods were received on the board in good condition, the Bill of Lading is described as 'clean'. If the goods are not shipped on board in good condition, the Bill of Lading is described as 'unclean' (or 'dirty'). A Bill of Lading is sometimes 'claused', which means that the shipowners are not satisfied with the condition of the goods or the packaging.

The Bill of Lading states that the captain has inspected the goods after loading. It gives the following details:

The name of the shipper.	The quantity.
The name of the ship.	The type of packing.
The consignee.	The description of the goods.
The port of loading.	The weight.
The port of discharge.	The measurement.
The marks and numbers.	

The Bill of Lading is used as a legal document. It is the legal title to ownership of the goods. If an importer holds the Bill of Lading he can take possession of the goods which are named on it the consignee (ie the buyer or importer) can get his goods only when he presents the Bill of Lading to the shipping company when the ship arrives.

It is used in finance since banks usually require the Bill of Lading (as well as the commercial invoice and the certificate of insurance) before they issue credit.

A Bill of Lading is a convenient document in many ways. First, it is a negotiable document, that is, by transferring the document to someone else, you can transfer ownership. An importer can endorse (ie sign on the back of) a Bill of Lading and sell goods in this way, even before they arrive. Using a Bill of Lading which is negotiable means that the goods can be transferred to another buyer simply by handing the endorsed Bill of Lading to him.

The captain of the ship signs the Bills of Lading and the shipowners keep a copy. The other copies are sent to the exporter. He will then send a copy to the bank. The exporter sometimes sends copies to the importer by separate mails to make sure he receives at least one. The importer can then present the Bill of Lading to the shipping company at the port of discharge, and can then take delivery of the goods.

***1. Now answer the following questions:***

1. What is the definition of a Bill of Lading given in the above text?
2. Describe the main functions of a Bill of Lading.
3. Which details must be printed on a Bill of Lading?
4. There is a description of types of bills of lading in the text. Describe these types.
5. Describe the main uses of the Bill of Lading.
6. Can you describe any special characteristics (convenience, safety, acceptability, etc.) of a Bill of Lading?
7. Describe the method by which a Bill of Lading operates.
8. Describe how a Bill of Lading is negotiable.

***2. Decide which numbers these bits of information replace on the Bill of Lading below:***

a 8 CASES MICRO-  
PROCESSORS

b GLM ENGINEERING LTD  
10 OAK WAY  
HALIFAX

c LIVERPOOL

g MELBOURNE

h BJT (Pty)

OUTBACK STREET  
MELBOURNE

i GLM/ BTJ MEL 1/8

j 139.2K

d LIVERPOOL

k X2053

e LIVERPOOL 19 July 1983

l 1.16 cu.m

f THREE (3)

m 'AUSTRALIAN QUEEN'

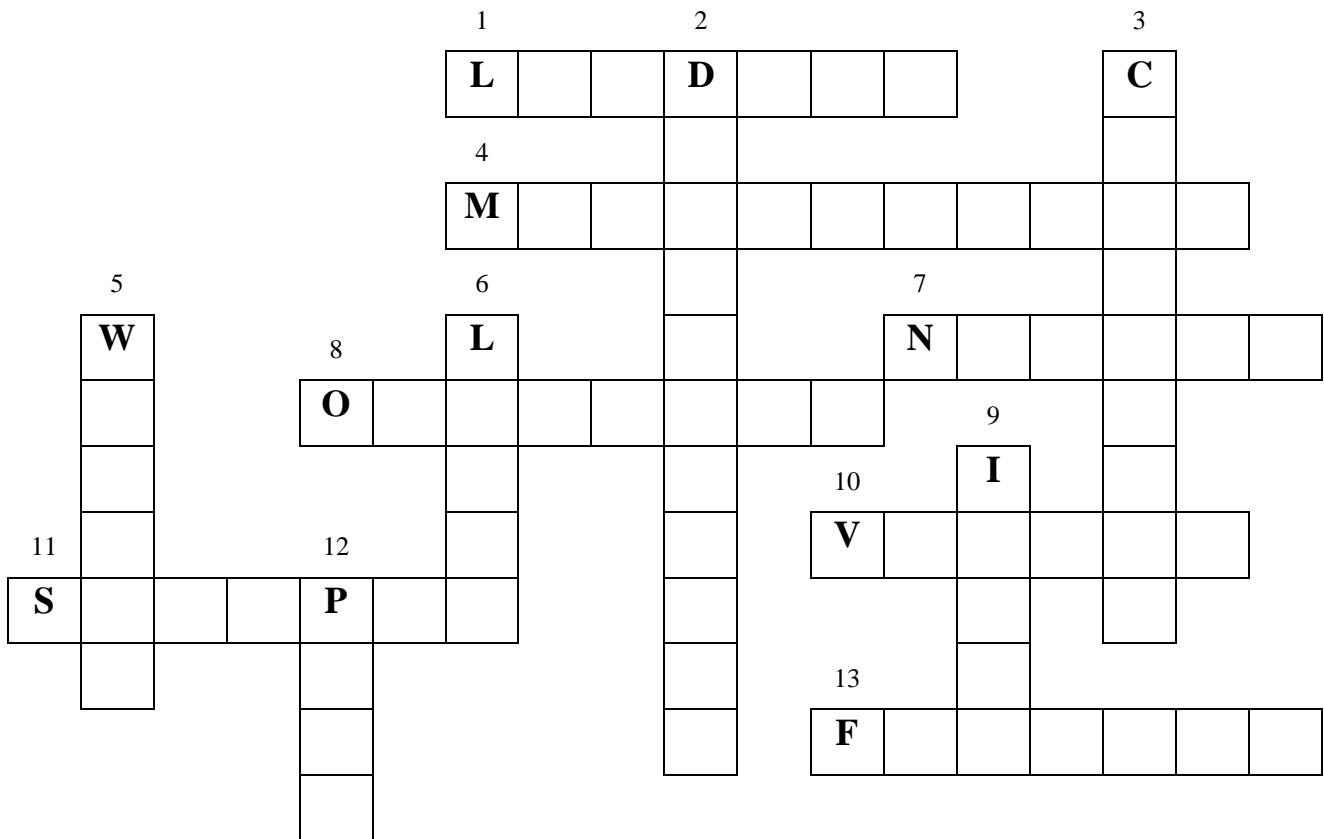
MARKS & NOS		NO & KIND OF PACKING DESCRIPTION OF GOODS	GROSS WEIGHT IN KILOS	MEASUREMENT IN M <sup>3</sup>
9		10	11	12
SHIPPER <b>1</b>		NUMBER OF ORIGINAL B/L <b>4</b>		
CONSIGNEE (IF 'ORDER' STATE NOTIFY PARTY) <b>ORDER</b>		VESSEL <b>5</b>		
		PORT OF LOADING <b>6</b>		
NOTIFY PARTY <b>3</b>		PORT OF DESTINATION <b>7</b>		
		FREIGHT PAYABLE AT <b>8</b>		
<b>FREIGHT PAID IN LIVERPOOL</b> <b>Smith &amp; Jones Co Ltd</b> Per <i>P. Jackson</i>		Place and date of issue <b>13</b> Signed (for the master) by <b>Smith &amp; Jones Co Ltd</b> as agents <i>P. Jackson</i>		

LINER BILL OF LADING B/L no. **2**  
**TITAINER LINE**  
 AUSTRALIAN SHIPPING SERVICE PTY  
 MELBOURNE - 25 KOALA STREET  
 TEL: 74245 TELEX: 15925 AA

### 3. Word puzzle

Use the clues to help you fill in this vocabulary puzzle. All the words are taken from

*the Bill of Lading.*



**Clues**

- |                                       |   |
|---------------------------------------|---|
| 1. Putting goods on board ship        | 9. To write or give out                       |
| 2. The place things are going to      | 10. A ship                                    |
| 3. The company the goods are going to | 11. The exporter, the company sending goods   |
| 4. How big something is               | 12. A town on the coast where ships can visit |
| 5. How heavy something is             | 13. Goods the cost of transporting goods      |
| 6. A ship                             |   |
| 7. To tell                            |   |
| 8. A top copy                         |   |

**II. An invoice.**

*1. Give short answers to these questions about the invoice below.*

1. What is the name of the supplier?
2. What is the name of the buyer?

3. What date was the invoice sent?
4. How many chairs did Transworld buy?
5. How much did one chair cost?
6. If Transworld paid the invoice on 10 May 1983, how much did they pay?
7. If Transworld paid the invoice on 20 April 1983, how much did they pay?
8. When Transworld paid, what number did they send with the payment?

INVOICE		<b>HOUSEHOLD DESIGNS &amp; CO LTD</b>	
Invoice no: 0455/0004		22 High St Manchester M1 2BL	
Order no: 009762		Tel: (061) 763 2555 Telex: 668542 HODES	
Date: 05/04/83		Cables/telegrams: HODES MANCHESTER	
TO: Transworld Freight plc 74 Dockside Manchester M15 7BJ			
Qty	Description	Unit price	Amount
5	chairs ref C299432B (blue)	£66	£330
5	chairs ref C299432G (green)	£66	£330
10% discount for payment received within one calendar month	Please quote invoice number when submitting payment	TOTAL	£660

## 2. Word Puzzle

The words in this puzzle are the full form of the abbreviations and symbols in the invoice, eg *no* in the invoice is *number* in the puzzle. Each number in the puzzle always stands for the same letter, eg 8=E. What do the other numbers stand for and what are the words?

	4	9	13	10	1	11	1	6										
			10															
5	14	9	10	15						5								3
			9			1				9								14
	7	11	16	11	1	8	15			12								16
			12			7				7								5
	18		8			8				11								13
	1		2			5	8	2		3	8	10	1					



	2					17			6
	8					14			
2	8	19	8	2	8	10	3	8	
	1					8			

**III. An order.**

*Using the example of an order below decide which information from invoice do you need to draw the order. Draw the order you think Transworld sent.*

**SATEX S.p.A.**  
Via di Pietra Papa 00146 Roma

---

ORDER FORM

Date: 5 May 19 —

Name of company: Reiner GmbH

---

Order No: W6164

Telephone: 05 41/7/98 25 21

Fax: 05 41/3 82 21

Telex: 2918176

Address for delivery: Wessumerstrasse 215-18, D-4500 Osnabrück

Authorized: \_\_\_\_\_ (D. Faust)

---

Quantity	Item description	Cat No.	Price c.i.f.	Total

---

Amount due: \_\_\_\_\_

Terms of payment: \_\_\_\_\_

Requested delivery date: \_\_\_\_\_

**IV. An air waybill**

*1. Give short answers to these questions about the air waybill below.*

1. Which company is selling the goods?
2. Which company is buying the goods?
3. Which airport are the goods leaving from?
4. Which airport are they going to?

5. How many boxes are the goods in?
6. What is the total volume of the boxes?
7. How much does each box weigh?
8. There are different markings on each of the boxes. What are they?
9. How many copies of the waybill are there?
10. Is this the top copy?
11. What currency is used in the waybill?
12. What is the cost per kilo to send the goods by air?
13. What are the other charges for?
14. How much must the buyer pay when the goods arrive?

COPY/SUBSTITUTE  
OF  
ORIGINAL AIR WAYBILL

125 - 4828 - 76321

125 - 4828 - 76321

Airport of Departure MANCHESTER	Execution Date Day/Month/Year	TC	Chrg Code	Currency Code	For Carrier use only	Flight/Day	Flight/Day
MANCHESTER						BA/AZ912	19/5/83
Airport of Destination MILAN						Booked	

1	Routing and Destination	
To	By First Carrier	To By To By
	BA	
2	Consignee's Account Number	
		Consignee's Name and Address

**British airways** **Air Waybill**  
Issued by (Air Consignment note)  
Not negotiable

CASOLO-GINELLI SPA  
VIA MANTONI 25  
MILAN 20121  
ITALY

3	Shipper's Account Number	
		Shipper's Name and Address

The shipper certifies that the particulars on the face hereof are correct, agrees to the CONDITIONS ON REVERSE HEREOF, accepts that the carrier's liability is limited as stated in 4(c) on the reverse hereof and accepts such value unless a higher value for carriage is declared on the face hereof subject to an additional charge.  
*Jane Hong* pp TRANSWORLD FREIGHT  
Signature of Shipper or his Agent

4	Issuing Carrier's Agent, Account No.	
		Issuing Carrier's Agent, Name and City

Carrier certifies goods described below were received for carriage subject to the CONDITIONS ON REVERSE HEREOF, the goods then being in apparent good order and condition except as noted hereon.  
Executed on 18/5/1983 at MANCHESTER  
(Date) (Place)  
*CMBrown*  
Signature of Issuing Carrier or its Agent

Agent's IATA Code  
399 - 1 - 1113  
TRANSWORLD FREIGHT  
74 DOCKSIDE  
MANCHESTER M15 7BJ

Copies 1, 2 and 3 of this Air Waybill are originals and have the same validity.

5	Currency	Declared Value for Carriage	Declared Value for Customs
	UK£ V	N.V.D.	N.V.D.
Weight Charge and Valuation Charge		All Other Charges at Origin	
Prepaid Collect		Prepaid Collect	
XX		XX	
Accounting Information		REF. 10129 MIL 65281	
No. of Packages	Actual Gross Weight	Rate Class	Chargeable Weight
RCP	lb	Commodity Item No.	Rate/Charge
3	120 X		2.065
		Total	247.800
		Nature and Quantity of Goods (Incl. Dimensions or Volume)	
		3 CASES STATIONERY 1m x 1m x 1.5m	

PREPAID	7	Prepaid Weight Charge	Prepaid Valuation Charge	Due Carrier	Total other Prepaid Charges	Due Agent	Total Prepaid	For Carrier's Use Only at Destination
		247.800	V	3.000	A	1.250	P 252.050	
	R	Other Charges (except Weight Charge and Valuation Charge)						Collect Charges in Destination Currency
	S							
	T							Total Charges

COLLECT	8	Collect Weight Charge	Collect Valuation Charge	Due Carrier	Total Other Collect Charges	Due Agent	Total Collect
			V	C	A		

9	Handling Information	
		3 CASES BOS/ CAS. GIN/ MILAN 1 - 3

T334(12th)

Copied at ..... By ..... 125 - 4828 - 76321



## 2. Synonyms

Which words on the left are synonyms of (mean the same as) which words on the right?

- |                 |                         |
|-----------------|-------------------------|
| 1. air waybill  | a. carrier              |
| 2. buyer        | b. top copy             |
| 3. exporter     | c. case                 |
| 4. airline      | d. consignee            |
| 5. charge       | e. dimensions           |
| 6. description  | f. shipper              |
| 7. measurements | g. rate                 |
| 8. box          | h. air consignment note |
| 9. original     | i. nature               |

## 3. Arranging a consignment

In pairs, act out a telephone conversation as if you were consignee and the airline clerk. Arrange to send the consignment in the air waybill above. The flight leaves at 10.35 and arrives in Milan at 13.45 local time.

## 4. Customs documentation

What do you think these are called? Prepare a short talk (about a minute) on what each document is used for. In small groups, take it in turns to name another student and say which document he/ she should talk about.

1 Republic of Deland  
All the goods mentioned in this document have been wholly manufactured in Deland  
Date 11/11/11  
Signature [Signature]

2 Federation of Geland  
GLM Engineering Ltd  
The above named importer is permitted to import the following goods  
250 Motorbikes  
signed [Signature] date 11/11/11

3 Customs and Excise  
Warning: There are heavy penalties for making a false declaration.  
Marks & Nos. Description Qty  
[Table with 3 columns]

4 GLM Engineering  
Date 11/11/11  
[Table with 3 columns: Qty, Description, Unit price, Price]  
Marks & Nos.  
Terms of payment

5 Efland  
GLM Engineering  
[Table with 3 columns: Qty, Description, Unit price, Price]  
Official Stamp of Efland  
I certify the details in this document are true Signed [Signature]

Write a paragraph describing the use of two of the documents.

### 5. A consignment

Hidden in this puzzle are eight documents which might be involved in sending a consignment abroad by trailer. What are they? Each number always stands for the same letter, eg 1=C.

										1															
1	12	9	14	11	16	9	8	7	9	2															
										9															
										14	14	11	8	10	12	6	2								
										15	15	3	11	1	7	9	1	7							
										3	6														
12											4	4	1	15	14	2	12	8	14						
5	12	6	8											9	12										
										6	1	7	6	2	11	5	11	1	4	2	7				
										11	7	18													
										16	7	18	11	9	13	12	11	1	7						
										11															
7	9	2	6	17											6										
										4															
										3															

1. C.... O.... O....

5. C.... N....

2. C.... E.... F....

6. I.... C....

3. I.... L....

7 C.... I....

4. O....

8 C.... I....

### Reading text (3.1)

#### Visible and invisible imports and exports

Goods, such as cloth and televisions, are visible (you can see them). Goods you sell abroad are visible exports. When you sell visible exports, money will come into your country. When you buy visible imports, money will leave your country. Some

imports and exports are invisible. For example, if an engineering expert from country a goes to country b to help them improve their engineering industry, he will earn money from b and bring it back to a. The expert is providing a service (which is his knowledge or expertise). For b this is an invisible import (because money leaves the country), but for a it is an invisible export (because money comes into the country).

***Consider these situations and decide whether you are talking about visible imports, visible exports, invisible imports or invisible exports.***

1. V sells computers to S. For V this is . . . . .
2. V sells computers to S. For S this is . . . . .
3. S sells meat to X. For S this is . . . . .
4. Tourists go from Y to X. For X this is . . . . .
5. Tourists come to X from V. For V this is . . . . .
6. Y sells insurance to S. For S this is . . . . .
7. X pays insurance premiums to Y. For Y this is . . . . .
8. V buys oil from W. For W this is . . . . .

### **Reading text (3.2)**

#### **Balance of trade and balance of payments**

The difference between the amount a country spends on visible imports and the amount it receives for visible exports is its balance of trade. The difference between the total amount a country spends, on imports (both visible and invisible) and other payments abroad, and the total amount it receives, from exports (both visible and invisible) and other receipts, is its balance of payments.

#### **1. International trade figures**

This table shows the trading figures between five countries for the year ending April 2003. The figures show the amount each country spent in thousands of pounds (eg S spent £225,000 on computers). The year each country started buying the goods or services is shown in brackets (eg V started selling computers to S in 2000).

***In pairs imagine you are journalists interviewing government ministers and talk about when the countries started trading, like this:***

***P: Minister S. Could you tell us when tourists from your country started going to X?***

R: In 1981. Two years ago.

P: Minister W. Could you tell us the value of your exports to S?

R: Two hundred thousand pounds.

P: Minister V. Could you tell us when your country started trading with S?

R: In 1965. Eighteen years ago.

V	S	X	Y	W
<b>sells computers to</b>	(2000) 225	-	(2001) 100	(1998) 600
(1985) 300	<b>exports meat to</b>	(1995) 100	-	-
(1999) 100	(2001) 100	<b>tourists come from</b>	(2002) 50	(2000) 300
(1998) 100	(1988) 25	(1997) 25	<b>sells insurance to</b>	-
(1997) 600	(1998) 200	(2000) 300	(1999) 100	<b>exports oil to</b>

2. Take your information from the table 1 and work out which figures are missing from the chart below (to replace the letters a to n.) Describe the situation in the country as in example: Country S spent £225,000 on computers and £200,000 on oil, so its total visible imports were £425,000. It sold meat worth £300,000 to V and worth £100,000 to X, so its total visible exports were £400,000. S spent £100,000 on tourism and £25,000 on insurance, so its invisible imports were £125,000. It has no invisible exports.

COUNTRY	VISIBLE		BALANCE OF TRADE	INVISIBLE		BALANCE OF PAYMENT
	IMPORTS	EXPORTS		IMPORTS	EXPORTS	
V	+900	+925	+25	-200	-	-175
S	<b>a</b>	<b>b</b>	-25	+ 125	<b>c</b>	-150
X	<b>d</b>	<b>e</b>	-400	<b>f</b>	<b>g</b>	+ 125

Y	<b>h</b>	-	-200	<b>i</b>	<b>j</b>	-100
W	<b>k</b>	<b>i</b>	+600	<b>m</b>	<b>n</b>	+300

**3. Favourable and unfavourable balances.**

In pairs, discuss the economy of each country, like this:

P: *Is V's balance of trade favourable or unfavourable?* R: *It's favourable.*

P: *Does V have a balance of payments surplus or deficit?* R: *A deficit.*

**4. A mix-up**

Transworld are sending four different consignments to companies in four different countries by four different means of transport. Unfortunately all the papers are muddled up. From this information, can you work out what is going where by which means of transport?

Work in pairs and discuss your ideas as you work through the information, like this:

P: *Oh, so ADP can't be in France.*

R: *No. And GBD must be importing shoes.*

COMPANY	ADP			
COUNTRY				
CONSIGNMENT	furniture	cutlery		
MEANS OF TRASPORT		train		

1. ADP is importing furniture.
2. The company which is importing stationery is in France.
3. The cutlery is travelling by train.
4. The Greek company is called *GBD*.
5. The ship is going to Spain.
6. The Italian company is called *XLN*.
7. The shoes are being flown to Greece.
8. The trailer is delivering goods to *TJM*.

**Reading text (4)**

***Before reading the text fill in the missing words. One word is missing from each gap.***

### **Customs and Excise**

Representatives of a country's .....

Found at ..... and .....

- to ..... and collect ..... on imported goods (only dutiable goods)
- to issue ..... and export licences for restricted goods
- to prevent ..... in forbidden goods
- to collect ..... and ..... figures

Use figures to ..... the country's ..... of .....

***Now read the short talk about the Customs and check you answers.***

I'd like to tell you a bit about the Customs. Basically, the Customs, or Customs and Excise to give them their full title, are representatives of a country's government. They're a government department really. They're found at ports and airports, the places where people bring goods into the country. Now, they have four main functions. The first is to calculate and collect the duty on imported goods which are dutiable. You don't have to pay duty on all goods, remember. The second function is to issue import and export licences for registered goods. Three: to prevent trade in forbidden goods. That's to stop people trading in certain drugs, wildlife, that sort of things. And their other, fourth function is to collect import and export figures. They use these figures to calculate the country's Balance of Trade.

So, remember their four main functions. One: to calculate and collect duty on imported goods (but only on dutiable goods). Two: to issue import and export licences for restricted goods. Three: to prevent trade in forbidden goods. And four: to collect import and export figures.

Now, are there any questions?.....

#### ***1. Match the terms with their definitions***

- |         |  |
|---------|--|
| 1. Duty | 1. Building where imported goods are stored until the duty is paid |
|---------|--|

- |                     |   |
|---------------------|---|
| 2. Warehouse        | 2. Cost of keeping the goods in a warehouse       |
| 3. Customs official | 3. Another word for tariff                        |
| 4. Tariffs          | 4. Say what goods you are importing               |
| 5. Bonded warehouse | 5. Building where goods are stored                |
| 6. Declare          | 6. Person who collects the duty on imported goods |
| 7. Storage charges  | 7. Money paid to the government on imported goods |

## **2. Definitions**

***Rewrite these definitions and say which words they define.***

Eg: Goods are stored in this building.

*A building where goods are stored is called a warehouse.*

This document is used when goods are sent by air.

*A document which is used when goods are sent by air is called an air waybill or an air consignment note.*

This person collects duty on imported goods.

*A person who collects duty on imported goods is called a Customs official.*

1. Goods are stored in this building until the duty is paid.
2. This money is paid to the government on imported goods.
3. This person imports goods.
4. This document is used for sending goods by sea.
5. Goods are produced in this building.
6. This person sells goods abroad.
7. This company arranges transportation and documentation.
8. These goods are being sent by sea.
9. Goods are being sent to this place.
10. Goods are loaded on to ships in this place.

## **Reading text (5)**

### **Transportation**

Kevin Hughes arranged for the transportation of a consignment of machinery by rail and sea. The place of departure was Beeton and the destination was Norton. The cargo (the freight) was 10 cases of machinery. The measurements of each case were 10 m by 2m by 1.1 m, so the volume of the whole consignment was 220 cubic

metres. Each case weighed 20 kilos, so the weight of the consignment was 200k. The freight rate was £1.50 per kilo or per cu metre, whichever was the greater. The charge by volume was £330 (220 m<sup>3</sup> x £1.50) and the charge by weight was £300 ( 200k. x £1.50). However Kevin decided not to send the goods as conventional cargo because he could get a discount if he packed the goods in a standard sized container.

**1. Use the clues to help you fill in this puzzle. All the words are in the text.**

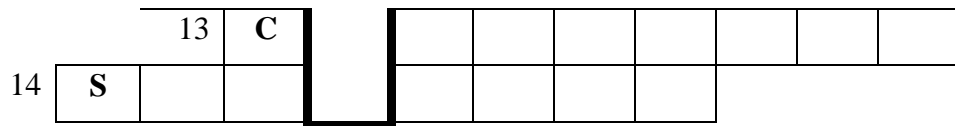
- 1 and 2 Two words meaning *cost*
- 3 The place the goods leave from is the place of .....
- 4 The place the goods are going to is the.....
- 5 A large box is also called a .....
- 6 To put goods into boxes ready for travelling is to ..... them
- 7 The ..... (size) of the consignment was 220 cu m
- 8 The .....of each case were 10m x 2m x 1.1m
- 9 and 10 Goods packed separately, not in containers, are called .....
- 10 Goods travelling from one place to another are called a .....
- 11 This word has two meanings (a) goods travelling from one place to another (b) the cost of transporting goods from one place to another
- 12 How heavy something is
- 13 A large box of a standard size for transporting goods is called a .....
- 14 This word means usual, regular, always the same

**Hidden word:** moving goods from one place to another

The crossword puzzle grid is as follows:

			1	R										
			2	C										
			3	D										
4	D													
			5	C										
							6	P						
							7	V						
			8											
9	C													
							10	C						
11	F													
							12	W						





## 2. Problem-solving

Work out the answers to the question. Take any information you need from the text 8.

- The charge by volume is £33. The charge by weight is £300. Which rate will Kevin pay?
- When he sent the goods in a container, Kevin got a 10% discount on the conventional cargo price. How much did he pay?
- Containers come in two main sizes (a) a 20-foot (6-metre) container is 2.4x2.4x5.9m (b) a 40-foot (12-metre) container is 2.4x2.4x12m. Which size container did Kevin use? draw the container and draw how you think the cases were packed in it.
- I want to send some goods which weigh 100k and which measure 30m<sup>3</sup>. The cost is 50p per kilo or per cubic metre. How much will the freight be?
- I want to send a cargo which weighs 5 tonnes and which measures 10m<sup>3</sup>. The charge is \$1 per tones or 50¢ per cubic metre. How much will it cost?
- Do you think these goods are usually charged by weight or by volume?  
(a) fruit      (b) potatoes      (c) bags of sand      (d) shoes
- The freight rate from Beeton to Norton for one consignment is £1.50 per kilo or per cubic metre. The freight rate from Easton to Ayton for another consignment is £2. What reasons can you think of for the different freight rates?
- Can you think of any advantages fro sending goods in containers or as conventional cargo?

**3. Match words from box A with words from box B to make two-word terms used in business correspondence. Then use the terms to complete the sentences below.**

	A		B
shipping	bulk	risks	waybill
charter	delivery	note	party

air	all	agent	note
forwarding	shipping	mark	carrier

1. Packing and shipment will be arranged by our .....
2. The freighter Narvik is a ..... with a cargo capacity of six thousand tons.
3. When you have confirmed the charter, we will send you the ..... for signature.
4. Before signing the ....., please check that the consignment has arrived undamaged.
5. The cost of freight London Heathrow - Dubai is £10.00 per kilo, plus £8.00 ....., and £60.00 customs clearance and handling.
6. Please would you arrange insurance cover for £100,000 against .....
7. Enclosed you will find our standard ..... and bill of lading.
8. The ..... on the sides of the crates should correspond with the one on your shipping documents.

**Text (6) Containerisation**

***1. Decide which of these words and phrases goes in which gap in this text about containerisation:***

**so - but - for example - this is because - as a result - on the other hand - also - because – also**

Many big ports today are containerised, 1....., in Britain Tilbury (London) and Southampton can handle containers. The handling of containers has many advantages over conventional cargo.

It takes fewer men to handle containers than to load and unload conventional cargoes 2. . . . . it is quicker. A hundred men take about three weeks to unload and load a conventional ship, 3. . . . . it only takes fifteen men about four days to unload and load a container ship. 4. ... .. there is special loading equipment. There are special container carriers in all kinds of transport: road-trailers, special railway wagons, and

container ships. There are 5. . . . . containers specially designed to fit in aeroplanes. At his place of business the exporter packs the goods into a container which is not opened until it arrives at its destination. 6. . . . . fewer goods are stolen and fewer goods are damaged when they are sent in containers.

Wage bills are lower 7. . . . . you need fewer men to handle the goods. 8. . . . . more people are out-of-work. There is more unemployment. 9. . . . . the special equipment for handling containers is very expensive and most ports are still not specially adapted for container traffic.

**2. Write a summary (a shorter version) of this text. Leave out all the examples and all repetition of ideas (the same thing said in a different way). Make sure you keep all the important information.**

**3. Note-taking**

**Draw a table like this and write in the advantages and disadvantages of containerisation and conventional cargo in note form.**

	<i>CONVENTIONAL CARGO</i>	<i>CONTAINERISED TRANSPORT</i>
<i>ADVANTAGES</i>		<i>quicker</i>
<i>DISADVANTAGES</i>	<i>slower</i>	<i>more unemployment</i>

**Discuss the advantages and disadvantages, like this:**

*Eg: On the one hand containerised transport is quicker, but on the other hand there is more unemployment.*

*Although containerised transport is quicker, there is more unemployment.*

**Text (7) Insurance**

Mr Bean wanted to insure his shop. He wanted 1..... against fire and theft. He filled in the 2.....and sent it to his 3.....who arranged the insurance with an 4..... Mr Bean had to pay quite a high 5..... each year, but it was worth it because a lot of goods were stolen. Mr Bean put in a 6 .....for 7.....

Unfortunately, the 8..... refused to pay him the full amount. Mr Bean had not read the 9..... in his 10..... properly.

**1. Find out (use a dictionary) which definition on the right matches which word on the left. Decide which word goes in which gap in the passage above.**

a premium	1. A person who advises on insurance
b underwriter	2. A document which proves you are insured
c insurance company	3. Payment for insurance
d broker	4. Insurance protection
e claim	5. A form you fill in when you apply for insurance
f compensation	6. An insurer at Lloyd's of London
g small print	7. A limited liability company selling cover
h policy/insurance certificate	8. The conditions and clauses in a document of insurance, usually in small writing
i proposal form	9. You are paid. . . . when your insured property is damaged
j cover	10. A request for payment when your insured property is damaged

## 2. Phrasal verbs

*Decide which phrasal verb replaces the more formal verbs in italics in these sentences.*

**take out      fill in      turn off      put in      work out      take off      look up**

- 1 To *submit* a claim
- 2 To *deduct* the discount
- 3 To *complete* the form
- 4 To *calculate* the premium
- 5 To *find* the word
- 6 To *stop* the photocopier

*In pairs, use the phrasal verbs with nouns and with pronouns,*

Eg: To effect insurance cover

P: I'm going to take out insurance cover.

R: Let me take it out for you.

*3. Using a word from column A and a word from column B, complete each sentence with a phrasal verb which means the same as the word or phrase in brackets.*

<b>A</b>	<b>B</b>
take	in
take	out
do	down
fill	on
back	over
turn	up
work	without
make	off
make	out
cut	up

1. Find out what the real sales figures for last year were. You can't just \_\_\_\_\_ them \_\_\_\_\_ ! (invent)
2. Please \_\_\_\_\_ the cheque \_\_\_\_\_ to the M&G Pensions and Annuity Company. (write down the name of the payee)
3. We can't afford to employ temporary staff for two days; you will just have to \_\_\_\_\_ a secretary until Monday. (manage without)
4. The small company, which had suffered from bad management, was \_\_\_\_\_ by a larger one, and all the directors were fired. (gained control of)
5. We offer all our agents extensive advice, and \_\_\_\_\_ them \_\_\_\_\_ with a full range of financial services. (support)
6. We must \_\_\_\_\_ their offer to act as agents for us, because they have not been in business long enough. (refuse)
7. The company was expanding, so they decided to \_\_\_\_\_ a hundred new workers. (employ)

8. It's going to take a few days to \_\_\_\_\_ all the details of the contract. (calculate)
9. Please \_\_\_\_\_ he enclosed application form and return it to us. (complete)
10. We were talking on the phone and we were suddenly \_\_\_\_\_ so I'll have to ring him back. (disconnected)

### **CASE STUDY**

**I. Work in groups of three or four. Read about the three trading problems below and possible ways of dealing with them. Discuss how you would react in each case, if you were your country's Minister for Trade and Industry.**

**1.** An exporter of perfumes in your country is complaining that the authorities in Westland have refused to allow imports of its perfumes because they do not satisfy their safety and packaging regulations. The exporters say that exactly the same products are exported to other countries without similar problems. Your country imports \$100m worth of hi-tech products from Westland each year.

- a.** Westland has the right to change or enforce its packaging regulations. Tell the perfume manufacturer that it should make any necessary changes.
- b.** Speak unofficially to the trade minister for Westland. Ask them to make a special case for your perfumes.
- c.** Make life difficult for exporters from Westland through similar actions, such as setting unrealistic health or packaging regulations.
- d.** Go directly to the WTO and accuse Westland of protectionism.

**2.** A domestic manufacturer of kitchen appliances and microwave cookers is complaining because cheap imports from Southland are killing their business. Supermarkets are selling imported microwave ovens for just \$25; it costs the domestic manufacturer \$40 simply to make them. The domestic company employs more than 6,000 workers. According to reports, the same microwaves sell for \$30 in Southland where salaries are much lower.

- a. Accept it. This is what the free market is all about. Consumers will benefit from lower prices for kitchen appliances. The factory must make its own decisions about its products and its market position.
- b. Accuse Southland of trying to kill domestic producers by dumping its products. Ask Southland to agree to limit its exports of these appliances.
- c. Encourage supermarkets and distributors to buy products from domestic producers.
- d. Set tariffs and quotas to raise the price of imports and protect the domestic manufacturer.

3. One of your country's specialties is Globdi, a delicious dish made from raw fish and unpasteurized milk. This is exported in tins and is popular with men and women from your country who live in other countries around the world. However, after some serious cases of food poisoning, countries in your trading group insist that your country should comply with the food agreement you have signed. This sets out regulations for health hygiene in the production of food and drink products imports of Globdi until these conditions are met.

- a. Make sure that Globdi is made under the new regulations.
- b. Tell the other countries that Globdi is a traditional dish and part of your national heritage and that the food poisoning cases were rare and isolated.
- c. Point to examples of dangerous foods from your trading partners' countries.

II. When your group has agreed on the action you would take, tell another group what you decided and state your reasons.

**III. Justine Savage is the presenter of Spotlight, a current affairs programme which lets members of a studio audience ask politicians questions and debate important topics. Today's programme is going to discuss three important topics:**

*1 Westland Perfume scandal*

*2 Problems caused by cheap microwave imports*

*3 Globdi.*

***Work in groups. Each member chooses one of the roles below. Make notes on comments to make and questions to ask. Then role-play the programme and discuss the topics above.***

**Justine:** Your role is to chair the programme. For each topic follow this procedure.

- |  |  |   |  |
|--|--|---|--|
| <p><b>1.</b> Begin by inviting the minister to give his / her point of view.</p> | <p><b>2.</b> Allow the opposition politician the opportunity to reply.</p> | <p><b>3.</b> Invite members of the audience to give their opinions.</p> | <p><b>4.</b> If possible, summarize the discussion and move it on to the next topic.</p> |
|--|--|---|--|

**Minister:** Your role is to explain your government’s policies for trade and industry.

**Opposition politician:** Your role is to disagree with everything that the minister says.

**Member of the audience:**

<p><b>1</b> a citizen of Westland who thinks exporters should respect your local laws and trading standards</p>	<p><b>4</b> a senior manager from the supermarket business who believes that the supermarket should offer consumers products at the lowest possible price</p>	<p><b>6</b> a member of the Globdi Producers Co-operative who believes that Globdi is a traditional food that the rest of the world will enjoy if they follow the preparation instructions</p>
<p><b>2</b> an exporter who is angry that Westland expects to export their products freely, but wants to protect its own markets by inventing unfair laws</p>	<p><b>5</b> a doctor who thinks that Globdi is a dangerous health risk and that it should be banned</p>	<p><b>7</b> other audience members</p>
<p><b>3</b> employee(s) from the microwave factory in your country who are angry because they could lose his /her/ their jobs</p>		

### BOARD GAME

*This is a board game for 2 to 6 players. All the players are car manufacturers who sell on their domestic market and export by sea to one other country:*

Player A lives in Dollardy and exports to Newpoundland.

Player B lives in Dollardy and exports to Yenland.

Player C lives in Yen land and exports to Newpoundland.

Player D lives in Yenland and exports to Dollardy.



Player E lives in Newpoundland and exports to Yenland.

Player F lives in Newpoundland and exports to Dollardy.

*Each player chooses a different exporter and plays with a different counter or coin. Throw a die in turns and move that number of squares. If you land on a square with writing, decide whether the information is important for your firm. If it is good news, move forward one square. If it is bad news, move backwards one square. If it makes no difference to you, stay where you are. If you move forward or backward on to a square with writing, you should also decide whether that information is important to you. You must reach the final square by throwing the correct number.*

Start here by throwing the dice.		Yeland devalues its currency		Newpoundland puts up its import duty
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>16</b>	World sales of cars fall	The Dollardy government gives its car manufacturers a tax free allowance	<b>19</b>	<b>6</b>
<b>17</b>	<b>18</b>	<b>25</b>	<b>20</b>	<b>7</b>
Newpoundland devalues its currency	A ship sinks with some of your cars	Congratulations you are named 'Exporter of the year'	World steel prices rise	Sea freight rates rise
<b>15</b>	<b>24</b>	<b>25</b>	<b>20</b>	<b>7</b>
<b>14</b>	<b>23</b>	A new shipping company charges lower freight rates	Your firm produces the world's best selling car	A dock strike delays all goods coming into or going out of Dollardy
	<b>23</b>	<b>22</b>	<b>21</b>	<b>8</b>

Yenland imposes import restrictions on cars  <b>13</b>	<b>12</b>	Dollardy lifts all import restrictions  <b>11</b>	<b>10</b>	A rival company goes into liquidation  <b>9</b>
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