

前言

从20世纪90年代初开始,我国的高职高专教育英语课程教学改革与研究已经历时20年,硕果累累,成绩斐然。在此期间,教育部先后颁布了《普通高等专科学校教育英语课程教学基本要求》(1993年)和《高职高专教育英语课程教学基本要求(试行)》(2000年)。这两部教学指导性文件确立了英语课程“以实用为主、应用为目的”的教学指导方针,把培养应用能力,特别是实用能力作为教学目标,大力推进了我国高职高专英语课程的基本建设和改革,使高职高专英语教学改革不断向纵深发展,教学质量明显提高,学生实际应用英语从事涉外活动和业务交际的能力,尤其是听说能力,得到大幅度提高。十多年来,教育部批准实施的“高等学校英语应用能力考试”合格率的逐年攀升,“高教杯”全国高职高专实用英语口语大赛上选手们的精彩表现,都从不同侧面反映出我国高职高专教育英语课程教学改革与研究取得的显著成效。

进入21世纪,在教育部提出的高等职业教育“以服务为宗旨,以就业为导向”的办学指导方针和“工学结合”培养模式的指导下,根据新世纪我国高等职业教育的特点和改革发展的需要,在传承和创新20世纪90年代研究成果的基础上,教育部高等学校高职高专英语类专业教学指导委员会《高等职业教育英语课程教学要求》项目组积极汲取国内外先进的外语教学理念,经过大量的社会调查和教学状态调查与分析,对我国高等职业教育英语课程的改革与建设提出了更深一层的思路,并在全国教学一线教师中达成共识:高等职业教育英语课程要以培养学生实际应用英语的能力为目标,侧重职场环境下交际能力的培养;应以岗位需求为主线,开发和构建教学内容体系;要按照行业涉及的典型职业岗位和主要工作内容进行教学情景设计,做到职业岗位群、典型工作任务与英语交际技能的有效结合,通过开设行业英语教学提高学生的就业竞争力。

“职业教育行业英语”系列教材的开发就是以上述研究成果为基础,针对行业英语教学阶段设计的。其宗旨是培养学生在职场环境下使用英语从事职场交际的能力,提升学生的工作适应性,并为未来的职业发展创造有利的条件。

教学理念与特色

1. 根据“工学结合,能力为本”的职业教育理念,以“行业人”的涉外交际需求为主线,针对具体行业岗位群对“行业人”所需要的英语实用能力设计教材的框架、教学内容和语言交

际技能。

2. 选材注重语言交际技能的实用性、通用性、时效性、典型性和可模拟性,体现从事行业涉外交际必须掌握的基本知识和技能。题材反映该行业在技术应用方面的最新成果或重大发展趋势,体现行业涉外交际的需要;内容涉及行业人物访谈、行业发展趋势与动向、企业或公司简介、产品介绍、招聘和求职、行业信息交流等;体裁表现应用性语言的多样性,如交谈、讨论、信函、报告、广告、通知、纪要等。

3. 练习突出大行业或行业中大岗位群所需要的涉外职场交际的语言知识与技能的训练,体现“以完成职场任务为导向”和“引导学生主体参与”的教学理念,体现出职业性、开放性、实践性、交际性、活用性、协作性和多样性等特点。

4. 充分利用先进的现代网络技术,以及每个行业英语的资源库,为教师和学生提供丰富便捷的教与学的资源和全新的学习途径。

教材结构

本书共有15个单元,每单元含4大模块。第一个模块从听力开始,引入该单元内容的基本概念或常识,让学习者在练习听力的过程中学到新知识并留下初步印象,为第二步展开专业性的情景对话或有特色的个案讨论奠定基础;在第三个模块Rudimentary Knowledge中,读者可以学习到涉及该单元主题的基础理论专题文章,了解相关知识及背景,从而使所学内容更加系统化;通过Additional Practice模块中更多专业知识的学习和意图明确的综合实践练习,能使读者达到开拓视野、夯实语言基础和巩固提高的目的,其中所含的相关幽默故事还能进一步达到体验愉悦学习的效果。

编写队伍

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编 者

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1. Trade and its classification
2. How to establish trade relations
3. World Trade Organization
4. World economy

Words & Expressions

beneficial *a.* 有益的, 得利的

bilateral *a.* 双边的

catalog *n.* 目录; 目录册

convertible *a.* 自由兑换的

currency *n.* 货币; 通用, 流通

deficit *n.* 赤字, 不足额

domestic *a.* 家庭的; 国内的

enterprise *n.* 企业; 事业

equipment *n.* 装备, 设备, 器材

expand *v.* 扩张, 发展

imbalance *n.* 不平衡, 不均衡

impose *v.* 征税; 强加

insurance *n.* 保险; 保险业

invisible *a.* 看不见的, 无形的

manufacture *v.* 制造, 加工

merchandise *n.* 商品, 货物

mutually *ad.* 互相地

negotiation *n.* 商议, 谈判

prospect *n.* 景色; 前景, 前途

safeguard *v.* 维护, 保护

statistical *a.* 统计的; 统计学的

surplus *n. & a.* 剩余(的), 过剩(的)

tourism *n.* 观光事业; 游览

transit *n. & v.* 过渡; 经过, 通过

transport *v.* 传送, 运输

vitality *n.* 活力, 生命力

be inclined to 倾向…的

by way of 经由; 作为

customs duties 关税

make fresh headway 取得新进展

that/it depends 看情况而定

Part 1 Understanding of Trade

A Listen to the conversation and complete the following sentences.

1. One of the speakers is going to engage in _____.
2. Trade within one's own country is called _____.
3. Our trade with other countries is called _____.
4. Trade between countries or regions in the world is _____.
5. Insurance service is a form of _____.

B Listen to the passage and fill in the blanks with the words you hear.

How do we get the 1 and 2 we want? Usually we 3 them. But long ago, people had little or no money. They 4 meat, eggs, fruits, vegetables, furs, tools, etc. for other goods which they could not obtain by their own efforts, and they found the 5 satisfactory. Maybe that is the beginning of trade activity.

Now spending money is a business 6 that is familiar to all of us. Every time we buy something, we do 7 with the seller. So in simple terms, business is trading. It is buying and 8, trading money for goods or services or trading goods and services for 9. You can both 10 with your own people and with those from other countries.



C Listen to the sentences and decide what forms of trade they may be by putting a tick.

| Some Forms of Trade | | | | | |
|---------------------|------------|-----------------|---------------|--------------------|--------------|
| Forms | Free Trade | Bilateral Trade | Transit Trade | Compensation Trade | Barter Trade |
| Form 1 | | | | | |
| Form 2 | | | | | |
| Form 3 | | | | | |
| Form 4 | | | | | |
| Form 5 | | | | | |

Part 2 Establishing Trade Relations

Dialogue 1 Pushing Forward Bilateral Economic and Trade Relations

Mr. John Turner (T), a high-level official of US Department of Commerce, meets Miss Liao Yu (L), manager of Yufeng Foreign Trade Company. They are now talking about the present Sino-US trade relationship.

- L: Hello, Mr. Turner. What a happy surprise to meet you so soon!
- T: Last time I promised to discuss trade relations with officials from China's Ministry of Commerce.
- L: Yes, you said that. It's very important to keep good China-US trade relations.
- T: That's right.
- L: I think the United States has got economic profits from the bilateral trade.
- T: In fact, it's mutually beneficial to strengthen US-China economic and trade ties.
- L: I agree. The bilateral trade has been developing rapidly these years.
- T: Quite true! But Americans are worried about the trade imbalance between the two countries.
- L: In my opinion, the United States benefits from US-China trade more than China.
- T: I'm afraid I can't agree with you.
- L: You see, US exports to China have created nearly 400,000 jobs for the United States. Because US consumers can enjoy good and cheap Chinese commodities, they have lowered living costs and improved the quality of life.
- T: What do you say about the US trade deficit to China?
- L: It was mainly caused by the decline of the competitiveness of American products.
- T: Can you give me more reasons?
- L: Sure. Perhaps a key reason lies in the different statistical methods used by the two countries.
- T: Can you prove it?
- L: Of course. The United States regards Chinese commodities transited to the country through Hong Kong or another third party all as imports from China, but it doesn't count the US commodities transited to China by way of Hong Kong.
- T: Any more reasons?
- L: Yes. While computing trade deficits with China, the US side only counts commodity trade, but excludes service trade; and ...
- T: Oh, that's enough. I think there is indeed some trade surplus on the Chinese side.
- L: Even if that is the case, the problem should be resolved by seeking balance in development.
- T: I think so. The present US-China relationship is full of vitality.
- L: Right. The two countries have recently made fresh headway in exchanges and cooperation in all fields.
- T: Therefore, we should continue to have constructive talks on shared interests and ...

L: And work more closely to push forward bilateral economic and trade relations.

Dialogue 2 Trade Relations Promise Broad Prospects

Mr. Yang Qiang (Y) is Manager of International Department, Shanghai Trading Company. Ms. Janet Hopper (H) is Sales Manager of Global Business Company, London. Mr. Yang is talking over the phone with her, hoping to establish trade and cooperative relations.

Y: Good morning. Could I speak to Ms. Hopper?

H: This is Hopper speaking. Who's calling, please?

Y: Yang Qiang from Shanghai Trading Company. I got your phone number from the Bank of China, London Branch.

H: Good morning, Mr. Yang. What can I do for you?

Y: We learned that you import lots of Chinese products each year.

H: Yes?

Y: Our company is a leading exporter of Chinese products. I hope we can make deals with each other.

H: Great! China is a very large export market. Many of your products are sold well in different parts of the world.

Y: That's right. Our company has been in business since 1956 and has much experience in providing quality products for markets.

H: I'm inclined to believe you, but I'd like to know more details about your company.

Y: That's easy. You can get information about our business reputation and finances from the Bank of China, Shanghai Branch.

H: Well, I'd love to offer you an opportunity to establish trade relations with your company.

Y: Oh, thank you very much, Ms. Hopper. Could you tell me what products you're interested in?

H: Mm ..., that depends. Do you have a catalog or something that tells me about your present business?

Y: Yes. I'll send you a catalog and some samples as soon as possible.

H: OK, but don't forget to send us the price list for our reference.

Y: May I have your mailing address?

H: Yes. Janet Hopper, Sales Department, Global Business Company, 28 Sunny Road, London.

Y: Thank you. I'm certain that with our joint efforts business between us will be developed to our mutual benefit.

H: I hope so. With our sincere cooperation, trade relations between us will promise broad prospects!

A *Listen to Dialogue 1 without referring to your book. Practise it with your partner and complete the following sentences in your own words.*

1. Keeping good China-US trade relations _____.
2. It's _____ to strengthen US-China economic and trade ties.
3. According to Miss Liao, _____ benefits from US-China trade _____ than China.
4. Good and cheap Chinese commodities have not only _____ of American people but also improved _____.
5. The trade problems should be properly resolved by _____.

B *Listen to Dialogue 2 without referring to your book. Practise it with your partner and give your answers to the following.*

1. Yang got Hopper's phone number from _____.
2. Many Chinese products are sold well in _____.
3. Hopper can get some information about Yang's company from _____.
4. Hopper is willing to establish _____.
5. Sincere cooperation between the two sides might promise _____.

C *Work in pairs and take turns to start the dialogue with the given tips.*

Situation:

You are Wang Lin from Feida Equipment Company, meeting Mark Bush from Far East Trading Company at the airport for the first time. You introduce yourselves, and talk about business.

Tips:

1. Excuse ...
2. Are you ...?
3. Nice to meet you.
4. Wang's manager has a meeting; he can't come to ...
5. It's very kind of you to ...
6. Wang's company got the information about Bush's through ads.
7. Bush wants to know why he was invited to China.
8. Wang's company is interested in Bush's, which has been doing business with many countries, quite experienced.

9. Wang's manager hopes to enter into direct business relations with Bush.
10. That's Bush's desire, too. They'll discuss it tomorrow.

D *Work in small groups and discuss the following topics.*

1. The importance of keeping good Sino-US trade relations.
2. Which country benefits more from US-China trade? Give your reasons.
3. How do you resolve the problem of trade deficits between the United States and China?
4. How do you establish business relations with a new partner?

Part 3 Rudimentary Knowledge

Text 1

International Trade

As natural resources are unevenly (不均衡地) distributed in different countries, a country cannot produce everything it needs. Some countries are good at producing dairy (乳制品的) products; some are specialized in (擅长于; 专攻) iron and steel industries. Sometimes, a country does not have enough of a particular item to meet its needs. For example, if a country is a major producer of sugar, it has to import some sugar when it consumes more than it can produce at home. As a result, a country will buy what it needs from countries that are good at producing them and in return will sell its products to countries that require them. This buying and selling of goods is one obvious (明显的) reason for international trade and is participated in (参与) by different parties.

International trade in high-tech products and services is also rapidly growing in size. The World Trade Organization (WTO) has recently begun efforts to provide information on high-tech products or services trade and its importance relative to (与...相关的) trade in merchandise.

Even if a nation doesn't lack the natural or technological resources and can produce a good at home, foreign trade may be advantageous (有利的). When one nation produces less of a good than another nation at the same cost, it should import that good rather than produce it domestically.



According to the nineteenth-century economist David Ricardo, foreign trade is mutually beneficial, even when one nation is absolutely more efficient in the production of every good, as long as there are differences in the relative costs of producing the various goods in the two potential trading nations. Thus, the theory of comparative (比较的) advantage is closely tied to the concept of opportunity costs. If one nation is more efficient than another in producing both wheat and computers, trade is profitable (有利可图的) as long as the relative costs of the two goods are different in the two countries.

Absolute advantage is the ability to produce a good using fewer resources, that is, with greater productivity (生产力). Comparative advantage is the ability to produce a good at a lower opportunity cost, that is, more efficiently. Comparative advantage determines which country can most efficiently produce a particular good. Because every use of resources involves an opportunity cost, no country can have a comparative advantage in producing all goods, but every country has a comparative advantage in at least one good. If countries specialize in producing goods for which they have a comparative advantage and then engage in trade, total worldwide production can be increased, meaning that it is possible for all nations to gain from trade. Such is the classical economic theory of international trade.

Text 2

The WTO & GATT

The WTO and its predecessor (前辈; 前任) the General Agreement on Tariffs and Trade (GATT: 关贸总协定) have been enormously successful over the last 60 years at reducing tariff and other trade barriers (壁垒) among an ever-increasing number of countries. GATT began in 1947 with only 23 members; in 2003 the WTO had 146 members, comprising (包含) approximately (大约) 97 percent of world trade. Currently (2015) the WTO has 162 members, of which 118 are developing countries (发展中国家) or separate customs territories (单独关税区).

The WTO established in 1995 is relatively young for an international institution. It has its origins in the Bretton Woods Conference at the end of World War II. The conference produced two of the most important international economic institutions of the postwar period: the International Monetary Fund (IMF: 国际货币基金组织) and the International Bank for Reconstruction and Development (the World Bank). The finance ministers also discussed the need for a third postwar institution, the International Trade Organization (ITO), but left the problem of designing it to their colleagues in government ministries with responsibility for trade.

By the late 1940s, representatives of the American government had met several times with representatives of other major nations to design a postwar international trading system that would parallel (与...相应; 平行) the international monetary system.

However, although the US Congress would not support another international institution, in 1945 it had given the US President the authority to negotiate a treaty governing international trade by extending the 1934 *Reciprocal* (互惠的) *Trade Agreements Act*. This led to the establishment of GATT in 1947 — a treaty whereby 23 member countries agreed to a set of rules to govern trade with one another

and maintained reduced import tariffs for other members. The GATT treaty did not provide for a formal institution.

Over the next 40 years, GATT grew in membership and in its success at reducing barriers to trade. GATT members regularly met in what came to be known as negotiating rounds. These rounds were primarily focused on negotiating further reductions in the maximum tariffs that countries could impose on imports from other GATT members. The success of these rounds is evident. The volume of trade among WTO members stood at 25 times its 1950 volume.

Despite this success, by the 1980s several problems had surfaced with the GATT apparatus (机构; 器械; 设备). Firstly, the dispute resolution mechanism (机构; 机制) of GATT was not functioning as effectively as had been hoped. Secondly, a number of commodities were widely exempt from (免除; 豁免) GATT disciplines. Thirdly, it was widely believed that certain forms of administered trade protection — antidumping (反倾销政策的) duties, voluntary export restraints, and countervailing (补偿; 抵消) duties — were restricting trade and distorting (弄歪; 歪曲) trade patterns in many important sectors. Fourthly, trade in services was expanding rapidly and GATT had no rules regarding (关于) trade in services. Fifthly, countries that produced intellectual property movies, computer programs, patented pharmaceuticals (药品) — were becoming increasingly frustrated by the lack of intellectual property protection in many developing nations. Lastly, the rules regarding trade-related investment measures were hotly disputed. To address these problems, a new round of trade negotiations — the Uruguay Round — was launched in 1986. The treaty negotiated during the Uruguay Round, the GATT treaty of 1994, established the WTO — the international institution to govern trade. Furthermore, the Uruguay Round expanded GATT's authority to new areas — agreements regarding trade in textiles, agriculture, services, and intellectual property were major achievements. Finally, new sets of rules regarding administered protection came into effect (开始生效) with the creation of the WTO in 1995.

Notes

1. David Ricardo 大卫·李嘉图 (1772–1823): British economist, the author of *the Principles of Political Economy and Taxation* (1817) (《政治经济学与赋税原理》). In that book he presented most of his important theories, especially those concerned with the determination of wages and value. As far as value was concerned, Ricardo stated that the value of almost any good was, essentially, a function of the labor needed to produce it. According to his labor theory of value (劳动价值论), a clock costing \$100 required 10 times as much labor for its production as did a pair of shoes costing \$10. Ricardo was also concerned with the subject of international trade, and for that he developed the theory of comparative advantage, still widely accepted among economists.
2. opportunity cost 机会成本: As resources are limited and wants are insatiable, man is continually forced to make choices. It is the making of these choices that is central to the study of economics. Every time we make a decision to produce something, we choose to forego the alternative that we could have produced. The cost of this foregone alternative is

known as the opportunity cost. Opportunity cost also applies when we make a decision to buy something as consumers, and when we make a collective decision as a nation.

3. **trade barriers 贸易壁垒**: Trade barriers can take several forms, such as tariffs, quotas, imposition of strict quality controls and special licences, voluntary export restraint, government subsidies, etc. They are usually man-made and based on government intervention. A natural trade barrier is any kind of non-man-made barrier that may affect free trade such as language, geographical position, etc.
4. **Bretton Woods Conference 布雷顿森林会议**: A name commonly given to the United Nations Monetary and Financial Conference, held (July, 1944) at Bretton Woods (美国一游览胜地), N.H. The conference resulted in the creation of the International Monetary Fund, to promote international monetary cooperation, and of the International Bank for Reconstruction and Development.
5. **International Monetary Fund (IMF) 国际货币基金组织**: A specialized agency of the United Nations, established in 1945. It was planned at the Bretton Woods Conference (1944), and its headquarters are in Washington, D.C. There is close collaboration between it and the International Bank for Reconstruction and Development. The organization, using a fund subscribed by the member nations, purchases foreign currencies on application from its members so as to discharge international indebtedness and stabilize exchange rates.
6. **the International Bank for Reconstruction and Development (IBRD) 国际复兴开发银行**: A specialized agency of the United Nations, with headquarters at Washington, D.C., also called the World Bank. Plans were laid at the Bretton Woods Conference (1944) for the formation of a world bank; it was formally organized in 1945. The bank not only makes loans to member nations, but, under government guarantee, to private investors, for the purpose of facilitating productive investment, encouraging foreign trade, and discharging burdens of international debt. All members of the bank must also belong to the International Monetary Fund. The bank is self-sustaining and has maintained a profit on its lending activities.
7. **the Reciprocal Trade Agreements Act 《互惠贸易协定法》**: An international commercial treaty in which two or more nations grant equally advantageous trade concessions to each other. It usually refers to treaties dealing with tariffs. For example, one nation may grant another a special schedule of tariff concessions in return for equivalent advantages.
8. **antidumping duties 反倾销税**: Duties that are intended to discourage importation and sale of foreign-made goods at prices substantially below domestic prices for the same items.

A Read Text 1 and discuss the following questions in class.

1. What is meant by international trade?
2. What is opportunity cost?
3. What are trade barriers?

4. What is comparative advantage?

B Read Text 2 and fill in the following chart with the information you get.

| <i>Timeline of the GATT & WTO</i> |
|--|
| 1944: |
| 1947: As support for another international organization wanes in the US Congress, the General Agreement on Tariffs and Trade (GATT) is created. The GATT treaty creates a set of rules to govern trade among 23 member countries rather than a formal institution. |
| 1951–1986: Periodic negotiating rounds occur, with occasional discussions of reforms of GATT. In the 1980s, serious problems with dispute resolutions arise. |
| 1986–1994: |
| 1995: |
| 2003: |
| 2015: |

Part 4 Additional Practice

A Write a letter about the establishment of business relations.

Sample

Gentlemen:

Your company's name and address have been given to us by the Chamber of Commerce of New York. We are now writing to you with a desire to establish trade relations with you.

Our company is specialized in handling the export business in textiles. If you are interested in the establishment of business relations with us in this line, please let us know

your specific requirements. We shall be delighted to forward catalogues and samples for your reference. We are sure that you will be satisfied with our services and the good qualities of our goods.

We will be happy to hear from you at any time.

Yours truly,
Wang Hua
Wang Hua
Sales Manager

B *Translate the following passages into Chinese.*

1. From the birth of GATT in 1947 to the establishment of WTO in 1995 and from the conclusion of the Uruguay (乌拉圭) Round to the launch of DDA (多哈发展议程), the multilateral trading system has experienced difficulties and frustrations. It is due to the wisdom of mankind and unremitting efforts of all its members that the multilateral trading system managed to resolve its problems one after another and grow up from twists and turns. Built upon GATT which only had 23 contracting parties when it came into being, WTO today already has 160 members who contribute to over 97% of world trade in goods, and the aggregate value of which has also increased from about USD 58 billion in 1948 to USD 6.24 trillion in 2002, and to 30.387 trillion in 2010. All these reflect progress of the human society.
2. China's development has brought benefits to the world. Statistics show that last year, China contributed 50% to world economic growth and became the second largest importing country and the largest emerging market (新兴市场). We have taken an active part in international cooperation on the financial crisis (金融危机) and played an important role in promoting stability and development of the regional and global economy. In the height of the financial crisis, we kept the RMB exchange rate (人民币汇率) basically stable, facilitated the establishment of the Asian foreign exchange reserve pool (外汇储备库) totaling 120 billion US dollars, and signed currency swap agreements (货币互换协议) worth 650 billion RMB *yuan*. We have adopted a series of major steps to meet the climate challenge, made great effort for positive and important outcomes at the Copenhagen (哥本哈根) conference and actively contributed to international cooperation on climate change.

C *Work with your partners and practise speaking according to the following directions.*

1. Buying and selling of goods in international trade is often participated in by different parties. Divide the class into small groups and try to discuss different functions of the parties involved with the help of the given list.

2. Work in small groups. Each consists of three students. A plays the role of a buyer; B acts as a seller, and C as an adviser and a next participant. Topics can be buying and selling of something or about how to establish trade relations with each other.

The Parties That Might Be Involved In

- The Buyer, who places orders and imports goods (meaning to bring into the country).
- The Seller, who manufactures and exports goods (meaning to ship out of the country) and issues invoices.
- The Manufacturer, if the seller does not make his own goods.
- The Shipping Company, (or Airline Company) that transports the goods overseas and issues Bills of Lading (or Air Waybills) as receipt of goods.
- The Insurance Company which insures the goods against risk. An insurance policy or certificate is issued to this effect.
- Governments and Embassies who give permission to import or export specific types of goods by issuing Import and Export Licenses, and Consular Invoices respectively.
- The Customs and Excise, who levy import duty and issue Customs Invoices.
- Various Professional bodies, who issue Inspection Certificates certifying that the goods have been inspected and meet certain quality standards.
- Lawyers, who draw up contracts of sale.
- Agents, who represent either the buyer or seller overseas.
- Shipping Registries, who ensure that the carrying ship is seaworthy.
- Chambers of Commerce, who issue Certificates of Origin.
- Banks, who participate in most trade transactions to some extent, from full finance to the processing of simple remittances.

D *What can we do to promote world economic development? Think about it while you read the following passage.*

The World Economic Development Declaration (*Abridged*)

Peace and development are the common aspirations (愿望) of people of all countries and are the main themes (主题) of today's world. Peace is the basis for development and development promotes peace. It is our common duty to promote world economic development and safeguard world peace with "equality (平等), credibility (诚信), co-operation and development" as the basic criteria (准则).

Interdependence (相互依存)

Under market economy conditions, countries and economies of the world trade in goods

and services with and invest in each other. Closed countries and economies cannot effectively participate in the world economy, thus compromising their economic growth. Therefore, all countries and economies must be open, interdependent and develop together, according to the principles laid down by the UN and the World Trade Organization.

Scientific and Technological Progress (科技进步)

Science and technology play an important role in economic development. Science and technology should be conducive to (有益于) the establishment of a highly efficient and rational economic system. Progress in science and technology should be promoted and the achievements in this field be applied wisely and the advanced technical transfers from economically developed countries to developing countries should be promoted so as to accelerate the economic growth of all countries and enhance the livelihood (生活水平) of the people.

Competition (竞争)

Competition is conducive to production, economic growth and the efficient use of limited resources. Credibility and legal systems are the basis and safeguard of competition. Nations and producers in the world should be encouraged to compete with each other in a fair and proper manner. In order to promote the development of the world economy, monopolies (垄断) should be opposed as they could impede (阻碍) trade and equal opportunities.

Financing of Economic Development (经济发展资金)

A more fair and reasonable financial system for supporting world economic development must be set up to facilitate the flows of funds, and to increase the transparency (透明度) of the flows of funds among the nations and markets, thus keeping a stable economic environment and allowing the achievements of investment and international trade to benefit all nations.

Economic Development and Education (经济发展与教育)

Education and skill (技能) development should be promoted for all peoples of the world, no matter which country or region they come from and regardless of (不论) their race, sex and income level, to improve the population quality (素质). Human resources should be vigorously developed to facilitate world economic development.

1. Group Discussion:

- 1) What are the main themes of today's world? Why?
- 2) How can a country effectively participate in the world economy?
- 3) Why do we say science and technology play an important role in economic development?
- 4) What are the basis and safeguard of competition? Give your reasons.
- 5) Why is it important to increase the transparency of the flows of funds among the nations and markets?

2. Team Work

Divide the class into two teams and debate against each other.

| <i>Team A's Position</i> | <i>Team B's Position</i> |
|---|---|
| Education and skill development should be promoted for all peoples of the world. | Education and skill development should not be promoted for all peoples of the world. |

You can refer to some of the words and expressions given below. Try to be the best debaters.

Words

| | | | | |
|-------------|------------|--------------|--------------|-----------|
| strategic | policy | projects | sustainable | potential |
| improve | protect | enhance | effective | affect |
| protection | growth | employment | mainstream | factor |
| standard | border | hostile | second-class | citizen |
| opportunity | equal | ability | rights | situation |
| exclude | include | prove | segregate | encourage |
| influence | principle | wealth | unfair | advantage |
| neglect | difference | protest | despair | instinct |
| violence | despise | discriminate | | |

Expressions

| | |
|---|--------------------------------------|
| carry out | quality of life |
| future generations | social progress |
| stable levels | international cooperation |
| depend on | regard as |
| belong to | succeed in |
| be capable of | impose on |
| be bound to | equip with |
| global challenge | make great effort |
| public relations | according to equality of opportunity |
| developing countries | developed countries |
| colored/black/white people | deprive of |
| provide with | a good start in life |
| western world | racial prejudice |
| peaceful co-existence between the races | look down upon |

E Merry Corner

A certain (某一个) young man wrote the following letter to a prominent (有名的) business firm, ordering a razor (剃刀):

“Dear Sirs — Please find enclosed (附上的) 50c for one of your razors as advertised — John Jones.

“P.S. (附笔) — I forgot to enclose the 50c, but no doubt a firm of your high standing (名望高) will send the razor anyway.”

The firm addressed received the letter and replied as follows:

“Dear Sir — Your most valued order received the other day and we will say in reply that we are sending the razor as per request, and hope that it will prove satisfactory.

“P.S. — We forgot to enclose the razor, but no doubt a man with your check (支票; 账单) will have no need of it.”



1. Different forms of markets
2. Sales styles and techniques
3. Market research
4. Market economy & command economy

Words & Expressions

antique *n.* 古物，古董

characterize *v.* 表示…的特性

competitor *n.* 竞争者

curio *n.* 古玩，珍品

demographics *n.* 人口统计

digital *a.* 数字的

exceed *v.* 超过，超越，胜过

fashion *n.* 样子，方式，流行

flexible *a.* 灵活的；可通融的

hi-tech *a.* 高技术的

house *v.* 给…房子住；覆盖

illegal *a.* 违法的，不合规定的

implement *v.* 贯彻，实现，执行

inconvenience *n.* 麻烦，不方便

likelihood *n.* 可能，可能性

market *v.* 在市场上交易，销售

orient *n.* 东方

potential *n. & a.* 潜能，潜力；潜在的

preliminary *a.* 预备的，初步的

profit *n.* 利润，益处，得益

rationing *n.* (食物等的)配给

regulate *v.* 管制，控制，调节

restriction *n.* 限制，约束

scattered *a.* 离散的，分散的

steadily *ad.* 稳定地；有规则地

stock *n.* 股票，股份，公债

strategy *n.* 策略

survey *n.* 测量，调查

target *n.* 目标，对象，靶子

upwards *ad.* 向上

violation *n.* 违反，违背，妨碍

bring together 集合

carry on 开展, 坚持

fall short of 不足, 缺乏, 达不到

go down 下去, 下沉, 下降

invest in 投资于, 买进

stand a good chance 很有可能

take advantage of 利用

time consuming 耗费时间的

Part 1 Some Forms of Markets

- A** Listen to the short conversations, and decide what markets they are about and mark your answers (✓).

| Some Forms of Markets | | | | | |
|-----------------------|-----------------|------------|--------------|-------------|-------------|
| Forms | Computer Market | Oil Market | Stock Market | Meat Market | Corn Market |
| Form 1 | | | | | |
| Form 2 | | | | | |
| Form 3 | | | | | |
| Form 4 | | | | | |
| Form 5 | | | | | |

- B** Listen to the passage and fill in the blanks with the words you hear.

A market is often thought of as a 1 where commodities are bought and 2. In fact, a 3 may be housed in a 4, or it may exist only in people's 5. Buyers and 6 can be scattered over the whole 7 instead of actually 8 together in a marketplace. Therefore, a market can be any place or process that brings together 9 and sellers with a view to agreeing to a 10.

C Listen to sentences and mark your answers by putting a tick.

| Statements | 1 | 2 | 3 | 4 | 5 |
|-----------------|---|---|---|---|---|
| Buyers' Market | | | | | |
| Sellers' Market | | | | | |
| Flea Market | | | | | |
| Free Market | | | | | |
| Black Market | | | | | |

Part 2 Marketing Products or Services Successfully

Dialogue 1 Making Market Research

Helen Riley (R) is Market Manager of World Equipment Company. Li Dong (L), General Manager of Orient Digital Corporation, is talking with Helen about promoting products in the world markets.

- L:** Helen, what should we do if we want to promote our products in the world market?
- R:** You should make a market research first if you want to have a place in that large market.
- L:** I think it's time-consuming. Is it necessary?
- R:** Yes. The world is full of competition. All business must now be made according to the market. Market research can play a major role in the success of any business.
- L:** Why is it so important?
- R:** Well, by making a market research, you will get many types of information for your company's business strategy.
- L:** Could you give me more details?
- R:** Sure. With effective market research, you can determine the need for your service, a product's likelihood to sell, target-market demographics, desirable store locations, competitor's strengths and weaknesses, etc.
- L:** Wonderful! If we know the markets and customers' demands well enough, we won't put our money at risk.

- R:** That's right. And it will be beneficial to your company's success.
- L:** Exactly. I hope you can do the market research for us. We'll pay you for your service.
- R:** OK, I'll try my best to help you meet your target market's needs and implement a successful strategy.
- L:** Thank you very much. I think we'll have a good cooperation.

Dialogue 2 Marketing Products or Services

David Smith (S) is Marketing Manager of an electric company. He is discussing with Ms. Mary Green (G) how to market products or services successfully.

- G:** David, I feel that most firms are full of great ideas for new products and services, but then struggle in selling them into local or international markets.
- S:** I agree. In fact, getting to know your customers is the first step to easy sales.
- G:** That's true. Customers have different values about products and services.
- S:** Right. Some customers demand low-price products or services with the least inconvenience.
- G:** Some don't care much about the prices, but they always follow the hottest fashions or hi-tech products and services.
- S:** And others may demand products and services should meet their specific needs.
- G:** So it's very important to understand our customers and markets.
- S:** Of course it is. In a competitive selling environment, we should try to understand what, when, where and why customers buy. A business can exist only if customers are satisfied.
- G:** Good thinking. Though there are many sales methods, the choices are easier when you think about your customers' needs and expectations.
- S:** Then, with flexible business strategy, you can make different marketing plans for your products or services according to the latest market survey and analysis.
- G:** In that case, by taking advantage of new market opportunities, you may stand a very good chance of success.
- S:** When you offer your products or services at the right time and place for customers to buy and to use, you can even gain more share of the market and get a rise in the market position.
- G:** Well, if you keep your advanced technology, good quality and reliable after-sales service, your dream of becoming a market leader will come true.
- S:** That's really wonderful and encouraging! However, we'll have to meet the new challenge of the future!

A *Listen to Dialogue 1 without referring to your book. Practise it with your partner and complete the following sentences in your own words.*

- To promote our products in the world market, we'd better _____ first.
- Market research can _____ in the success of any business.
- We can get lots of information for _____ strategy.
- With effective market research, you can determine the need for your services, competitors'

- _____ and disadvantages, etc.
5. We won't put our money at risk if we _____ and customers' demands.

B *Listen to Dialogue 2 without referring to your book. Practise it with your partner and give your answers to the following sentences.*

1. According to David, getting to know your customers is the first step _____.
2. Mary thinks some customers always follow the hottest fashions or _____.
3. In David's opinion, a business can exist only if _____.
4. When you think about your customers' needs, _____.
5. To become a market leader, they will have to _____.

C *Work in pairs and take turns to start the dialogue with the given tips.*

Situation:

Tom is a marketing manager. He asks Linda to make a market research for his company's new product.

Tips:

Tom

1. our company; develop a new product
2. make a preliminary marketing plan
3. not good at it; do a favour
4. potential market and customers
5. it's very kind of ... certain; marketing plan; result; great success

Linda

1. congratulations
2. make a market research first; important; for company's business strategy
3. glad to do ... ; what ... focus on
4. make a special analysis; send; research report
5. common desire

D *Work in small groups and discuss the following topics.*

1. The importance of making a market research.
2. Is it necessary to do a market research?
3. How can a company market its products or services successfully?
4. Do you think it is important to get to know the customers and markets?

Part 3 Rudimentary Knowledge

Text 1

Markets

There are a lot of “markets”. Some markets are local; you may be willing to compare prices for fruits and vegetables in a few shops in your local area, but you would be unwilling (不愿意的) to go across (穿过) the city to find out more information. Some markets are national. Many firms sell goods across the country. Some markets are global (全球的) or international. Increasingly (日益; 愈加), more and more countries are involved in the world economy, whether they know about it or not.

However, there are many other markets: labor markets for job seekers, supermarkets for grocery shopping, foreign exchange markets, capital markets, real estate (房地产) markets and so on. And we must not overlook the fact that many services such as banking, insurance and advanced technology are also bought and sold on a worldwide (全世界的) scale.

But what is a “market”? Most people would say, “A market is a place where enough buyers and sellers meet face to face so that a market price for a good or service can be determined.” However, with the rapid growth of telecommunications (无线电通讯; 电信), it is no longer necessary for buyers and sellers to physically (身体上地) meet to form a market.

Maybe you’ve heard the terms “global market” and “global economy”. What do those terms mean to you? What do they mean to businesses today? Thanks to (由于) the Information Age, we are seconds away from the rest of the world. Businesses everywhere recognize that they can expand their market to anywhere and do business at any time because of the Internet. Now, the Internet is the fastest growing market in the world today, yet buyers and sellers don’t even have to leave their own homes to transact (办理; 交易) business.

In modern world, a market can take many forms. Generally speaking, a market may be housed in a place, or it may exist only in people’s minds. And a market can be any place or process that brings together buyers and sellers with a view to (着眼于; 以…为目的) agreeing to a price.



Text 2

Consumers in a Market Economy

Consumers in both market and command economies make many of the same kinds of decisions: they buy food, clothing, housing, transportation (运输; 运送), and entertainment (娱乐) up to the limits of their budgets, and wish they could afford to buy more. But consumers play a much more important role in the overall (全部的; 全面的) working of a market economy than they do in a command economy. In fact, market economies are sometimes described as systems of consumer sovereignty (主权) because the day-to-day spending decisions by consumers determine, to a very large extent, what goods and services are produced in the economy. How does that happen?

Suppose a family — Li Gang, Wang Hua and their two children — go shopping to buy food for a family dinner. They may originally (最初) be planning to buy a chicken, tomatoes, and oranges; but their plans will be strongly influenced by the market prices of those goods.

They may discover, for example, that the price of oranges has increased. Whatever the reason for the higher price, they may well decide to buy fewer oranges than they had planned, or to buy apples or some other fruits instead. Because many other consumers make the same choices, oranges won't disappear from store shelves entirely. But they will be more expensive, so only the people who are willing and able to pay more for them will continue to buy them. Shortly (简言之), as more people start buying apples and other fruits as substitutes (替代品) for oranges, the prices of those fruits will rise as well.

Keep in mind that this interaction (交互作用) of supply, demand, and price takes place at every level of the economy, not just with consumer goods sold to the public. Let's take the example of computer chips (芯片). As with the case of oranges, higher prices will tend to reduce demand for computer chips, but will signal the manufacturers (制造者; 厂商) of computer chips that it may be profitable (有利可图的) to increase their production, or for new suppliers of chips to consider entering the market. As chip prices come down, eventually the demand for computers will grow.

That demand for computers will do more than simply spur (鞭策; 刺激) suppliers to increase their output. It will also encourage innovation (改革; 创新), which will result in computer chips and computers that are more powerful and efficient than earlier models — a competition of progress and price that occurs in virtually (事实上; 实质上) all genuinely (真正地) free markets.

In a market economy, the basic resources used to make the goods and services that satisfy consumer demands are owned by private consumers and households (家庭; 家族). The payments, or incomes, that households receive for these productive resources rise and fall — and that fluctuation (波动) has a direct influence on the amount consumers are willing to spend for the goods and services they want and, in turn, on the output levels of the firms that sell those products.

To summarize (概述; 总结): the money consumers spend is a signal — a kind of economic vote telling producers what goods and services they want to see produced. Consumer spending represents the basic source of demand for products sold in the marketplace, which is half of what determines the market prices for goods and services. The other half is based on decisions businesses make about what to produce and how to produce it.

Notes

1. Information Age 信息化时代: The period beginning around 1970 and noted for the abundant publication, consumption, and manipulation of information, especially by computers and computer networks.
2. Internet 因特网: An interconnected system of networks that connects computers around the world via the TCP/IP protocol.
3. market economy 市场经济: An economy that operates by voluntary exchange in a free market and is not planned or controlled by a central authority.
4. command economy 指令性经济: An economy that is planned and controlled by a central administration, as in the former Soviet Union.

A Read Text 1 and discuss the following questions in class.

1. What is a market?
2. Are there many forms of market?
3. What's the difference between local market and national market?
4. What's the difference between domestic market and global market?
5. Can buyers and sellers do business without meeting face to face in a market? Why?

B Divide the class into two teams and debate against each other.

| Team A's Position | Team B's Position |
|---|---|
| Consumers play a more important role in the overall working of a market economy. | Suppliers of goods and services play a more important role in the overall working of a market economy. |

You can refer to some of the words and expressions given below.

Words

| | | | | |
|-----------|--------------|-----------|------------|---------|
| system | spend | determine | produce | product |
| producer | production | buy | sell | plan |
| influence | price | discover | increase | reduce |
| decide | reason | expensive | cheap | rise |
| fall | supply | demand | high | low |
| signal | manufacturer | profit | profitable | grow |

| | | | | |
|-------------|-----------|-------------|-------------|-------------|
| output | encourage | innovation | competition | competitive |
| resource | satisfy | household | income | pay |
| fluctuation | business | restriction | response | side |
| process | drop | factor | purchase | investment |

Expressions

| | | |
|----------------|----------------|-----------------|
| make decisions | market economy | command economy |
| go shopping | make choices | go up |
| come down | take place | result in |
| open market | demand side | supply side |
| look for | depend on | |

Part 4 Additional Practice

- A** Thanks to the Internet, you can submit (提交) a form to sell your products or buy what you want at very low cost today and reach millions of buyers or sellers worldwide very soon. Try to fill out a registration form to sell or buy something.

Sample

| | |
|---------------------|-------------------------|
| <i>Company Name</i> | Star International Inc. |
| <i>Contact Name</i> | John Smith |
| <i>Email</i> | tradeinus@163.com |
| <i>Phone</i> | 1-405-385-0422 |
| <i>Fax</i> | 1-405-385-0423 |

(Continued)

| | |
|------------------------------|--|
| <i>Website/Homepage</i> | www.starinternationalinc.com |
| <i>Address</i> | 601 South Washington box 220, Oklahoma 74074 |
| <i>Country</i> | UNITED STATES |
| <i>Year Established</i> | 1999 |
| <i>Number of Employees</i> | 10 to 35 |
| <i>Annual Turnover (营业额)</i> | \$680,000 – \$950,000 |
| <i>Buy or Sell</i> | Sell |
| <i>Product Information</i> | Products Offered: we are looking for agents (代理商) worldwide to represent us for supply of all printing, publishing services & office stationery (文具) requirements. |

B 1. Translate the following passage into English.

竞争性市场拥有众多的 (a multitude of) 参与者。追求 (pursue) 产品先导地位 (leadership) 的公司必须努力生产出别人未知的、未尝试过的或是令人特别满意的产品。达到这个目标需要他们在三个方面挑战自己。首先，他们必须富有创造性。第二，他们必须迅速地使自己的好点子商品化 (commercialize)。第三，也是最重要的一点，他们必须坚持不懈地 (relentlessly) 寻找超越 (leapfrog) 自己最新产品和服务的途径。

2. Translate the following passage into Chinese.

Emerging markets are far more varied and volatile (不稳定的) than mature ones. Cultural complexities are confounding (混淆的) and tastes are extraordinarily fluid. Because of the lack of brand loyalty, companies have to put even more thought into the Chinese market than they do in the West, for people who are not used to brands flit (掠过; 飞跃) easily from one to another. So innovation can extend to changing entire business models. Companies must always come up with new products, or improve old ones, to suit local tastes and meet idiosyncratic (独特的) preferences.

C Work with your partners and practise speaking according to the following directions.

1. Today, there are many types of sales styles and techniques (技术; 技巧). So how do you know what works for your products and what doesn't? Think about your target market and what your customers' needs are before determining what methods might work for your products or services. Divide the class into small groups and try to discuss different effective

(有效的) sales methods with the help of the given list.

2. Work in small groups. Each consists of three students. A plays the role of a sales manager; B acts as a salesperson, and C as an adviser and a next participant. Topics can be making a market research or about how to market one's products or services successfully.

Basic Sales Tips and Techniques

1. Listen to the emotional side of your prospect (可能的客户) or client.
2. Focus on your prospect or client's needs.
3. Use language that focuses on your prospect or client.
4. Focus on interests and issues and not take dangerous positions.
5. Plan the details of the information you want to collect.
6. Focus on why they should buy — not their objections.
7. Sell the benefits — not the products.
8. Never rush the sale or the customer.
9. Know your products, as well as the market — be a resource.
10. Follow through with promises.
11. Help your customers to succeed, not just sell your products.
12. Use explanations rather than excuses.
13. Sell long-term relationships rather than price.
14. Apply the appropriate techniques based on the buyer and behavior type.
15. Offer creative solutions and options for mutual gain.
16. Understand when and why buyers buy to be able to increase sales.
17. Effectively manage and control anger, conflict (冲突) and difficult situations.
18. Enhance body language, eye contact, and gesturing.
19. Understand the importance of voice tone and words in telephone sales.
20. Plan daily activities in advance (预先).

D *Whether you own a small company or a large corporation, you should know that one of the most important keys to success is in preparing a marketing plan. How do you make a marketing plan? Think about it while you read the following passage.*

Making a Marketing Plan

There are many different ways of making a marketing plan. Individual businesses have different areas that are most important to them. Any plans you make should have emphasis

on the areas that you feel are most important to your business. The key aspects of a plan are to describe each area, look at the best opportunities for your business, and come up with (提出, 拿出) a sensible (明智的, 有判断力的) objective (and hopefully ideas on how to achieve it). This will give you a number of objectives across all areas of your business. Remember, a marketing plan may just mean writing down your current strategies; there may be no need for change. However, the plan will still help, as it will show you that the strategy is OK, and, may point to ways of ensuring it continues to be successful in the future. Without a plan in place, you will flounder (挣扎, 踌躇) for direction and waste a lot of time, energy and money. Your plan should include:

Objective: overall purpose and objective of your company/product.

Targeting: your plan to target your prospective customers.

Strategy: effective marketing strategies for your product promotion.

Time Frame: your goals of where you want to be from six months to a year.

E *Merry Corner*



If you think market prices are too high, you can follow the example of one American woman.

At a fruit shop, the price of oranges was marked (标价) as two for 35 cents. The woman asked how much one orange was. “18 cents,” was the answer. “Then,” the woman said, “I’ll take the other one!”



1. Attracting investment
2. Making investment
3. Foreign direct investment (FDI)
4. Joint ventures
5. Host country
6. Multi-national corporations (MNC)

Words & Expressions

consultation *n.* 协商

dividend *n.* 红利

due *a.* 到期的

expire *v.* 到期

facilitate *v.* 便于

far-sightedness *n.* 远见卓识

funds *n.* 资金

guidance *n.* 指导

hamper *v.* 阻止

inland *a.* 内陆的

metropolis *n.* 都市

moderate *a.* 适度的

municipality *n.* 自治区；市政府

parties *n.* 当事方

pending *a.* 未决的

preferential *a.* 优惠的

principal *n.* 本金

procedures *n.* 手续

proclaim *v.* 声明

provincial *a.* 省的

seizure *n.* 没收

stability *n.* 稳定

board of directors 董事会

capital goods 资本品

equality and mutual benefit 平等互利

joint venture 合资企业

private property 私有财产

profits and losses 盈亏

property right 产权

red tape 繁琐的手续

registered capital 注册资金

total investments 总投资

work efficiency 工作效率

Part 1 Attracting or Making Investment

A Write down the sentences you hear from the recording, and put them into Chinese. You will hear the sentences three times.

1. _____
2. _____
3. _____
4. _____
5. _____

B Listen to the dialogue and complete the following sentences.

1. The total investment of such a project will be _____.
2. The registered capital will be _____.
3. The percentage each party will contribute is _____.
4. Party A will be responsible for marketing the products; the amount is not less than _____.
5. The terms of this joint venture will be _____.
6. The whole joint venture is to be put under the guidance of _____.

C Listen to the passage and fill in the blanks.

Foreign investment is closely tied to foreign trade. If we could bring about a sound and steady 1 of foreign trade by freeing it from hampering restrictions, this would do much to encourage expansions of foreign investment. Free foreign-exchange 2 also directly facilitate the expansions of foreign investment. This is true because if large 3 are to be made abroad, it must be easy to buy foreign funds. It must also be easy to exchange foreign money for 4, so that an investor can receive in his own currency 5 and dividend payments, as well as principal payments when they fall due.

In the final analysis, the basic requirements for a great expansion of private investment are 6 and stability. Before they will send their funds abroad, potential 7 must believe that foreigners will deal with them in good 8 and that the foreign government will protect their property rights. This means that world 9 and political conditions must be reasonably stable. Peace must be established on a basis that is believed to be reasonably secure. If investors believe that in a certain country there is 10 of the seizure of private property, they naturally will hesitate to risk their funds there.

Part 2 Investment Environment

Dialogue 1 Pave the Way to Absorb Foreign Investment

Mrs. Zhao (Z), president of ABC company, China, meets Mr. John Smith (S), CEO of BCD company, USA. They are now talking about the investment environment in Changsha, China.

- S:** Mrs. Zhao, I am pleased to say that we've attained a satisfactory result since we began our cooperation last May. Considering the broad prospects before us, I'd like to discuss the possibility of building a joint venture with you.
- Z:** Great. You know China's policy of opening to the outside world provides the broadest prospects for overseas investors. Low taxation, low wages and other preferential terms — what's more, a stable investment environment. So the future of the joint venture is promising, very promising indeed.
- S:** Sounds encouraging. But before we go into details, may I ask you some questions about the current investment situation in Changsha, especially in Changsha Technology Industrial Development Zone?
- Z:** I'll be only too glad to do that.
- S:** So far as I know, many foreign investors have complained about the investment environment in China's inland cities. Since Changsha isn't a coastal city, I have been wondering about its investment conditions.
- Z:** True, the investment environment here isn't always satisfactory, which might discourage foreign companies from investing here. But the provincial government and the city municipality have already taken measures to improve work efficiency and investment conditions to meet the demands of foreign investors. The Changsha Technology Industrial Development Zone has issued a series of regulations favoring foreign investors and adopted more flexible policies in foreign economic affairs.
- S:** Really? That's great. Anyway, I'm very much concerned about China's policies. I mean whether they would change.
- Z:** You may rest assured that China's political and economic situation is stable, and will remain stable. And the policy of opening to the outside world will not change. If there are ever some changes, as proclaimed again and again by the Chinese leaders, China will become even more open to the world, and



the policy will become more perfect.

- S:** That sounds really promising. Well, is there any organization here that will help foreign firms handle investment procedures? You see, many foreign investors have complained about the red tape and unnecessary delays.
- Z:** As I've already said, our city government has taken some measures to improve work efficiency and investment conditions. For example, our city has set up a foreign investment management department with the purpose of facilitating foreign investment in the city.
- S:** To be frank, I'm content with your answer. And I think I'm more determined than ever before to invest here to build a joint venture with you.
- Z:** We appreciate your enthusiasm and far-sightedness. Well, what do you have in mind about the cooperation with us?
- S:** You are a man of action, Mrs. Zhao. Let's talk about the details ...

Dialogue 2 Make Investment in Another Country

Mr. John Smith (S), CEO of BCD company, USA, meets Mrs. Zhao (Z), president of ABC company, China. They are now talking about making investment in China.

- S:** Mrs. Zhao, let's talk about the details. As regards the amount of investment and the form of our contribution, I would say that we plan to invest five million US dollars, of which 40% in cash, 40% in capital goods, and the rest 20% in technologies. We hope that, as our partner, you will also invest equal amount as your share of contribution.
- Z:** That's reasonable.
- S:** We have studied the laws of the PRC on joint ventures and understand that the investment contributed by a Chinese participant may include the right to use a site provided for the joint venture company during the period of its operation. Seeing that Shanghai is known to the world as a metropolis, which offers better services for communication, transportation and banking, we suggest the site be located in the suburbs of Shanghai.
- Z:** I quite agree with you. Conditions in the suburbs of Shanghai are favorable particularly for a joint venture company like ours.
- S:** Great! We've reached agreement on another issue. But there are still a lot of pending matters relating to the conclusion of an agreement. It seems we need more time to hammer down this deal. What about the distribution of dividend ...

A *Listen to Dialogue 1 without referring to your book. Practise it with your partner and complete the following sentences in your own words.*

- Mr. Smith wants to discuss the possibility of building _____ as a joint venture with Mrs. Zhao.

2. According to Mrs. Zhao, the provincial and local governments have taken measures to improve work efficiency and _____ to meet the demands of foreign investors.
3. Mr. Smith also wants to know whether the _____ would change.
4. Mr. Smith asks if there is any organization that helps the foreign firms _____.
5. Mr. Smith is basically _____ with Mrs. Zhao's answer.

B *Listen to Dialogue 2 without referring to your book. Practise it with your partner and complete the following sentences in your own words.*

1. According to Mr. Smith, they will invest _____ US dollars, of which 40% in _____, 40% in _____, and the rest 20% in _____.
2. It is understood that according to the laws of the PRC, the investment contributed by a Chinese participant may include the right to _____ provided for the joint venture company during the period of its operation.
3. Mr. Smith suggests the site be located in _____.
4. Mr. Smith will probably talk about _____ next.

C *Work in pairs and take turns to start the dialogue with the given tips.*

Situation:

You are Jason Wang, ABC Auto-making Company, meeting Frank Smith from BCD Auto-making Company in the auto exhibition. ABC and BCD companies have been business friends for two years. You are thinking of entering into a joint venture with them. Tell Frank Smith your ideas and talk about the possibilities with him.

Tips:

1. How are you?
2. How are things going?
3. Fine, just fine.
4. Haven't seen you for a long time.
5. Fancy meeting you here.
6. You are just the one I'm looking for.
7. We're thinking of entering into a joint venture with your company.
8. What do you have in mind about the cooperation with us?
9. Considering the broad prospects before us, I'd like to say ...
10. Before going into details, I'd like to know ...

11. What will be the total investment of such a project?
12. How much the registered capital will be?
13. How long can we get back our investment?
14. How risky will it be to invest in the area?

D *Work in small groups and discuss the following topics.*

1. What benefits will FDI bring to a host country?
2. Will the FDI do harm to the domestic capitals and investors? Why?
3. The advantages of entering into a joint venture with a foreign firm and the disadvantages.
4. What favorable policies should a host government give to the foreign investors in order to absorb the FDI?
5. What factors shall be considered if you want to invest your money in a country like India or Malaysia?

Part 3 Rudimentary Knowledge

Text 1

FDI —Trends, Growth, and China's Investment Environment

The decision to invest outside the home country is a major one that requires careful analysis. Investments overseas can be portfolio (证券) investments, where investors buy shares (股票) and debentures (债券). These investments can be made without leaving the home country through an international investment broker (投资经纪人) or a banking institution. Foreign direct investments (FDI) (外国直接投资) are quite different. They usually involve the establishment of plants (工厂) or distribution networks (流通网络) abroad. Investors may acquire part or all of the equity (股票) of an existing foreign company with the objective (目标) of controlling or sharing control over production, research and development (R&D) (研发), and sales.



Several facts characterize foreign direct investment trends (趋势) over the past twenty years. First, there has been a rapid increase in the total volume (流量) of FDI undertaken. Second, there has been a change in the importance of various countries as sources (来源) for FDI. In particular, there has been some decline in the relative importance of the United States as a source for FDI, while several other countries, most notably (显著地) Japan, have increased their share of total FDI outflows (流出). Third, there have been notable shifts (转变) in the direction of FDI. An increasing share of FDI seems to be directed at the developing nations of Asia and Eastern Europe. The United States has become a major recipient (接受者) of FDI. Finally, there has been a notable increase in the amount of FDI undertaken by small and medium-sized enterprises (中小型企业).

Over the past twenty years there has been a marked (显著的) increase in both the flow (流动) and stock (存量) of FDI in the world economy. The average yearly outflows of FDI increase from about \$25 billion in 1975 to a record \$315 billion in 1995. There are several reasons for the rapid growing of FDI. First, despite the general decline in trade barriers (贸易壁垒) that we have witnessed (见证) over the past 30 years, business firms still fear protectionist (保护主义) pressures. Managers see FDI as a way of circumventing (绕开) future trade barriers.

Second, much of the recent increase in FDI is being driven by the dramatic political and economic changes occurring in many of the world's developing nations. Across much of Asia, Eastern Europe, and Latin America, increasing economic growth, economic deregulation (经济开放), privatization (私有化) programs that are open to foreign investors, and the removal (取消) of many restrictions (限制) on FDI have all made these countries more attractive for foreign investors.

The globalization (全球化) of the world economy is also having a positive (积极) impact on the volume of FDI. Firms now see the whole world as their market, and they are undertaking FDI to make sure they have a significant presence in every region of the world.

From 1985 to 1995, China rounds out (壮大) the top four host economies for FDI, next to the US, UK, and France. China became the largest FDI recipient in 2003, ranked above the US for the first time. Ever since then, China has been paying more attention to FDI. For foreign investors, many problems exist in the Chinese investment environment. However, the government is making efforts to address (处理) these problems in order to encourage more foreign investment.

During the past thirty years, Chinese government has made great achievements in attracting foreign investments and developing an export-oriented (出口型; 外向型) economy. The major investors in China are US, Japanese, and the European firms, all of which are hoping to profit from the enormous potential (潜力) that will be realized if China maintains its current economic strength. Chinese government has worked out various favorable policies (优惠政策) for foreign investment and assigned (指定) several special regions. The favorable policies mainly cover the hi-tech industry, agriculture, forestry, telecommunication, energy, export-oriented sectors. The special regions include five Special Economic Zones (SEZ) (经济特区), i.e., Shenzhen, Zhuhai, Xiamen, Shantou and Hainan (Shanghai's Pudong Area isn't an SEZ, but is treated in the same way), 14 coastal (沿海) cities (Beijing city is treated as a coastal city) and 52 state-level (国家级) hi-tech development zones or hi-tech bases. These special regions can provide overseas investors a more advantageous environment in advanced

infrastructures, land and qualified human resources.

Text 2

Foreign Investment

The People's Republic of China ranks since 2010 as the world's second largest economy (世界第二大经济体) after the United States. It has been the world's fastest-growing major economy, with consistent growth rates of around 10% over the past 30 years. China is also the largest exporter and second-largest importer of goods in the world.

China's investment climate has changed dramatically (显著地) with more than two decades of reform. In the early 1980s, China restricted foreign investments to export-oriented operations and required foreign investors to form joint-venture partnerships with Chinese firms. The Encouraged Industry Catalogue sets out the degree of foreign involvement allowed in various industry sectors. From the beginning of the reforms legalizing (使合法化) foreign investment, capital inflows expanded every year until 1999. Foreign-invested enterprises account for (占...百分比) 58%–60% of China's imports and exports.

Since the early 1990s, the government has allowed foreign investors to manufacture and sell a wide range of goods on the domestic market, eliminated (消除; 取消) time restrictions on the establishment of joint ventures, provided some assurances against nationalization, allowed foreign partners to become chairs of joint venture boards, and authorized the establishment of wholly foreign-owned enterprises (外商独资企业), now the preferred form of FDI. In 1991, China granted more preferential tax treatment for wholly foreign-owned enterprises, contractual ventures and for foreign companies, which invested in selected economic zones or in projects encouraged by the state, such as energy, communications and transportation.

China also authorized some foreign banks to open branches in Shanghai and allowed foreign investors to purchase special "B" shares of stock (股票; 股份) in selected companies listed on the Shanghai and Shenzhen Securities Exchanges (证券交易所). These "B" shares sold to foreigners carried no ownership rights in a company. In 1997, China approved 21,046 foreign investment projects and received over \$45 billion in foreign direct investment. China revised significantly its laws on Wholly Foreign-Owned Enterprises and China Foreign Equity Joint Ventures in 2000 and 2001, easing export performance and domestic content requirements.

Foreign investment remains a strong element in China's rapid expansion in world trade and has been an important factor in the growth of urban jobs. In 1998, foreign-invested enterprises produced about 40% of China's exports, and foreign exchange reserves totalled about \$145 billion. Foreign-invested enterprises today produce about half of China's exports, and China continues to attract large investment inflows. However, the Chinese government's emphasis on guiding FDI into manufacturing has led to market saturation in some industries, while leaving China's services sectors underdeveloped. From 1993 to 2001, China was the world's second-largest recipient of foreign direct investment after the United States. China received \$39 billion FDI in 1999 and \$41 billion FDI in 2000. China is now

one of the leading FDI recipients in the world, receiving almost \$80 billion in 2005 according to World Bank statistics. FDI in China rose to a record \$105.7 billion in 2010, underscoring confidence that rising incomes will boost demand in the world's fastest-growing major economy.

Foreign exchange reserves (外汇储备) totaled \$155 billion in 1999 and \$165 billion in 2000. Foreign exchange reserves exceeded \$800 billion in 2005, more than doubling from 2003. Foreign exchange reserves were \$819 billion at the end of 2005, \$1.066 trillion at the end of 2006, \$1.9 trillion by June 2008. In addition, by the end of September 2008, China replaced Japan for the first time as the largest foreign holder of US treasury securities (美国国债) with a total of \$585 billion vs. Japan's \$573 billion. At the end of September 2011, foreign-exchange reserves reached \$3.2 trillion. China has now surpassed those of Japan, making China's foreign exchange reserves the largest in the world.

As part of its WTO accession, China undertook to eliminate certain trade-related investment measures and to open up specified sectors that had previously been closed to foreign investment. New laws, regulations, and administrative measures to implement these commitments are being issued.

Outward foreign direct investment is a new feature of Chinese globalization, where local Chinese firms seek to make investments in both developing and developed countries. It was reported in 2012 that there was increasing investment by capital-rich Chinese firms in promising firms in some countries. Such investments offer access to expertise in marketing and distribution, potentially useful in exploiting the developing Chinese domestic market.

Notes

1. Foreign Direct Investment (FDI) 外国直接投资: FDI occurs when a firm invests directly in new facilities to produce and/or market a product in a foreign country.
2. flow of foreign direct investment 外国直接投资流量: The amount of FDI undertaken over a given period (normally a year).
3. stock of foreign direct investment 外国直接投资存量: The total accumulated value of foreign-owned assets at a given time.
4. host country 东道国: One that is on the receiving end of foreign direct investment. It is opposite to a home country (母国; 原居住国). A home country is a source country for FDI.
5. protectionism 保护主义: The policy of imposing duties or quotas on imports in order to protect home industries from overseas competition, opposing to free trade, i.e. situation where a government does not attempt to influence, through quotas or duties, what its citizens can buy from another country or what they can produce and sell to another country.
6. globalization 全球化: Name for the process of increasing the connectivity and interdependence of the world's markets and businesses. This process has speeded up dramatically in the last three decades as technological advances make it easier for people to travel, communicate and do business internationally.

A *Read Text 1 and discuss the following questions in class.*

1. What is meant by foreign direct investment?
2. What are the general trends of FDI?
3. Analyze the major reasons for the rapid growth of FDI in the recent three decades.
4. What has Chinese government worked out in the past 30 years to encourage FDI?
5. Think of other investment decisions next to FDI. (For example, stocks, debentures, houses, bank deposits, etc.)

B *Divide the class into two teams and debate against each other.*

| <i>Team A's Position</i> | <i>Team B's Position</i> |
|---|---|
| China should give more preferable policies to the MNEs (跨国公司) to introduce as much as possible the FDI to offset (弥补) the lack of national capital. | China has taken enough FDI nowadays. It's time to encourage the domestic industries to develop the domestic capital resources or make investments in other countries. |

C *Read Text 2 and decide whether the following statements are true (T) or false (F).*

- _____ 1. The United States has been the world's fastest-growing major economy, with consistent growth rates of around 10% over the past 30 years.
- _____ 2. In the early 1980s, China persuaded foreign investors to form joint-venture partnerships with Chinese firms.
- _____ 3. Wholly foreign-owned enterprises refer to joint ventures.
- _____ 4. Foreign banks are allowed to open branches in China.
- _____ 5. In 2010, China received \$105.7 billion in foreign direct investment.
- _____ 6. Japan's foreign exchange reserves rose to a record \$3.2 trillion at the end of September 2011.
- _____ 7. Chinese firms can make investments in both developing and developed countries.

Part 4 Additional Practice

A 1. Write a letter on the establishment of a joint venture.

Sample

Dear Mr. Smith,

I am writing to propose a project between our two companies. Based on the happy working relationship in the past five years, I would like to say there is possibility to form a joint venture between our two parties.

The aim of the joint venture company establishment will be to harness the strengths of each company, the leading technology & management of your company and the sales strength of ours, in a strategic relationship maximizing this synergistic effect, increase the competitiveness in the Chinese auto market, and expand both companies' businesses.

Your favorable remarks on the benefits of joint ventures in the annual meeting of the same trade left us a very deep impression. We believe the future of the cooperation between our two companies will be very promising.

I will be appreciated if you would consider my proposal seriously and we can talk about the details in the coming trade fair next month in Shanghai.

I am looking forward to seeing you soon.

Yours truly,
Jason Wu
Jason Wu
Chief Executive Officer

2. Write an investment proposal letter.

Sample

Dear Mrs. Aireen,

This letter has been drafted in reference to (关于) your advertisement in the *Daily Newspaper* dated on 26 February. We are a firm which specializes in providing the products with particular embossed (压印或浮雕出图案) requirements from our

clients. We, hereby, make an investment proposal of a business of providing caps and other related accessories (附属品) to the staff of your courier firm. As per (按照) the indications in your advertisement, we have a considerable experience of this job and have successfully done it for several firms. All our assignments have been totally satisfying for all our clients and hence we assure you the same satisfaction.

Besides the name of your firm, we can even design a logo (标识) which can be found on all the caps and accessories. We hope to find that this proposal strikes a perfect chord with the requirements of your firm and we are contemplating (期望) for a healthy business relationship in the coming future.

Yours truly,
Drake Joy

B *Translate the following passage into Chinese.*

The investment decision frequently involves selecting the most promising of several possibilities rather than deciding whether or not to make a particular investment. This comparative (比较的) process provides a way of dealing with some of the more difficult questions. It can eliminate (消除) the high risk, low reward (回报) opportunities; and it usually will eliminate those involving risks that could not be evaluated (评估) adequately in the time available. But, almost invariably (一成不变地), the final investment decisions from among several promising possibilities must be a matter of some executive's (管理者) personal judgment.

C *Work with your partners and practise speaking according to the following directions.*

The establishment of a joint venture with a foreign enterprise is a major channel in China to absorb foreign funds in order to offset the comparative lack of working capital and borrow the advanced technology. Divide the class into small groups and simulate a seminar on the possibility of establishing a joint venture between two trading partners. The participants may be the parties in the given list.

The Parties Involved

- Lianyungang Zhongshan Spandex (弹性纤维) Company, contributes 50% of the total investments to form a joint venture with DuPont (杜邦) in P. R. China and

shares its strengths in local market access and cost of effective operations.

- DuPont, contributes 50% of the total investments, and shares with Lianyungang on DuPont's four decades of strength in technology, quality production, global presence and capital advantages.
- Lianyungang local government, and Jiangsu provincial government, grants preferable policies to the joint venture, for example, low tax-rate, easy going-through of Customs (海关通关), few red-tape, free laborer management, etc.
- The economic analysts, favorable comments on the DuPont products. Strong belief that with the support of DuPont in state-of-the-art technology and world-class management, Lianyungang Zhongshan Spandex Company will now be able to establish a much stronger, longer-term competitive position in the spandex industry.
- The customers of textiles products, in favor of Lianyungang Zhongshan Spandex Company, hold high expectations to the joint venture, would support it and be persistent to their products.
- The competitors to the joint venture, predict a 5% loss of market share than before, and propose new move to compete with the joint venture.

D *How might the attitude of a host government influence the process of negotiating access between the host government and a foreign MNE? Think about it while you read the following passage.*

Government Policy to FDI

A host government's attitude toward FDI should be an important element in decisions about where to locate (定位) foreign production facilities (设备) and where to make a foreign direct investment. Other things being equal, investing in countries that have permissive (放任的) policies toward FDI is clearly preferable (更适宜的) to investing in countries that restrict FDI. However, often the issue is not his straightforward. Despite the move toward a free market attitude in recent years, many countries still have a rather pragmatic (务实的) attitude toward FDI. In such cases, a firm considering FDI usually must often negotiate the specific terms of the investment with the country's government. Such negotiations center on two broad issues. If the host government is trying to attract FDI, the central issue is likely to be the kind of incentives (鼓励措施) the host government is prepared to offer to the MNE (跨国公司; 跨国企业) and what the firm will commit (承诺) in exchange. If the host government is uncertain about the benefits of FDI and might restrict access (途径), the central issue is likely to be the concessions (让步) the firm must make to be allowed to go forward with a proposed investment.

To a large degree, the outcome (结果) of any negotiated agreement depends on the

relative bargaining (讨价还价) power of both parties. Each side's bargaining power depends on three factors:

- The value each side places on what the other has to offer.
- The number of comparable alternatives (替代方法) available to each side.
- Each party's time limit.

From the perspective (角度) of firm negotiating the terms of an investment with a host government, the firm's bargaining power is high when the host government places a high value on what the firm has to offer. The number of comparable alternatives open to the firm is great, and the firm has a long time in which to complete the negotiations. The converse (相反) also holds. The firm's bargaining power is low when the host government places a low value on what the firm has to offer. The number of comparable alternatives open to the firm is small, and the firm has a short time in which to complete the negotiations.

Group Discussion:


1. How does a government's attitude toward FDI influence the MNE's decisions?
2. What might a government do if it is trying to attract FDI?
3. What will possibly happen if a host government is uncertain about the benefits of FDI?
4. What will the outcome of a negotiation be depended upon?
5. In what circumstance can we say that a firm's bargaining power is high?

E Merry Corner



While doing my shopping, I heard a quarrel at the next counter (柜台). I went up and saw an old customer pointing at a slogan (标语) on the wall behind the young shop assistant (店员) and saying, "You'll lose lots of customers if you don't act according to your motto (座右铭) 'Customers are our God'".

"But I don't believe in God," the shop assistant shouted.

- 
1. Benefits of importing or exporting
 2. Risks of importing or exporting
 3. Approaches to exporting
 4. Developing an export business plan

Words & Expressions

automatically *ad.* 自动地, 机械地

counseling *n.* 咨询服务

cycle *n.* 周期, 循环

environmental *a.* 周围的, 环境的

evaluate *v.* 评价, 估计

expend *v.* 花费, 消耗, 支出

exporter *n.* 输出者; 出口商

extend *v.* 扩充, 延伸, 伸展

identify *v.* 确定; 识别, 鉴别

importer *n.* 输入者; 进口商

jeopardize *v.* 危害

manufacturer *n.* 制造业者; 厂商

maximum *n.* 最大量, 最大限度

minimize *v.* 使减少到最低限度

modify *v.* 更改, 修改

obviously *ad.* 明显地

profitable *a.* 有利可图的

prospective *a.* 预期的

regulation *n.* 规则, 规章

reputation *n.* 名誉, 名声

appeal to 有吸引力; 受欢迎

associated with 与...有关, 有联系

be aware of 意识到; 知道

bring in 引进

contribute to 捐献; 有助于

fall flat 完全失败

foreign exchange 外汇, 外国汇票

global economy 全球经济

raw materials 原料

Part 1 Import and Export

A Listen to the conversation and complete the following sentences.

1. We import commodities because _____.
2. We have to earn foreign exchange to _____.
3. We can get foreign exchange if we export _____.
4. Imports create competition for _____.
5. Exports can help manufacturers _____.

B Listen to the passage and fill in the blanks with the words you hear.

Maybe you have a great 1 that you think will sell well abroad, or maybe you believe that something produced overseas would appeal to your 2. Maybe you don't have a product at all, but only an idea and the desire to get involved in 3 trade. Whatever your situation, you can realize your hopes with the help of importing or 4.

Simply speaking, import means "to bring or carry in from an 5 source, especially to bring in goods or materials from a 6 country for trade or sale". By export, we mean "to send or 7 (a commodity, for example)". In today's global economy, the 8 or export business offers opportunities for us to bring foreign products into our country as 9 and to distribute our goods to foreign markets as 10.

C Listen to the recording and mark your answers by putting a tick.

| Why does a manufacturer need to export? | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Benefits | Statement 1 | Statement 2 | Statement 3 | Statement 4 | Statement 5 |
| Lower the cost | | | | | |
| Increase profit margins | | | | | |
| Reduce risks | | | | | |
| Increase competitiveness | | | | | |
| Extend the life cycle | | | | | |

Part 2 Making the Decision to Import or Export

Dialogue 1 Making the Decision to Import

Mr. Wang Gang (W) is the General Manager of Hongda Trading Company. He is talking with Mrs. Jones (J) from American International Company Ltd. about importing business.

- W:** Mrs. Jones, my company is interested in importing business. Can you help me?
- J:** Sure. But you should first be aware of the potential risks of importing and how those risks might affect other parts of your company.
- W:** What do you imply?
- J:** I mean your decision to import should be based on a careful weighing of the benefits and risks of importing.
- W:** I think it's very important.
- J:** And before you decide to import, you should evaluate whether your company is in the position to expand the needed resources to make importing successful.
- W:** Right. What should we do before deciding to import?
- J:** Well, you will need to research whether there is a market for your product, which product to import, the costs of those imports, the duties and other taxes on the imports, any restrictions on imports and many other issues.
- W:** It seems that we have to spend some money before seeing any benefits from sales.
- J:** That's true. It's important that you make sure your company can absorb these costs without jeopardizing its other business activities.
- W:** How can we minimize importing risks?
- J:** Obviously, if you are familiar with a particular industry and already sell products in that field, you'd better focus your import efforts on those products first.
- W:** Sometimes, it's hard to choose what to import. Do you have any suggestions?
- J:** You will still need to do market research to determine whether the product you want to bring in sells well.
- W:** What questions should we consider?
- J:** Does the product meet consumer needs for a competitive price? Will the product appeal to Chinese consumers?



Is it of the quality your consumers demand?

W: Oh, I'm quite clear now. Thank you very much.

Dialogue 2

Making the Decision to Export

Ms. Li Hong (L) is the boss of a big company. She hopes her company will also be successful in markets abroad. Now she is talking to Mr. Norman (N), an international trade consultant, about export matters.

- L: Mr. Norman, my company is interested in selling abroad. I hope you can provide us with some basic export counseling.
- N: I'm glad to. Exports have become an engine of growth for the economy of your country. I think there is a great potential for your company to become active in merchandise and service exports.
- L: Wonderful! How can we succeed in foreign markets, please?
- N: That depends. Don't assume a given market technique and product will automatically be successful in all countries. What works in China may fall flat in America!
- L: I agree. Each market has to be treated separately to ensure maximum success.
- N: Yes. Sometimes you have to modify products or services to meet regulation or cultural preferences of different countries.
- L: It's true. Maybe we should also offer readily available servicing for the products. A product without the necessary service support will get a bad reputation quickly.
- N: Quite right. Before you make the decision to export, you've got to know the costs and risks associated with exporting and develop some strategies for exporting.
- L: I see. What products do you think we should select for export development?
- N: Well, you should first consider climate and environmental factors, social and cultural factors, wage costs, purchasing power, main domestic and foreign competitors, trade policies and regulations, government import controls, and many other relevant factors.
- L: OK. Through market research, we'll identify our export products and marketing opportunities in foreign markets and find prospective buyers and customers.
- N: With the increase in international sales experience, I'm sure you'll discover more promising markets and expand your sales abroad successfully.
- L: Oh, that's what we are longing for. Thanks a lot!

A *Listen to Dialogue 1 without referring to your book. Practise it with your partner and fill in the blanks with the information you get from the dialogue.*

1. A company interested in importing should be aware of the _____ of importing.
2. A company's decision to import should be based on a careful _____ of

- _____ of importing.
- It's necessary for a company to research whether there is a _____ for its _____ before it decides to import.
 - To minimize _____, we'd better focus our import efforts on those products we are familiar with.
 - A company's product should be of the quality its _____.

B *Listen to Dialogue 2 without referring to your book. Practise it with your partner and give your answers to the following sentences.*

- Mr. Norman is willing to provide Ms. Li Hong with _____.
- A given market technique and product may work in one country, but _____.
- To ensure maximum success, each market has to _____.
- A product without the necessary service support will _____.
- With the increase in _____, they may discover more promising markets and expand their sales abroad successfully.

C *Work in pairs and take turns to start the dialogue with the given tips.*

Situation:

Julia is the manager of a trading company. She goes to a consulting firm to discuss with David about how to import.

Tips:

David

- make the decision to import
- need to decide how you want to import
- choosing how to import; affect what you import; where you get it
- choose to import directly; may not be able to deal with certain countries of origin; difficult-to-enter goods
- may be able to deal with a "middleman"; has experience in more difficult transactions; handle the requirements
- each type of importing; different benefits and risks; different levels of profit

Julia

- get a good idea what we'll be importing
- give me some advice
- tell me some more
- how about; choose indirect importing
- type of importing; better

6. need to be aware of the facts; deciding how; want to operate

D *Work in small groups and discuss the following topics.*

1. How would you minimize importing risks?
2. How would you make importing successful?
3. What would you do to succeed in exporting products or services?
4. What would you do to discover more promising foreign markets?

Part 3 Rudimentary Knowledge

Text 1

Benefits and Risks of Importing

You are probably already aware that any business venture involves certain risks. Importing, like other international transactions, involves not only the normal risks of a domestic sale but also the risks that arise from (由...而引起) doing business in a foreign country. At the same time, importing allows you to introduce domestic consumers to new products and cultures, sometimes with great financial rewards.

Many risks of importing can be minimized by careful work and effort on your part. If you take the time to understand the limits on importing your product and other potential risks, you can often avoid them. At the least, being aware of the potential risks will help you make a better decision. Obviously, the risks and benefits for your company will vary greatly from those another company may face, depending upon your product, company, etc. The best way to determine your particular risks and advantages is to first consider general risks and benefits and then consider how they affect your company. Talking to others who import can also be very helpful. You can often find useful network (网络) opportunities through trade or industry associations (协会). Such groups may also help you identify any risks associated with your particular industry or product. Following is a list of just some of the potential benefits and risks of importing:

| Potential Benefits | Potential Risks |
|---|---|
| <ul style="list-style-type: none"> • allow you to diversify (使多样化) your products • potential increases to sales and profits | <ul style="list-style-type: none"> • dealing with foreign suppliers who may not be able to meet your needs or whose products may not meet standards for your country |

(Continued)

| Potential Benefits | Potential Risks |
|---|---|
| <ul style="list-style-type: none"> • keep you in touch with developments in your industry by companies outside your country • sell in a relatively stable economy • exploit familiarity (熟悉; 通晓) of your home market • enjoy benefits of less expensive product • potentially lower fixed costs for materials costs and other costs for production, such as resources, labor, etc. • give you a chance to positively impact economies abroad through your purchases | <ul style="list-style-type: none"> • subordinate (使服从) short-term profits to long-term gains • involve added administrative (管理的; 行政的) costs • expense of modifying products and/or packaging for your market • may have higher up-front (前期的) costs and a delay in profits • additional legal requirements of importing • political and cultural risks/association with foreign country • additional costs/personnel requirements for travel, etc. • may require additional financing to fund • variable duties and other limits which may change during the transaction and create uncertainty (无常; 不确定) |

Text 2

Approaches to Exporting

The way a company chooses to export its products can have a significant effect on its export plan and specific marketing strategies. The basic distinction among approaches (方法; 步骤) to exporting relates to a company's level of involvement in the export process. There are at least four approaches, which may be used alone or in combination:

1. Passively filling orders from domestic buyers who then export the product.

These sales are indistinguishable (不能辨别的) from other domestic sales as far as the original seller is concerned. Someone else has decided that the product in question meets foreign demand. That party takes all the risk and handles all of the exporting details, in some cases without even the awareness of the original seller.

2. Seeking out domestic buyers who represent foreign end users or customers.

Many domestic and foreign corporations, general contractors (订约人; 承包人), foreign trading companies, government agencies, distributors and retailers (零售商) purchase for export. These buyers are a large market for a wide variety of goods and services. In this case a company may know its product is being exported, but it is still the buyer who assumes the risk and handles the details of exporting.



3. Exporting indirectly through intermediaries (中介; 调解人).

With this approach, a company engages the services of an intermediary firm capable of finding foreign markets and buyers for its products. Export trading companies, international trade consultants (顾问), and other intermediaries can give the exporter access to well-established (确认的; 牢固的) expertise (专门技能; 专门知识) and trade contacts. Yet, the exporter can still retain considerable control over the process and can realize some of the other benefits of exporting, such as learning more about foreign competitors, new technologies, and other market opportunities.

4. Exporting directly.

This approach is the most ambitious and difficult since the exporter personally handles every aspect of the exporting process from market research and planning to foreign distribution and collections. However, this approach may also be the best way to achieve maximum profits and long-term growth.

If the nature of the company's goals and resources makes an indirect method of exporting the best choice, little further planning may be needed. In such a case, the main task is to find a suitable intermediary firm that can then handle most export details. Firms that are new to exporting or are unable to commit staff and funds to more complex export activities may find indirect methods of exporting more appropriate. An exporter may also choose to gradually increase its level of direct exporting later after experience has been gained and sales volume appears to justify added investment. Consulting advisers before making these decisions can be helpful. It is important to get expert counseling and assistance from the beginning.

Notes

1. trade or industry association 同业公会, 行业协会: Group of business people in the same trade or industry organized for the advancement of common interests. The trade association differs from the chamber of commerce in that membership is by industry rather than by locality. The common interests binding the members of the trade association may include credit, public relations, relations with employees, sales development, output and prices.
2. end user 最终用户: The ultimate consumer of a product, especially the one for whom the product has been designed.
3. intermediary firm 中介公司: A firm that acts as an agent between persons or things.

A Read Text 1 and discuss the following questions in class.

1. Importing involves not only the normal risks of a domestic sale but also the risks that arise from doing business in a foreign country? Why?
2. How can we avoid some risks of importing?
3. What is the best way to determine your particular risks and advantages?
4. Can you name some of the potential benefits of importing? What are they?
5. Can you name some of the potential risks of importing? What are they?

B Read Text 2. Then divide the class into two teams and debate against each other.

| <i>Team A's Position</i> | <i>Team B's Position</i> |
|--|--|
| Exporting directly is the best way to achieve maximum profits. | Exporting indirectly is the best way to achieve maximum profits. |

You can refer to the additional information given below.

The most common methods of exporting are indirect selling and direct selling. In indirect selling, an export intermediary such as an export management company (EMC) or an export trading company (ETC) normally assumes responsibility for finding overseas buyers, shipping products, and getting paid. In direct selling, the producer deals directly with a foreign buyer. The paramount (极为重要的) consideration in determining whether to market indirectly or directly is the level of resources a company is willing to devote to its international marketing effort. Other factors to consider when deciding whether to market indirectly or directly include:

The size of your firm; The nature of your products; Previous export experience and expertise; Business conditions in the selected overseas markets.

The principal advantage of indirect marketing for a smaller company is that it provides a way to penetrate (渗透) foreign markets without the complexities and risks of direct exporting. Several kinds of intermediary firms provide a range of export services. Each type of firm offers distinct advantages for your company.

The advantages of direct exporting for a company include more control over the export process, potentially higher profits, and a closer relationship to the overseas buyer and marketplace. However, these advantages do not come easily since the company needs to devote more time, personnel, and corporate resources than indirect exporting requires. When a company chooses to export directly to foreign markets, it usually makes internal organizational changes to support more complex functions. A direct exporter normally selects the markets it wishes to penetrate, chooses the best channels of distribution for each market, and then makes specific foreign business connections in order to sell its product.

Part 4 Additional Practice

A *You own a professional Import-Export Company. Now write the manufacturer an introduction letter to introduce your services.*

Sample

Dear Sir/Madam,

ROBINSON'S IMPORT-EXPORT CONSULTING is establishing long-term relationships with manufacturers and suppliers of various products for the International Export Market. We have a demand for SA products in the International Market and have the required expertise in assisting your company to export. Our expertise is in assisting manufacturers exploring and entering new markets for export. We have identified that the products your company manufactures have an export potential.

Our services include the following:

Identifying an exportable product

Market research where required — international

International product price comparison

Construction of marketing and advertising material for the Internet — Web Material

Marketing and promotion of products on the Internet — Internet Advertising

Assistance in pricing and costing of products for export in accordance with the INCOTERMS (International Commercial Terms)

Negotiation of sales with prospective Importers and Exporters

Negotiation of suitable methods of payment — Letters of Credit

Advice and information on banking and exchange risks

Foreign exchange pricing

Forward exchange contracts

Arrangement of suitable marking and packing of products

Arrangement and overseeing of freight forwarding

Conclusion and follow up of orders and contracts

Please contact Paul Robinson if your company would like to participate in import-export trade with ROBINSON'S IMPORT-EXPORT CONSULTING. We will arrange to see you and discuss the export potential of your product.

We look forward to a mutually beneficial relationship.

Yours truly,
Mr. P Robinson
Managing Director
Robinson's Import-Exporting Consulting

B 1. *Translate the following passage into English.*

中国全面建设小康社会 (well-off society), 实现2020年比2000年GDP翻两番 (quadruple), 这首先意味着中国市场的规模和总需求翻两番。中国将在这一进程中成为全世界第二个大市场, 世界各国都能从中国的发展中找到巨大的商机。从进口来说, 在过去5年里, 中国从全世界的进口总额超过1万亿美元 (USD 1 trillion)。今年1—8月, 每月平均进口额超过310亿美元 (USD 31 billion)。按此规模发展, 今后3年中国的进口总额将超过1万亿美元, 在不久的将来, 中国将每两年进口1万亿美元。历史已经并将继续证明, 中国的发展是世界经济发展的重大历史机遇。

2. *Translate the following passage into Chinese.*

All countries share a same destiny (命运) in this profoundly globalized world. They are busy adjusting (调整) their strategies on economic growth and overall development in the post-crisis era. More and more countries have come to realize that the right way to survive and thrive is to stick together in tough times like passengers in the same boat and pursue (追求) mutual benefit and win-win progress. It is widely agreed that in handling (处理) international relations, countries should seek cooperation in the course of competition, and promote development through cooperation. We should take concrete actions to jointly oppose trade protectionism (保护主义), eliminate (消除) all forms of import barriers and relax restrictions (限制) on exports, to promote world economic recovery and sustainable development.

C *Work with your partners and practise speaking according to the following directions.*

1. Import-export trade transactions are often participated in by different parties. Divide the class into small groups and try to discuss different functions of the parties involved with the help of the given list.
2. Work in small groups. Each consists of three students. A plays the role of an importer or exporter; B acts as a manufacturer, and C as an adviser or a next participant. Topics can be making the decision to import / export or about how to import / export some products or services more successfully.

Parties Involved in an Import Export Trade Transaction

These are the parties that could be involved in any typical Import Export transaction:

The Manufacturer, Exporter or Seller

The Buyer or Importer

The Agent Buyer

The Agent Seller

The Freight Forwarder

The Customs Officials

The Bank (Exporter and Importer)

The Insurance Company

The Shipping Company

Inspection Companies

Foreign Consulates

Chambers of Commerce

- D** *There are differences between doing international and domestic business. These differences lie in the methods of developing international markets, processing export orders, ensuring payment and dealing with all the risks involved, etc. You will therefore need a plan. How do you develop an export business plan? Discuss it in pairs while you read the following passage and suggested questions.*

Developing an Export Business Plan

The purpose of the Export Business Plan is to prepare your business to enter the international marketplace. Any firm considering entering into international business transactions must understand that doing business internationally is not a simple task. It is stimulating (刺激的) and potentially profitable in the long-term but requires much preparation and research prior to (在...前) the first transaction. The planning process forces you to look at your future business operations and anticipate what will happen. This process better prepares you for the future and makes you more knowledgeable about your business. Planning is vital for marketing your product in an international marketplace.

Many companies begin export activities haphazardly (偶然, 随意) without carefully screening markets or options for market entry. While these companies may or may not have a measure of success, they may overlook better export opportunities. In the event that early export efforts are unsuccessful because of poor planning, the company may even be misled into abandoning (放弃, 遗弃) exporting altogether. Formulating an export strategy

based on good information and proper assessment (估价, 估定) increases the chances that the best options will be chosen, that resources will be used effectively, and that efforts will consequently be carried through to completion.

The purposes of the export plan are: first, to assemble (收集, 集合) facts, constraints and goals; second, to create an action statement that takes all of these into account. The statement includes specific objectives; it sets forth time schedules for implementation (执行); and it marks milestones (里程碑, 转折点) so that the degree of success can be measured and help motivate personnel.

The first draft of the export plan may be quite short and simple, but it should become more detailed and complete as the planners learn more about exporting and their company's competitive position. At least the following ten questions should ultimately be addressed.

1. What products are selected for export development? What modifications, if any, must be made to adapt them for overseas markets?
2. What countries are targeted for sales development?
3. In each country, what is the basic customer profile? What marketing and distribution channels should be used to reach customers?
4. What special challenges pertain to each market (competition, cultural differences, import controls, etc.), and what strategy will be used to address them?
5. How will the product's export sales price be determined?
6. What specific operational steps must be taken and when?
7. What will be the time frame for implementing each element of the plan?
8. What personnel and company resources will be dedicated to exporting?
9. What will be the cost in time and money for each element?
10. How will results be evaluated and used to modify the plan?

E *Merry Corner*



There was a wife who told her husband, "Last night I dreamed you bought me an imported mink (貂皮) coat and a diamond necklace from South Africa."

The husband put down his newspaper and said, "Fine! Tonight, go back to sleep and wear them."



1. Technology transfer
2. Technical consultation and service
3. Technical collaboration
4. Licensing
5. Turnkey
6. Royalty

Words & Expressions

compensate *v.* 补偿

confidential *a.* 保密的

explore *v.* 探索, 寻求

initial *a.* 最初的

integrated *a.* 整套的

know-how *n.* 专有技术

large-scale *a.* 大规模的

modernization *n.* 现代化

penalize *v.* 惩罚

precise *a.* 确切的

prevailing *a.* 普遍的

productivity *n.* 生产力

proportion *n.* 比例

proprietary *a. & n.* 所有的; 所有权

reliable *a.* 可靠的

renew *v.* 更新

renovate *v.* 更新; 升级

royalty *n.* 专利使用费; 版税

subsidiary *n.* 子公司

technician *n.* 技术人员

unprecedented *a.* 史无前例的

up-to-date *a.* 最新的

upgrade *v.* 进步; 提高

direct investment 直接投资

down payment 定金

head office 总部

personnel training 人员培训

process technology 加工技术

technical co-operation 技术合作

technology transfer 技术转让

Part 1 Benefits of Advanced Technology

A Write down the sentences you hear from the recording, and put them into Chinese. You will listen to the sentences three times.

1. _____
2. _____
3. _____
4. _____
5. _____

B Listen to the dialogue twice and complete the following sentences.

1. Mr. Smith comes to explore the possibility of _____.
2. When Mr. Smith talks about technical co-operation, he actually means _____.
3. The technology transfer fee shall be paid in _____.
4. The technology provided must be _____.
5. Except for the royalty rate, Mrs. Wang also needs to pay a certain amount of _____.
6. Mrs. Wang wants to discuss the details after _____.

C Listen to the passage and fill in the blanks.

In the late 1980s, China's goals of modernization and rapid economic 1 depended on the large-scale introduction of foreign 2. The task was to import technology to renovate and upgrade several thousand 3, mines, and power stations whose levels of productivity and energy efficiency were far 4 prevailing international standards. Since 1980, Chinese policy statements have stressed the 5 to improve existing facilities, to import technology rather than 6, and to renovate factories through selective purchase of key technology rather than through 7 of whole plants. This was an unprecedented 8 since China's previous experience with technology transfer. In the 1980s, much of the technology to be imported was 9 or process technology, representing better ways of producing items China already 10, such as truck transmissions or telephone cables.

Part 2 Introducing the Latest Technology to Keep Competitiveness

Dialogue 1 Transferring the Latest Technology

Mrs. Jane Smith (S), business representative of BCD company, USA, just visited the plant with Mr. Zhao (Z), business representative of ABC company. Both companies are thinking of forming a joint venture between each other. They are now talking about the importance of transferring the latest technology to the joint venture.

- Z:** It is high time for us to thoroughly discuss the details of technology transfer.
- S:** Oh, yes. I'm just coming to that point. If you want to produce competitive products which will meet the need of the international market, you have to acquire advanced technology.
- Z:** You are quite right. The technology you are going to introduce in the new joint venture should be advanced and appropriate to China's needs.
- S:** We promise we will transfer the advanced technology that we are presently using in our production to the joint venture. As a result, you'll pay for it in the form of royalties except for a certain initial down payment. Am I right about that?
- Z:** You are right. But we have to ask you to keep on renewing your know-how. In other words, you will continue offering us your improved technological expertise in the term of the joint venture since science and technology never stop progressing. If you transfer only the existing know-how, this company's technology would soon become out of date. And we should not be requested to pay extra money for that.
- S:** Oh, no, that is too much. We can't promise that. You certainly understand that technology R&D is very expensive.
- Z:** Well, Mrs. Smith, we consider you as the partner of our company. The more advanced technology we can get, the better products we can produce. The more competitive our products are, the more profits both of us can obtain.
- S:** I should say you are right. But I still want to make it clear that technology itself can produce new value. It makes sense that we ask for payment in some way for our technology. We will feel it difficult to transfer technology without charge.
- Z:** No, no, Mrs. Smith. As you know, there is a famous saying, "you can't eat your cake and have it too." If I were you, I would provide the up-to-date technology for the project without charging any extra dollars. We should stand together to share the cake.
- S:** OK, let's stop our discussion for the moment. If you think advanced technology is so important for being competitive, we will share the technology with you. We are partners, as you say, and we should assume the profits and losses fairly.

Z: Super! Thank you so much, Mrs. Smith.

Dialogue 2 Import the Technological Know-how to Promote the National Industry

Mrs. Wang (W), CEO of ABC company, China, meets with Mr. Robert Smith (S), CEO of BCD company, USA, in her office. They are seeking some technical cooperation between the two companies.

- W: Robert, in order to promote the development of our industry, we would like to talk with you about the possibility of importing some technology from you.
- S: That's not a bad idea. Japan made rapid progress in her modernization after World War II just because she had acquired modern technology from the USA, so was the case with the Federal Republic of Germany. Technology transfer is very popular now. Could you illustrate your specific ideas?
- W: Well, in order to upgrade our products so as to bring them to the advanced world level, we would like to introduce your technological know-how related to the manufacturing process, production directions, product design, quality control, operation management and technical services.
- S: Do you mean to send your technicians and managerial people to our company to learn these?
- Z: Exactly. We plan to send 25 technicians and 5 managerial people to your company to study the technology and management concerned.
- S: But technological know-how is different from production lines or equipment since it enjoys little legal protection. Only when it is kept secret and confidential can the owner's interest be protected.
- Z: No problem. We can include a confidentiality clause in our contract. If any violation occurs, we, the buyer, shall be penalized.
- S: That sounds fine.

A Listen to Dialogue 1 without referring to your book. Practise it with your partner and complete the following sentences in your own words.

1. Mr. Zhao thinks it is high time to discuss the detail of _____ with Mrs. Smith.
2. According to Mrs. Smith, if they want to be competitive in the international market, they have to _____.
3. According to Mrs. Smith, Mr. Zhao's company should pay for the advanced technology in the form of _____ as well as _____.
4. Mr. Zhao said if he were Mrs. Smith, he would provide the up-to-date technology for the joint venture without _____.
5. According to Mr. Zhao, both companies should stand together to assume _____ since they are _____.

B *Listen to Dialogue 2 without referring to your book. Practise it with your partner and complete the following sentences in your own words.*

1. Mrs. Wang wants to talk about the possibility of _____ with Mr. Smith.
2. According to Mr. Smith, Japan made rapid progress in her modernization after World War II because _____.
3. Mrs. Wang thinks it is very important to introduce the advanced technological know-how in order to _____.
4. Mrs. Wang intends to send _____ to Mr. Smith's company to study the technology and management concerned.
5. Mrs. Wang would include a confidentiality clause in the contract. If any violation occurs, the buyer will be _____.

C *Work in pairs and take turns to start the dialogue with the following sentences.*

Situation:

You are Jason Wang, from ABC Computer Company, meeting Frank Smith from BCD Computer Company in the plant of ABC company. ABC and BCD companies are trying to enter into joint venture with each other. Talk about the importance of technology transfer with Mr. Smith, and remind him to introduce the up-to-date technology.

Tips:

1. As you have known that...
2. So far as I observed, there are still some problems...
3. Please go ahead.
4. Yes, in that case, there will be a lot for us to do.
5. That's true.
6. You are absolutely right.
7. The technology is to meet the requirements of the joint venture's purpose.
8. The technology acquired shall be truly advanced and appropriate to the market needs.
9. We promise that we will...
10. As a result, you will pay for it in the form of...
11. Am I right about that?
12. I want to make it clear that ...
13. Can I have your specific idea about that?
14. My solution is simple. That is...
15. OK, let's stop our discussion for the moment.

D *Work in small groups and discuss the following topics.*

1. Is it very important to acquire the up-to-date technology for the acquiring country? Why?
2. Why should the technology supplier transfer their latest technology to their partner in a joint venture?
3. Should the technology acquiring country pay royalty each time they introduce an advanced technology from their trading partner? Why?

Part 3 Rudimentary Knowledge

Text

Technology Transfer — Classification and Forms

Science and technology are productive forces. It has been proved to be a truth that a country, developed or developing, benefits a lot from acquired technology. During the last two decades, international technology transfer has increased by leaps and bounds (非常迅速). From a broad perspective, technology transfers across nations fall into four categories, each of which has its own role. Process technology (加工技术) is applied directly in production activities to increase the efficiency of workers and/or machines. Product technology (产品技术) is aimed at consumer goods of higher quality or capital goods that yield higher rates of output per unit of labor, capital, or raw materials employed. Application technology (应用技术) bridges products and processes by developing new ways to use existing capital or consumer goods, or adapting these to different technological environments to improve economic efficiency. Management technology (管理技术) includes the knowledge of how to combine different resources to efficiently produce goods and services, and how to distribute and market these output to the end-users or consumers throughout the world.

The principal mode of developing countries' technology acquisition is on commercial terms as a business transaction between enterprises or institutions in different countries. The selection of a particular arrangement will depend on a number of factors, such as the development objectives and requirements of the acquiring country, the complexity of the target technology, the technological sophistication of the acquiring country (技术引进国), the specific sector of economy



involved and finally the legal infrastructure (法律制度) within the acquiring country. From the commercial point of view, technical acquisition may take one or more of the following forms.

1. Licensing trade (许可证贸易)

The licensing of industrial property rights (产权) and know-how (专有技术) is the most common way of acquiring and exploring technology. It consists of the grant by an owner of industrial property rights or the proprietor (所有者) of know-how of permission to make use of all or some of those rights and information. The licensee (执照持有人) will thus have the right to produce the goods under patent (专利) protection by paying an agreed amount of royalty to the supplier, whereby the licensor (技术提供者) is obliged (义务的) to furnish technical information and assistance.

2. Technical consultation and service (技术咨询与服务)

Technology consultation refers to the supplier's application of various kinds of scientific and technical knowledge and experiences to set out appropriate data, technical information, survey report of a proposal for the client's technological item.

3. Technical collaboration (技术合作)

A number of different cooperative arrangements within which the technology will be acquired by developing countries from industrialized countries have been identified. There are two possible forms of collaboration. One is by a cooperative agreement that the overseas supplier shall provide the blueprints of design and technical data, or equipment for production, so that both parties can start manufacturing. The other is by a contract system that the overseas supplier shall have the sole responsibility for the manufacturing technology, and both sides shall cooperate according to contract stipulations.

4. Turnkey projects (承包工程)

Firms that specialize in the design, construction, and start-up of turnkey plants are common in some industries. In a turnkey project, the contractor (承包商) agrees to handle every detail of the project for a foreign client, including the training of operating personnel, and then hands the foreign client the key to a plant that is ready for operation.

Anyway, technology is not just an ordinary goods. Its acquisition takes a long time and is much more complex. The acquisition process not only involves acquisition of goods (finished products, parts and components), and employees (production managers, quality control specialists, financial executives) but also brings problems in trade, information and industrial property rights, etc. So many technology contracts are subject to approval by the government authorities.

Notes

1. **technology transfer 技术转让**: The transfer of technological knowledge to another party, which often occurs when a patent holder grants a license to another firm to use a technology, process, or product. In many instances this transfer takes place between countries when a firm establishes an overseas subsidiary or grants a license to a local producer. It is therefore a means by which countries gain new technology or update their existing technological base,

enabling them to build up their industrial infrastructure.

2. **licensing 许可证**: In international marketing, an agreement by which a company (the licensor) permits a foreign company (the licensee) to set up a business in the foreign market using the licensor's manufacturing processes, patents, trademarks, trade secrets, etc., in exchange for payment of a fee or royalty.
3. **royalty 专利使用费**: A payment made for the right to use the property of another person for gain. This may be an "intellectual property", such as a book, or an invention. It may also be paid to a landowner, who has granted mineral rights to someone else, on sales of minerals that have been extracted from his land. A royalty is regarded as a wasting asset as copyrights, patents, and mines have limited lives.

A *Read the text and discuss the following questions in class.*

1. From a broader perspective, technology transfer falls within four categories. What are they?
2. What is product transfer aimed at?
3. What's the relationship between a licensor and licensee? What are they obliged respectively?
4. What are the two possible forms of technology collaboration?
5. What are the advantages of a turnkey project?

B *Give Chinese equivalents for the following expressions and sentences.*

1. sophisticated technology
2. know-how
3. industrial property
4. technical literature
5. patent right
6. The technology transfer fee shall be paid in royalties.
7. The royalty rate is 5 percent of the net sales price of all licensed items made and sold during the term of the agreement.
8. The technology acquired by the joint venture shall enable the venture's products to achieve marvelous economic results.

Part 4 Additional Practice

A Write a letter on technology transfers.

Sample

Dear Mr. Smith,

The demonstration of your latest technology in the trade fair is very impressive. I'm writing to discuss the possibility of technical cooperation between our two companies.

As you have known, China is working hard to open wider to the outside world. In order to accelerate the economic growth rate, more favorable policies have been granted to the technology transfers to make more advanced technologies freely transferable in China. It is a win-win situation for both the technology acquiring country and the technology provider since China has such a huge potential market in this line of business. With our wide connection at this end (本地区) and the high prestige in this business, together with your technology and management, I am sure, our cooperation will turn out to be very successful.

I will be appreciated if you would consider my proposal seriously and we can talk about the details in the coming business conference next month in Shanghai.

I am looking forward to seeing you soon.

Yours truly,
Jason Wu
Jason Wu
Chief Executive Officer

B Translate the following passages into Chinese.

1. China's economic planners gave priority in technology imports to electronics, telecommunications, electric-power generation and transmission, transportation equipment, and energy-saving devices. The degree of central control over technology imports fluctuated (波动) in the 1980s, reflecting changing foreign trade policies and foreign exchange balances, but the overall trend was toward devolution (下放权力) of decision making to those who use the technology or equipment. Bank loans and other means were made available to encourage end users to select appropriate technology.
2. The technology we acquire should be truly advanced and appropriate to China's needs. China has learnt many lessons from the past transfer. Simply being given technology is not good in

the long run (长远来看), as it damages the recipient's own R&D (研究与开发) capacity. In negotiating technology transfer deals, the goal should rather be technological co-operation.

Today, as science and technology leaps forward and the knowledge-based economy is on the upswing (正在高涨), intellectual property is becoming a strategic resource for national development and a core element for international competitiveness. In the years ahead, China will also improve laws and regulations on intellectual property rights (IPR) protection to offer a more effective and efficient protection to investors and IPR owners and will intensify our efforts to crack down on violations of IPR and the manufacture and sale of counterfeit (假冒的) or substandard goods.

C Work with your partners and practise speaking according to the following directions.

To speed up the technological innovation (技术革新), China needs to borrow from the advanced countries the latest technologies to save the time of R&D. To enlarge the share in the international market, China may also export the advanced technologies to some specific areas. Technology transfer has caught great attention of the Chinese government. Divide the class into small groups and simulate a seminar on the modes of technology transfer, the advantages and disadvantages of each mode. The particular mode that technology can be transferred is listed in the following table.

Mode to Transfer Technologies

- Licensing: the main advantage is that the licensee bears the costs and risks of opening a foreign market. Disadvantages include the risk of losing technological know-how to the licensee and a lack of tight control over licensees.
- Turnkey Projects: it allows firms to export their process know-how to countries where foreign direct investment might be prohibited, thereby enabling the firm to earn a greater return from this asset. The disadvantage is that the firm may create efficient global competitors in the process.
- Franchising (特许经营): it is a specialized form of licensing in which the franchisor (特许者) sells intangible property to the franchisee (特许持有人) and insists that the franchisee agree to follow strict rules in operating the business. A typical example is McDonald's. The main advantage is that the franchisee bears the costs and risks of opening a foreign market. Disadvantages center on problems of quality control of distant franchisees.
- Joint Ventures: have the advantages of sharing the costs and risks of opening a foreign market and of gaining local knowledge and political influence. Disadvantages include the risk of losing control over technology and a lack of tight control.

- D** *What are the new regulations relating to technology transfers to and from China? What are the procedures concerning the technology transfers that can be made freely? What shall be noted concerning the technology transfers that are restricted? Think about them while you read the following passage.*

China Revised Technology Transfer Regulations

China has issued new regulations relating to technology transfers to and from China. Under the new regulations, technology is divided into three categories: (1) that which is freely transferable; (2) that for which restrictions (限制) apply and (3) that for which transfer is banned (禁止). However, it should be noted that the category into which a particular piece of technology falls may depend upon whether it is to be imported into China or exported from it.

So far as technology in the first category is concerned, it is still necessary to register contracts with the authorities, although, except in the case of major projects, this will be able to be done locally. The authorities are required to issue a registration (登记) certificate (证书) within three working days of submission (提交) of the agreement and the necessary supporting documents. A registration certificate will still be required before any money can be remitted (汇付) out of China. Submission can be made on-line. Certain clauses, however, will still be unacceptable such as those which include conditions unrelated to the technology transfer, requirements to pay royalties on expired (终止的) or invalidated (无效的) patents, restrictions on dealing in similar or competing technology, unreasonable restrictions on the quantity produced and the sale price, unreasonable control over the raw materials or parts to be used and unreasonable control over the export of the products produced. The prior (先前) limitations on royalty rates and the duration (期限) of the agreement have, however, been removed (取消).

So far as “restricted technology” is concerned, agreements are subject to review (复查) of the trade and technical aspects of the agreement. Such agreements can only become effective when an import or export license (许可证) is granted (颁发) as appropriate. Normally, prior approval will be required for the concept of the transfer before license negotiations can be commenced (开始).

1. Group Discussion

- 1) According to the new regulations of China, how is technology classified concerning the transferability?
- 2) What are the procedures of registering contracts with the authorities?
- 3) What are the clauses unacceptable to the authorities?
- 4) What shall be noted concerning the technology that is restricted?

2. Team Work

Divide the class into two teams and debate against each other.

| <i>Team A's Position</i> | <i>Team B's Position</i> |
|--|---|
| China should further free its hands on the technology transfers to make more advanced technologies freely transferable in China to accelerate the economic growth rate, and to export as much as possible the competitive technologies to other countries. | China has been open enough to the foreign technologies nowadays. It's time to reduce the dependence on the foreign technologies and promote the domestic R&D. |

E Merry Corner



A businessman who needed millions of dollars to clinch (敲定) an important deal went to church to pray for the money. By chance he knelt next to a man who was praying for \$100 to pay an urgent (紧急的) debt.

The businessman took out his wallet and pressed (塞给) \$100 into the other man's hand. Overjoyed (大喜过望), the man got up and left the church. The businessman then closed his eyes and prayed, "And now, Lord, that I have your undivided attention (成为某人专注的对象)..."



1. Invitation for bids
2. Submission of bids
3. Bidding documents
4. Notice of invitation for bids
5. Open bids
6. Selected bids

Words & Expressions

authorized *a.* 授权的

bidder *n.* 投标人

bidding *n.* 投标

candidate *n.* 候选人

capacity *n.* 能力

consult *v.* 请教

contractor *n.* 承包商

criteria *n.* 标准

duplicate *n.* 一式两份

equivalent *n.* 等价物

infrastructure *n.* 基础设施

interfere *v.* 干涉

mandatory *a.* 法定的

optimum *a.* 最佳的

pharmaceutical *a. & n.* 药品 (的)

procurement *n.* 采购

residential *a.* 居住的

sealed *a.* 密封的

selection *n.* 选择

standardize *v.* 规范化

standing *n.* 状况

submit *v.* 提交

transformation *n.* 转让

Administration for Industry and Commerce

工商局

commodity housing 商品房

competent department 职能部门

real estate 房地产

Part 1 Conditions for Bids

A Write down the sentences you hear from the recording, and put them into Chinese. You will listen to the sentences twice.

1. _____
2. _____
3. _____
4. _____
5. _____

B Listen to the passage twice and complete the table.

| | |
|--|--|
| <i>Criterion 1: Economic and financial standing of candidate</i> | a. The average annual turnover of the candidate must exceed <u>1</u> the maximum budget of the contract. b. The averages of cash and cash equivalents at the beginning and end of year are <u>2</u> . |
| <i>Criterion 2: Professional capacity of candidate</i> | a. Has a professional certificate appropriate to this contract. b. The number of staff currently working for the candidate is at least <u>3</u> . c. The number of staff that will work for this contract is at least <u>4</u> of all staff. |
| <i>Criterion 3: Technical capacity of candidate</i> | The candidate has worked successfully on at least <u>5</u> in the past three years. |

C Listen to the passage and fill in the blanks.

To ensure that all the potential bidders have enough time to study the tender notice, the new Measures provide that bidders should be given at least 1 days after the notice is issued to prepare the tender documents and submit their bid. For 2 infrastructure projects, technology transformation projects, land construction projects and equipment procurement, potential bidders should be given at least 3 days. For projects with relatively simple technology, bidders should be given at least 4 days and for other projects, no less than 5 days.

Part 2 Consulting About the Bids

Dialogue 1 Consulting About the Rules and Regulations on Bids

Mrs. Jane Smith (S), business representative of BCD company, USA, consults with Mr. Zhao (Z), official of Department of Foreign Investment, China, concerning the rules and regulations on bids.

- Z:** Good morning, Mrs. Smith!
- S:** Good morning, Mr. Zhao! Shall we go down to the question of bids?
- Z:** That's what we're here for. Now please go ahead.
- S:** We were told that Guangdong is to standardize the tender procedures. Can you list some of the detailed rules and regulations?
- Z:** Sure. According to the new rules, goods purchased by the Guangdong government, especially those bought with state funds, such as medical equipment and pharmaceuticals which involve public interest, as well as projects such as the management of state natural resources, will be subject to mandatory tender.
- S:** Is any law or code of conduct worked out recently to regulate the bidding procedures?
- Z:** Yes. The draft of the Measures of Guangdong Province on the Implementation of the Tender Law has been put forward for review.
- S:** Is there any specific regulation on housing and real estate?
- Z:** Well. The State Development Planning Commission stipulates that residential commodity housing projects must be put up for tender. However, in Guangdong, only economic residential commodity housing projects are subject to tender because over 70% of the investment in commodity housing is from non-state sources and the provincial government believes it should not interfere too much.
- S:** Did the Measures lay down any new requirements for projects calling for tender?
- Z:** Yes. Projects subject to approval must obtain approval according to relevant state and provincial stipulations. Of these, service projects such as consulting, prospecting, design and labour services must be approved by the competent departments; construction projects involving land construction, key equipment procurement and equipment installation must obtain approval for land acquisition, primary design and budget, and have the necessary drawings and design documents, as well as the approval documents issued by the competent departments. For the purchase of goods and equipment, the procurement list must be approved by the departments in charge. For the transfer or sale of franchise, approval of government or authorized departments is required.
- S:** Very good. Thank you so much, Mr. Zhao.

Dialogue 2

Consulting About the Bidding Procedures

Mrs. Jane Smith (S), business representative of BCD company, USA, consults Mr. Zhang (Z), business representative of ABC company, about the requirements and procedures of bidding.

- Z:** Hi, Mrs. Smith! What brings you here today?
- S:** Hi, Mr. Zhang! I've come to consult you about the requirements and procedure of bidding. I am told that you are about to invite sealed bids through International Competitive Bidding next week. Is that true?
- Z:** Well, yes. You've got faster message.
- S:** No kidding on me. I'm here to acquire some first-hand information to increase the possibility of success to win the contract. You know, we're interested in your project very much.
- Z:** Shall we go down to your questions?
- S:** Well, first of all, could you tell me your requirements on the technical capacity of the candidate? Do you require that the candidate has worked successfully on at least one project in China in the past two years? As you know, we just started our business in China half a year ago and we hope you have some favourable policy to the new comers.
- Z:** You are right there. Normally we require the candidates have worked on at least one project in China. But we would like to give the foreign companies preference if they can prove their advantages in the other respects. The current technical capacity is, after all, only one of the selection criteria. We would like to evaluate the overall capacity of the candidates in our decision.
- S:** Sounds great. As a world-famous company in this line of business, we definitely have a strong economic and financial standing, a reliable capital credit and the professional capacity. We've attracted 250 talents working for us. What we are in lack of is an opportunity to demonstrate our ability in this trade. You will never regret to choose us as your contractor.
- Z:** We're also expecting a happy cooperation with your company. But I'm afraid we could hardly make any promise before we evaluate and compare bids among the candidates. We wish you good luck.
- S:** Thank you. We need it.
- Z:** It's really nice talking to you, Mrs. Smith.



Listen to Dialogue 1 without referring to your book. Practise it with your partner and complete the following sentences in your own words.

1. Mrs. Smith wants to know the _____.
2. According to Mr. Zhao, the draft of the Measures of Guangdong Province on the Implementation of the _____ has been put forward for review.
3. According to Mr. Zhao, in Guangdong, only economic residential commodity housing

projects are subject to tender, because over 70% of the investment in commodity housing is from _____ and the government believes it should not _____.

4. According to Mr. Zhao, service projects must be approved by _____.
5. According to Mr. Zhao, for the purchase of goods and equipment, the procurement list must be approved by _____.

B *Listen to Dialogue 2 without referring to your book. Practise it with your partner and complete the following sentences in your own words.*

1. Mr. Zhang's company is about to invite sealed bids through _____.
2. Mrs. Smith comes to acquire some first-hand information to increase the possibility to _____.
3. According to Mr. Zhang, normally they require that the candidates have worked on at least _____.
4. According to Mrs. Smith, their company has a strong _____, a reliable capital credit and professional capacity.
5. According to Mr. Zhang, they will have to _____ bids among candidates before they make a decision.

C *Work in pairs and take turns to start the dialogue with the given tips.*

Situation:

You are Jason Wang, from ABC Company, meeting Frank Smith from BCD Company in his office. You read the Notice of Invitation for Bids from the local newspaper that is inviting bidders to submit tender for a project. BCD company is the owner of the project and you intend to compete in the bidding. Design a talk with your partner concerning all the questions related to the bidding.

Tips:

1. invitation to / for tender (英) / invitation to/ for bid (美) 招标
2. tender (英) / bid (美) / submission for bid 投标
3. eligible bidders 合格的投标人
4. open bidding 公开投标
5. international competitive bidding 国际性竞争投标
6. announcement of tender 发布招标公告
7. conditions for bid 投标条件
8. deadline for submission of bids 标件交付截止日期

9. bidding documents 招标文件/标书
10. costs of bidding 投标费用
11. modification and withdraw of bid 标件修改与撤销
12. open tender 开标
13. win the contract/award of contract/award of bid 决标
14. award criteria 决标标准
15. notice of award 中标通知
16. international practice 国际惯例
17. All offers are to be sent to ... marked with the name and number of the tender ...
18. Offers should be accompanied by guarantee issued by Bank of ...
19. Any offer submitted after the closing date of the tender, ..., will not be accepted.
20. General terms and conditions can be obtained from ...

D *Work in small groups and discuss the following topics.*

1. Can you list some rules and regulations that Guangdong government worked out to standardize the tender procedures?
2. What are the regulations on the tender of housing projects in China? What about in Guangdong?
3. Do you know how to choose the optimum bidders from the many candidates for the owner of the project?
4. What will you do to win the contract?

Part 3 Rudimentary Knowledge

Text

General Introduction and Procedures of Bids

General Introduction

Bidding, as one special trade form, is widely used in international trade nowadays, especially for government construction projects and purchase of goods in large quantity. In bidding, the price of goods or service is not quoted (报价) by the seller, but decided by choosing the most advantageous one from the offers of bidders (投标人). For bidders, it is always a difficult task to offer a low price to win the bid and still earn a profit.

Invitation for bids and submission of bids are the two different aspects of the process. International

bids can generally be divided into two kinds:

1. Open bids or unlimited competitive bids (公开投标)

The invitation for bids is publicized through proper media (newspaper, magazine, etc.) to inform all prospective (可能的) bidders. All those who are willing to participate in the bids are welcome to submit their bids.

2. Selected bids or limited competitive bids (选择性投标)

The invitation for bids is only distributed to a limited or selected number of prospective bidders. Usually, a pre-qualification is involved to determine those potential bidders.

General Procedures

1. Preparation of bidding documents (编制标书)

The documents must describe the requirements of the product or project clearly, accurately and completely. In cargo-purchasing (物资采购) bidding documents, trading terms about quality, quantity and delivery time, etc. are listed specially, similar to those in a sales contract. Only the price is left open for the bidding.

2. Publicizing the invitation for bids (发出招标邀请书)

The invitation must be publicized through proper means to all prospective bidders. Publicizing must occur a sufficient time before public opening of bids to enable prospective bidders to prepare and submit their bids.

3. Preparation of bids (编制投标书)

It is quite important that prospective bidders should have a pre-bid evaluation before they decide whether to participate in the bid or not. Once the decision is made, bidders must be careful in preparing the bid according to the requirements. Usually, a bidder needs to fill in the pre-qualification form, stuff the bidding documents, get a L/G and secure the necessary funds.

4. Submission of bids (递送投标书)

It is vital for a bidder to deliver the bid at the appointed place on time. Late bids are always rejected and returned unopened.

5. Opening and evaluation of bids (开标与评标)

Generally, bids can be opened publicly or secretly. But nowadays, opening of bids in public is more popularly accepted worldwide. The invitation for bids generally specifies the date, time and place for the opening. Then, the bids will be evaluated.

6. Award (决标)

After the evaluation, an award will be made to the bidders who offer the most favorable bid. The award is generally based on the price and the price-related factors included in the documents.



Notes

1. **tender/bid 出价, 投标:** A means of auctioning (拍卖) an item of value to the highest bidder. Tenders are used in many circumstances, for example, for allocating valuable construction contracts, for selling shares (股票) on a stock market (股市), or for the sale of government securities.
2. **open bids 公开投标:** Information of such tender is spread through advertisements in domestic and foreign newspaper and related journals, or over television and radio broadcasting to provide all legal bidders with an opportunity to buy tender documents (即 bidding documents, 标书) and make a bid. This form, called unlimited competitive tender, is now widely used. Comparing the offers from many bidders attracted through such tender, the owner can obtain a low and better price and choose the optimum (最佳的) bidder.
3. **selected bid 选择性投标:** Information of such tender is not made public in newspapers or journals as owner sends out invitation to bidders chosen according to his own experience and information or the bidder's qualifications as provided by consultants (顾问). This kind of tender is called limited competitive tender. The owner invites the experienced bidders with reliable (可靠的) capital credit (资本信用) to submit bids so that the fulfillment of contract is secured. The drawback in doing so is that the owner is liable (可能的) to lose bidders strongly competitive in terms of technology and bid prices.

A Read the text and discuss the following questions in class.

1. Where is bidding widely used nowadays?
2. How is the price of goods or service decided in bidding?
3. What's the difference between open bids and selected bids? What are their advantages and disadvantages?
4. What are the general procedures of bidding?
5. What do you think will influence the decision of the buyer to choose the optimum bidder?

B Divide the class into two teams and debate each other.

| Team A's Position | Team B's Position |
|--|--|
| Open bids are more advantageous than selected bids. Bids shall be made as public as possible to attract as many as possible bidders so that the owner can obtain a low and better price and choose the optimum bidder. | It's not necessary to always make the bids open. Selected bids will help to save costs for the bidding, and experienced bidders with reliable capital credit are able to secure the fulfillment of contract. |

Part 4 Additional Practice

A Writing Practice

1. Write a letter on the invitation for bid.

Sample

Dear Sirs,

In accordance with the Loan Agreement between the Ministry of Foreign Trade and Economic Co-operation of the People's Republic of China and the Overseas Economic Co-operation Fund of Japan for the above mentioned project, China National Machinery Import & Export Corporations authorized to purchase, by way of international competitive bidding, the equipment for the above mentioned project. The payment for the purchase shall be made under the loan.

We hereby invite interested manufacturers and/or trading companies registered in and controlled by any country or area to participate in the bid.

Interested manufacturers and/or trading companies are kindly requested to contact us for obtaining qualification and bid documents between 9:00 and 11:00 a.m. from March 25 to 29, 20 __ in Negotiation Building, Erligou, Xijiao, Beijing, China, upon non-refundable payment.

List of Equipment:

Top Open Coal Wagon

China National Machinery Import & Export Corporation

Address: Erligou, Xijiao, P.O. Box: 49, Beijing 100011, China

Tel: 0086-10-12345678 Fax: 0086-01-12345678

Yours truly,

Jason Wu

Jason Wu

Chief Executive Officer

2. Write a letter to submit bids.

Sample

Dear Sirs,

Having read the advertisement in *China Daily* (or *International Business News Daily*) about the terms and conditions supplied by China National Instruments Import & Export Corporation, we enclose our tender for the construction/project of ABC Tunnel, and trust that it will be accepted.

Yours faithfully,
Mike Bush
Mike Bush
Chief Executive Officer

B Translation

1. Translate the following passage into English.

投标目前正广泛应用于世界市场上，不仅用于建设工程项目，还应用于计划、设计以及设备、物资和其他商品的购买。许多国家已经将投标列入国家法律范畴。作为国际贸易方式中的一种形式，投标帮助业主选择最佳的合同商，合同商通过投标赢得业务。招标与投标是国际投标交易的两个方面，习惯上将两者合并在一起称为投标。

2. Translate the following passage into Chinese.

Bid invitation and bid submission activities shall follow the principle of openness, fairness, impartiality and good faith. If the bid inviting party employs the public invitation of bids method, it shall issue a bid invitation announcement. If the bid inviting party employs the private invitation of bids method, it shall send a bid invitation letter to at least three specific legal persons or other organizations which have the ability to handle the project and which have a good credit standing. The bid invitation documents shall specify all substantive requirements and conditions, including the technical requirements for the project, the standards for the examination of the bidders' qualifications, bid price requirements, the bid evaluation standards, etc. and the principal terms of the contract to be executed. If the bid inviting party has set a reserve price, the confidentiality of the reserve price shall be maintained.

C *Work with your partners and practise speaking according to the following directions.*

To ensure that all the potential bidders are given equal opportunity to make a bid, especially in an International Competitive Bidding (ICB), the owner of the contract should create a fair competition for the candidates. Consultation on bidding regulations and procedures is so important that it helps the bidders make initial evaluation in their overall capacity. Divide the class into small groups and simulate a consultation on the bidding procedures and requirements. You can refer to the participants in the given list.

The Parties Involved

- Shandong Petroleum Administration, P.R. China (Project Owner). This is the party to prepare the bidding documents, describing the requirements of the product or project clearly, including the quality, quantity and delivery time, etc., with the price left open for the bidding. The owner will evaluate and compare the bids according to the Award Criteria and announce the award.
- China National Chemical Construction Corporation International Tendering Co., Ltd, for and on behalf of Shandong Petroleum Administration, invites sealed bids from eligible suppliers through International Competitive Bidding (ICB). This is the party to publicize the Invitation for Bids. Those who are willing to participate in the Bids should contact this party and obtain the Bidding Documents from them.
- Sichuan Gas Development Corporation, one of the bidders, will have a pre-bid evaluation, and prepare the bid according to the requirements. Fill in the pre-qualification form, study the bidding documents and secure the necessary funds, and deliver the bid at the appointed place on time.

D *The following is a specimen of invitation for bids. What are the bidders informed of? What shall the bidders prepare for the bidding? How much will they pay for the bidding documents? What is the deadline of the submission of the bids? Think about these questions while you read the following passage.*

Invitation for Bids

The People's Republic of China
China National Chemical Construction Corporation (CNCCC)
International Tendering Co., Ltd.

Notice of Invitation for Bids (招标公告)
Sichuan Gas Development and Conservation (保护) Project

This Notice of Invitation for Bids follows the General Procurement (采购) Notice for this Project which appeared in the UN Development Forum Business (联合国商务发展论坛) Edition (版本) No. 370 dated July 16, 20__. CNCCC International Tendering Co., Ltd, for and on behalf of the Sichuan Petroleum Administration (石油管理局), invites sealed bids from eligible (合格的) suppliers for the following goods for SICHUAN GAS DEVELOPMENT AND CONSERVATION PROJECT to be financed (融资) with the proceeds (所得款) of the World Bank Loan by International Competitive Biddings.

IFB No (招标公告编号): CNCCC/SPA/SKIDEHY 043/12/13 (ICB: International Competitive Bidding 国际竞争性投标)

Name of Goods (商品名称): Skid-Mounted Dehydration Unit (10 units)

All those who are willing to participate in the Bids are kindly requested to contact CNCCC International Tendering Co., Ltd. At the address below, for obtaining Bidding Documents between 9:00 a.m. and 4:00 p.m. (Beijing Time) from September 14, 20__ (except Saturdays, Sundays and holidays), upon non-refundable (不退还的) payment of US \$240 or RMB2,000 for one set of Bidding Documents. For mail order (汇票), an extra RMB50 (for domestic companies) or US \$50 (for foreign companies) per set should be added for special courier service (快递服务).

The last date and time for receipt (收到) of bids by CNCCC International Tendering CO., Ltd. is 10:00 a.m. (Beijing Time), October 30, 20__. Bids received after that date and time will not be accepted. Bids will be opened in public at 10:00 a.m. (Beijing Time), October 30, 20__ at the premises (所在地) of CNCCC.

CNCCC International Tendering CO., Ltd
Building No. 16, Qiqu, Hepingli, Beijing 100013, China
Tel: (010) 12345678, 23456789
Fax: (010) 12345678, 23456789
Telex: 2242 CNCCC or 210281 CNCCC CN

Group Discussion:

1. From this notice of invitation for bids, can you tell which kind of bidding it will take in this project tendering?
2. What are those who are willing to participate in the bids requested to do?
3. Can you make a budget (预算) for the bidders if they are planning to compete in this bidding? What are their major expenditures (支出) for the bidding and the contract?
4. Please introduce the project briefly.
5. Tell the specific time requirements in this notice. For example, what is the time to obtain bidding documents? What is the last date and time for receipt of bids? What time will be the bids opened?

E *Merry Corner*

Mr. Johnson, a businessman from New York, went on a business trip to Florida. He immediately sent an e-mail back home to his wife, Jane. Unfortunately, he mistyped (打错) two letters and the e-mail ended up going to a Mrs. Joan Johnson, the wife of a preacher (传教士) who had just passed away (去世). The preacher's wife took one look at the e-mail and promptly fainted (晕倒). When she was finally revived (恢复), she nervously pointed to the message, which read: "Arrived safely, but it is surely hot down here."



1. What is an inquiry?
2. What is an offer?
3. How to inquire effectively?
4. How to make a satisfactory offer?
5. Correspondence on inquiry and offer

Words & Expressions

ambiguity *n.* 含糊, 不明确

amend *v.* 修正, 改正

assure *v.* 保证, 担保

attractive *a.* 有吸引力的

brochure *n.* 小册子

confirmation *n.* 确认, 证实

courteously *ad.* 有礼貌地

delivery *n.* 递送, 交付, 传输

embroidery *n.* 刺绣品; 刺绣

engage *v.* 从事

exquisitely *ad.* 精巧地

indicate *v.* 说明, 显示

inquiry (enquiry) *n.* 询价, 询盘

irrevocable *a.* 不可撤销的

offer *n. & v.* 出价, 报盘

offeree *n.* 收盘人, 被发盘人

offeror *n.* 发盘人, 发价人

quality *n.* 质量

quantity *n.* 数量

quotation *n.* 报价单

range *n.* 范围

reservation *n.* 保留, 预定

revoke *v.* 撤销, 废除

sample *n.* 样品

scarf *n.* 围巾

shipment *n.* 装运, 出货

specification *n.* 规格; 说明书

stipulate *v.* 规定

substantial *a.* 充实的; 大量的

superior *a.* 上好的, 出众的

valid *a.* 有效的; 正确的

validity *n.* 有效性, 合法性

a favorable price 优惠价格

a wide variety of 各种各样

arts and crafts 工艺

be subject to 以...为准

be supplied from stock 现货 (供应)

captioned goods 标题所列的商品

CIF 到岸价格

figure out 计算出

firm offer 实盘

FOB 离岸价格

inquiry sheet 询价表

L/C 信用证

non-firm offer 虚盘

prompt shipment 即期装运

ready market 畅销渠道

sales literature 销售宣传品

shipping document 货运单证

sight draft 即期票据

terms and conditions 贸易条款

terms of payment 支付方式

trial order 试订单

Part 1 General Ideas of Inquiry and Offer

A Listen to the passage and complete the following sentences.

1. An inquiry is a request for information about _____.
2. A potential buyer may make inquiries by _____.
3. An inquirer may ask the supplier information about brochures, samples and get information on _____ and other relative details concerning the goods they wish to buy.
4. An inquiry should be issued to a company instead of _____.
5. As for the reply to an inquiry, it should be _____.

B Listen to the passage and answer the following questions.

1. What is an offer?
2. What's the content of an offer?

C Listen to the mini dialogues and write down the key words.

| Dialogues | 1 | 2 | 3 | 4 | 5 |
|-----------|---------------------------------|--------------------------------------|---|---|-----------------------------|
| Questions | What's Speaker B interested in? | What does Speaker A want to look at? | Where does Speaker A want the goods loaded? | What are Speaker B's specific requirements? | What's Speaker A wondering? |
| Key Words | | | | | |

Part 2 Dialogues About Inquiry and Offer

Dialogue 1 Visiting the Show Room

Mr. Cooper (C), the sales manager, is showing George Allen (A) around their show room. Mr. Allen is a sales representative from a corporation dealing exclusively in electronic products. Mr. Allen finds SANYO color TV sets on display are attractive, and is making inquiries about the items.

- A: I'm very glad to have an opportunity to visit your corporation again. It seems to me that there's such a wide range.
- C: It's very nice of you to say so. As a matter of fact, many of our products have not yet caught up with the world levels.
- A: I must say you've done a marvelous job recently.
- C: Thank you. I think you have already visited our show room. What particular items are you more interested in?
- A: I'm quite interested in your SANYO CK92D88 color TV sets. I've seen your exhibits and read your sales literature. I'm sure they will find a ready market in our country. I wonder whether you can quote us a favorable price.
- C: Well. Thank you for your inquiry. Would you please tell us the quantity you want so that we can figure out the offer?
- A: We want to order 50 sets.
- C: Is it your trial order this time?
- A: Yes. If the first lot is good in quality, we'd like to place a substantial order with you.

- C: Very good. You may test them. For your trial order, the price of captioned goods is \$120 per set.
 A: Do you quote CIF or FOB?
 C: Our price is on CIF basis.
 A: Good. Now I have another point. Do you allow me a discount?
 C: I'm sorry. Our regular practice is 2% discount for order exceeding 1,000 sets.
 A: By the way, will they be supplied from stock?
 C: Of course. We can offer as much as you need. I can assure you prompt shipment.
 A: Thank you, Mr. Cooper.
 C: Welcome to placing your order early!

Dialogue 2 An Offer of Silk Scarfs

The Canadian Trading Company, Ltd. plans to purchase some hand-made silk scarfs from China. Mrs. Green (G) comes to China and has a talk with Mr. Li (L), representative of China National Embroidery and Drawn Work Corporation, Chengdu Branch. They are having a face-to-face discussion on offers.

- G: It's about two years since I saw you last time in Chengdu. How is everything?
 L: Fine, thank you. And it's a pleasure to meet you again.
 G: I've come here to talk about your offer for scarfs.
 L: It's well known that our scarfs are exquisitely made and reasonably priced. They are known for their superior quality and beautiful designs. There's a wide variety of samples in our exhibition hall. Would you like to have a look first?
 G: I've already visited it. Article No. 321 and No. 322 are especially attractive. Your scarfs have a ready market in our country. On the inquiry sheet, we inquired for 1,500 pieces of No. 321. Besides, please offer us another 1,000 pieces of No. 322.
 L: That is to say, you inquire 2,500 pieces of scarfs all together? There would be no problem. I'm sure. We always try our best to meet the requirements of our customers.
 G: Thank you. When will you effect your shipment?
 L: Before the end of this year.
 G: Well, thanks. What about the terms of payment?
 L: Our terms of payment are by irrevocable L/C, payable by sight draft against presentation of shipping document.
 G: Is your offer a firm one or one subject to final confirmation?
 L: A firm one, which remains open for a week.
 G: OK. I think one minute is enough because I have accepted it here and now.
 L: I'm glad we have concluded the business. Is there anything else I can do for you?
 G: No, thank you. Good-bye!
 L: Good-bye!

A *Listen to Dialogue 1 without referring to your book. Practise it with your partner and complete the following dialogues with the words or expressions given in the box.*

| | | | |
|------------|--------------|---------------------------------------|---------------|
| discount | quantity | samples and specifications | specialize in |
| quotations | high quality | an indication of price | |
| at sight | valid | catalogue and introductory literature | |

1. A: Our customers in Pakistan want to buy Electric Saws. Do you happen to make them?
B: Yes. As a matter of fact, we _____ this line of goods and have an experience of more than twenty years.
2. A: Do you take special orders? That is, do you make machines for special purpose?
B: We do. We can design and make machines according to _____.
3. A: By the way, what are your terms of payment?
B: Generally speaking, we require payment for our exports by confirmed, irrevocable L/C, payable by draft _____.
4. A: Frankly speaking, your offer compares very unfavorably with _____ that we can get elsewhere.
B: But if you take quality into consideration, you'll see the price is fair and reasonable.
5. A: There's no doubt that yours are of _____. But the gap between the prices of yours and other suppliers' is too wide.
B: We always quote our customers a fair price. I'm sure our price is comparative.
6. A: I'd like to have your lowest quotation FOB New York.
B: Would you please tell us the _____ you want so that we can work out the offer?
7. A: Could you give me _____?
B: No problem. Here is our CIF Liverpool price list.
8. A: Before I place an order, I'd like a firm offer in order for us to find time to market the product.
B: Our offers are usually _____ for 10 days.
9. A: Okay. Then, do you mind if I take a look at the _____ on your hand-made woven products?
B: No, not at all. They are all here, sir.
10. A: Could you allow us some _____ if we place a large order with you, say, 2,000 pieces?
B: In that case, we are ready to reduce our price by 2%. That is really the best we can do.

B *Listen to Dialogue 2 without referring to your book. Decide whether the following sentences listed below are true (T) or false (F) according to the dialogue.*

- _____ 1. Mrs. Green is from China National Embroidery and Drawn Work Export Corporation, Chengdu Branch.
- _____ 2. Mrs. Green and Mr. Li are having a face-to-face talk on inquiries.
- _____ 3. This is the first time for them to meet together.
- _____ 4. The silk scarfs have a ready market in Canada because of their high quality and beautiful designs.
- _____ 5. Mrs. Green is quite interested in No.322.
- _____ 6. On the inquiry sheet, the Canadian Trade Company inquired for 1,500 pieces of No. 322.
- _____ 7. All together, Mrs. Green inquires 2,500 pieces of hand-embroidered silk scarfs from China.
- _____ 8. The export corporation will make prompt shipment of the captioned goods.
- _____ 9. Mr. Li made a non-firm offer.
- _____ 10. The Canadian Trade Company is required to pay for the goods by irrevocable L/C.

C *Work in pairs and take turns to start the dialogue with the given tips.*

Situation:

You are Mr. Dossy from Scott Recreational Equipment Company, meeting Mark Parker for the first time from Far East Trading Company, who is attracted by your latest exercise bicycles on display in your show room. Mr. Parker is now making an inquiry for the product.

Tips:

- 1. Welcome to ...
- 2. Hello, I represent ...
- 3. Nice to meet you.
- 4. What are you interested in?
- 5. I'd like to have a look at your ...
- 6. Do you mind if I take a copy of your introductory literature?
- 7. Would it be possible for you to give me some ideas of price?
- 8. Could you tell me the quantity ...?
- 9. The price of this commodity is subject to our final confirmation.
- 10. Thank you for your inquiry; we'll do everything possible to meet your requirements.

D Match the words or expressions you've learned from the above dialogues in the left column with their definitions in the right column and then mark them out.

| Column A | Column B |
|-------------------------|--|
| _____ 1. firm offer | a. the current price of an article |
| _____ 2. CIF | b. free on board |
| _____ 3. quotation | c. an offer that is subject to the seller's final confirmation |
| _____ 4. discount | d. details, instructions, etc., for the design, materials of sth. to be made |
| _____ 5. be subject to | e. an offer that cannot be altered or changed |
| _____ 6. stock | f. a price including cost, insurance and freight |
| _____ 7. trial order | g. depending on |
| _____ 8. specifications | h. a small order which is to be followed by a lot of orders if it turns out satisfactory |
| _____ 9. non-firm offer | i. percentage by which a full price is reduced to a buyer by the seller |
| _____ 10. FOB | j. store of goods available for sale, distribution, or use |

Part 3 Rudimentary Knowledge

Text 1

How to Inquire Effectively

The writer of an inquiry letter should state briefly and clearly what he is interested in. This kind of letter usually includes:

1. A brief mention of how you obtained your potential seller's name (for a first inquiry).
2. Some information of the demand in your area for the goods you are inquiring about.
3. Details of what you would like your potential seller to send to you.
4. A closing sentence to round off the inquiry.

An Inquiry Letter

Dear sirs,

We have heard from the Commercial Counselor's office (商赞处) in Ottawa that you are producing for export hand-made straw hats in natural materials.

There is a brisk demand in Canada for high quality goods of this type. A good price can be obtained for fashionable designs.

Will you please send us your catalogue and full details of your export prices and terms of payment, together with samples?

We may be able to place substantial order with you if your quotations are competitive and the quality proves satisfactory and your deliveries prompt.

Your early reply will be very much appreciated.

Yours faithfully,

× × ×

Text 2

How to Make a Satisfactory Offer

When offering, the writer must make it clear whether it is a firm offer or a non-firm offer to avoid possible disputes in the future. A letter of satisfactory offer will contain the following:

1. An expression of thanks for the inquiry, if any.
2. All the information requested, including name of the commodity, quality or specifications, quantity, details of prices, discounts, terms of payment, time of shipment, and packing conditions.
3. The period for which the offer is valid if it is a firm offer; otherwise, a remark indicating that the offer is a non-firm offer.
4. Favorable comments on the commodity.
5. An expression of encouraging the inquirer to place orders.

A Non-firm Offer Letter

Dear Sirs,

We thank you for your letter of inquiry dated July 22, 20__ regarding our line of fully automatic probers (探测器). We have pleasure in offering you as follows subject to our final confirmation:

Price:

Model IFA-140A \$9,870.00 FOB Morocco

Model IFP-900C \$8,970.00 FOB Morocco

Delivery:

Sixty days from receipt of firm order

Payment:

Within 90 days of shipment

Please note that a discount of 5% may be granted for orders of five or more units.

Enclosed is some additional technical information on the probers. Please do not hesitate to contact us if you require any further information.

Yours sincerely,

× × ×

A *Read the text and discuss the following questions in class.*

1. How do you make an effective inquiry?
2. What should a satisfactory reply to an inquiry include?

B *Correct the following sentences.*

1. Could you supply us 1,000 sets of your COMOAQ 1200+ computers?
2. This brochure also lists indicative prices to all of our export items.
3. Competitors are offering better quality on a favorable price.
4. We will quote alloy steel at lower price.
5. We will deal with you in this line on the base of CIF Melbourne. We usually do not allow any commission, but in consideration of your big order, we exceptionally grant you a 3% commission.
6. However, for the quantity you mentioned, we are pleased to make the following offer, which is subjected to your acceptance reaching here by May 30.
7. We would be appreciated receiving details regarding the commodities.
8. Please take into consideration of our sincere desire to conclude this transaction with you.
9. Our offer No. 8535 covered 4,000 copies of English textbooks will be withdrawn if you fail to open the covering L/C by 10th, October.
10. As your request, we now keep this firm offer open for a farther ten days from 15th May.

Part 4 Additional Practice

A Improve the following letter with your group members.

Gentlemen,

We are in receipt of your letter in June 8, and have noted its contents. We have noted your comments on the price we have quoted you. Now we're writing to you, and we have to say that we have quoted you our lowest price. Please note that because of the extremely great demand for this item.

We sincerely hope that you will place a large order for our toy buses according to the price in our quotation already sent you, or we shall be unable to supply you with the goods.

We look forward to your order.

Yours truly,
Jenny Li
Sales Manager

B Translate the following sentences into Chinese.

1. We'll give you the preference of our offer.
2. I should have thought my offer was reasonable.
3. You'll see that our offer compares favorably with the quotations you can get elsewhere.
4. This offer is based on an expanding market and is competitive.
5. We have extended the offer as per as your request.
6. This offer is subject to your reply reaching here before the end of this month.
7. Are these commodities available right now? We would like to see the samples first.
8. If necessary, we take special orders according to your requirements.
9. We know that you are leading exporters of machine tools and can provide the specifications we need.
10. We assure you of an ample supply and prompt shipment of the goods.

C Work with your partners and practise speaking according to the following directions.

Read the following letters of inquiry and offer. Compose a dialogue according to the information you get from the letters.

Letter 1 An Inquiry for Computers

Dear Sirs,

We are a leading distributor in computers in the city of Changsha, Hunan, China. Our customers have expressed interest in your App MacBook Air computers and required about their quality.

Provided quality and price are satisfactory, there are good prospects of good sales here, but before placing a firm order, we should be glad if you would send us your catalogues and price-lists of such product concerned by EMS. You are kindly requested to quote the FOB New York.

We look forward to your early reply.

Yours faithfully,

Letter 2 A Reply to the Inquiry

Dear Sirs,

Re: App MacBook Air

We are very pleased to receive your inquiry of 18th February and are enclosing our illustrated catalogue and price list giving the details you asked for.

On regular purchases with quantities of not less than 1,000 sets, we could allow a discount of 2%. Payment is to be made by irrevocable L/C at sight against presentation of shipping documents.

We await your acceptance by E-fax or e-mail.

Yours faithfully,

Letter 3 An Offer for App MacBook Air

Dear Sirs,

Re: App MacBook Air

We thank you for your letter of 18th February and confirm our E-fax of today's date, which reads as follows:

"AppMacBookAir COMPUTERS \$822 A SET FOB NEWYORK PAYMENT L/C AT SIGHT REACHING US BEFORE 15/MAY SUBJECT REPLY HERE WITHIN FIVE DAYS"

Please note that our terms of payment are by irrevocable L/C payable at sight against presentation of shipping documents. Please open the Letter of Credit without delay so as to enable us to effect shipment during May/June.

We await your acceptance by fax.

Yours faithfully,

D *What is the function of samples in trading? Think about it while you read the following passage.*

Samples

The newly established relationship can often lead a foreign buyer to place at least a trial order, but they strongly insist having seen the real samples. Samples are mostly chosen from the whole lot of contract (合同) goods representing the quality of the goods. Sometimes the sample is offered by the seller and sometimes by the buyer. In the case of the seller's sample, this agreed sample, once it is accepted by the buyer, will be taken as the evidence of the goods. At the moment when the goods are unloaded at the port of destination (目的港), this sample will be used for comparison. If there is any difference (差异) between the goods and the sample, a claim may result. In the case of the buyer's sample, the supplier should duplicate (复制) the copy to the exact specifications and send it to the buyer. Once all the buyer's requirements are met, the business is usually finalized (成交).

Sending samples to every enquirer is a costly business, especially as samples should always be sent by air, if possible, so that the interest of the prospective buyer (潜在的客户) or agent is maintained; to refuse samples to everyone may result in the loss of business opportunities.

Sample has two kinds. One is for business purpose. Once the customers have the exporter's sample in hand, they can decide whether to take it or drop it right away. The second kind is sampling production, which is a tall order (苛刻的要求) for the supplier who has to consider his production capability, technological problems and financial conditions before he can decide to accept it or not. If the supplier can meet the buyer's requirements, the business is done easily. Although the frequent change of samples or even further improvement of them may last a long time, in the long-term strategy, the sampling business is still very attractive and worth trying.

Group Discussion:

1. What's the use of an export sample?
2. Who often provides the samples?
3. What will discrepancy between the goods and the samples result in?
4. What do you know about the two kinds of samples mentioned in the passage?

E *Merry Corner*



Kowalski, fresh out of accounting school, went to an interview for a good job. The boss asked various questions about him and his education, but then asked him, “What is three times seven?”

“Twenty-two,” Kowalski replied.

After he left, he double-checked (重复核对) it on his calculator (he knew he should have taken it to the interview!) and realized he wouldn’t get the job.

About two weeks later, he got a letter that said he was hired for the job! He was not the one to look a gift horse in the mouth (吹毛求疵的), but was still very curious.

The next day, Kowalski went in and asked why he got the job, even though he got such a simple question wrong. The boss shrugged (耸肩) and said, “Well, you were the closest.”



1. A counter-offer
2. Content of a counter-offer
3. Correspondence on counter-offer
4. Bargaining techniques

Words & Expressions

acceptance *n.* 接受, 承兑

approximately *ad.* 近似地, 大约地

bargaining *n.* 议价, 商讨, 交易

comparable *a.* 可比较的

compromise *n. & v.* 妥协, 折中

concession *n.* 让步

correspondence *n.* 信件

counter-offer *n.* 还盘, 反盘

current *a.* 当前的

decline *n. & v.* 下降; 拒绝; 衰败

finalize *v.* 把...最后定下来

fabric *n.* 织品, 织物

give rise to 引起, 招致

in view of 鉴于, 考虑到

invalid *a.* 无效的

mutual understanding 相互理解

offhand *a. & ad.* 即时的 (地)

push the sale 推销

revise *v.* 修改, 修订

soar *v.* 高飞, 剧增

stalemate *n.* 僵局

unconditionally *ad.* 无条件地

a series of 一连串, 一系列

call off 放弃

clinch a deal 成交

come to terms 达成协议

heated discussion 激烈争论

make concession 做出让步

meet each other halfway 各让一步

on the high side (价格) 偏高

put forward 提出

rock-bottom price 最低价

stainless steel 不锈钢

Part 1 Understanding of Counter-Offer

- A** *The following is a letter from a buyer declining the seller's offer. Listen to it and fill in the blanks with the words you hear.*

Dear Sirs:

Many thanks for your 1 of 15th August for 2,500 sets of IBM Personal Computer.

In reply, we very much 2 to state that our end-users here find your price is too much 3, i.e. 10% higher than the average. Information indicates that the computers supplied here 4 the same brand have been sold at the level of \$980 per set.

In such case, it is impossible for us to 5 in our market. Should you be prepared to reduce your limit by, say, 8%, we might 6.

It is in view of our long-standing relationship that we make you such a 7. As the market is 8, we hope you will consider our counter-offer most favorable and fax us 9 as soon as possible.

We are 10 your early reply.

- B** *Listen to the passage and decide whether the following statements are true (T) or false (F).*

1. Usually, after receiving an offer, the offeree should accept it no matter whether he is satisfied with it or not.
2. It's a general practice for the offeree to make a careful analysis and study the offer as well as the current market situation.
3. In a counter-offer, the offeree will make some revisions in the terms and conditions on his own.
4. On receiving the counter-offer, the offeror may decide to accept or decline it according to the specific situation. He may also make a re-offer to put forward some new terms or conditions. This is called a counter-counter-offer.
5. Once the counter-offer is made, the original offer is out of validity.

Part 2 Meeting Each Other Halfway

Dialogue 1 Negotiation over the Price

The dispute on prices is going on between the Far-East Light Industrial Products Import & Export Corporation and Oriental Horizons Clothing Factory. Mr. Cook (C), the buyer, wants to get the most favorable offer, and Mr. Vigor (V), the seller, insists on his own prices. The negotiations have reached a stalemate. Finally both sides meet each other halfway, and the business is concluded successfully.

- C: We have studied your offer on the printed pure silk fabrics produced in Jakarta carefully, and find that your prices have soared! They're approximately 20% higher than last year's. It would be impossible for us to make any sales at such prices.
- V: I'm greatly surprised to hear that, Mr. Cook. 20%? You can't be serious! Besides, the cost of production has risen a great deal in recent years. What's more, it pays to buy goods of better quality. Better quality usually means a higher price. I think you can't avoid considering the quality of products.
- C: You're right here. But we only ask that your price be comparable with others. That's reasonable, isn't it?
- V: As you wish. Well, if your order is large enough, we are ready to reduce our price by 2 percent.
- C: If that's the case, there is hardly any need for further discussion. We might as well call the whole deal off, and our negotiation will give up half-way.
- V: What I mean is that we'll never be able to come down to the price you name. The gap is too great. You know our products are of high quality. Taking the quality into consideration, I think the price is reasonable.
- C: I think it unwise for either of us to insist on his own price. Each will make a further concession so that business can be concluded.
- V: What is your proposal? Can you give me any indication?
- C: Your unit price is 80 dollars higher than we accept. I suggest we meet each other halfway.
- V: Do you mean that we'll have to make a reduction of 20% in our price? That's impossible.
- C: What's your suggestion?
- V: The best we can do will reduce 20 dollars. This is our rock-bottom price.
- C: That still leaves a gap of 20 dollars. Let us meet each other halfway once more, then the gap will be closed, and business will be done.
- V: You certainly have a way of talking me into it. All right, let's meet half-way again.
- C: I'm glad that we've come to an agreement on price.
- V: We'll go on to the other terms and conditions at our next meeting. When can we meet again?
- C: Any time. The sooner, the better.

V: How about next Monday morning, at 9 o'clock?

C: That quite suits me!

Dialogue 2 An Impasse

There is a heated discussion on price between Mr. Weller (W) and Mr. Daniel (D). It seems to be quite difficult for them to clinch a deal.

D: Oh, you've finally arrived. We're expecting your counter-offer.

W: Sorry for being late because of the traffic jam. But we've got the counter-offer for you. For these stainless steel tablewares, our counter-offer is as follows: 12 dollars per set CIF Hamburg.

D: Oh, my! But that's impossible. We won't make any profit at that price.

W: We are sincere. My counter-offer is in accordance with prices of the same kind of products on the international market.

D: We are also sincere with you. But the difference between us is too great.

W: Business is rather slow nowadays. And the competition for the market is rather keen. Some suppliers have made offers much lower than that you quoted.

D: But think of the quality! The quality of our products is guaranteed.

W: I admit that. But to be frank, your price is much inflated.

D: What do you mean? I can't understand you.

W: I mean you didn't quote us a firm offer. We want to see the rock-bottom.

D: That's really rock-bottom.

W: Well, how much can you bring down the price, anyway?

D: Two dollars per set.

W: Are you joking? Can't you make further reduction?

D: Impossible. Or we'll suffer a great loss in benefit.

W: OK. In that case, it'll be very difficult to proceed with our talk, and there is no point in discussing it any more.

D: Well, that is all we can do.

A Listen to dialogues without referring to your book. Practise it with your partner and complete the following sentences in your own words.

1. To clinch the deal, I really think we should both make some concession. How about _____?
2. We are not used to bargaining. But this kind of high price is _____.
3. You're saying your price should be the actual deal price then. You can't make any move? In that case, it will be very difficult _____.
4. I've just received instructions from our home office. Your payment terms are acceptable to _____.

- us, but the new quotation, they think, is still _____.
5. We regret to say that your quoted price is completely _____ the prevailing market level.

B *Listen to dialogues without referring to your book. Practise it with your partner and give your answers to the following.*

| | Questions | Key Words of Your Answers |
|---|--|---------------------------|
| 1 | Why, according to Mr. Cook, is it difficult for their company to push the sale of printed silk fabrics? | |
| 2 | How does Mr. Vigor respond to Mr. Cook's complaint at the very beginning? | |
| 3 | Is the price suggested by Mr. Cook finally agreed upon? | |
| 4 | Do you think Mr. Weller and Mr. Daniel can come to terms on the price of stainless steel tablewares at last? | |

C *Work in pairs and take turns to start the dialogue with the given tips.*

Situation:

George Allen, an American businessman, is bargaining with Barbara Jones, a hardware dealer from a German company. They're having a hard bargain.

Tips:

George Allen

1. your prices; much too high; at least 25% higher than those of Japanese make
2. don't agree with you; not in accordance with those in the international market
3. similar products; 15%~20% lower than yours
4. reduce at least by 15%; to persuade our end users to buy; acute competition from other countries
5. further discussion; a waste of time; call the deal off
6. size of our order; depend on price

Barbara Jones

1. our prices; reasonable; competitive; compared with

2. take the quality into consideration; famous brand; fashionable design
3. make a counter-offer; give me your rough idea of prices for these commodities
4. difficult to accept your counter-offer; a ready market for our products; the demands exceed the supply; can't make more reduction
5. a wide gap; unwise to insist on one's own price; be willing to make some concessions; order more

D *Work in small groups and complete the following mini dialogues in English orally.*

1. — We have compared your offer with those from other suppliers. To our regret, we found yours is definitely too high at \$150 a case.
— 我想你不会不考虑我们产品上乘的质量吧。
2. — 恐怕你方报价与现行国际市场的价格不符合。请看看这份市场报告。
— I have also been following the market trend closely, and I predict an upward trend in the near future.
3. — 这样的价格仍然太低，不过，考虑到我们长期的友情和合作，我们愿意作出让步，并接受这个价格。
— I'm glad to have reached an agreement on price with you. Thank you.
4. — 很抱歉，你们报的价与我们的价格悬殊太大了。我们无法满足你们的要求。
— How about meeting each other halfway? I don't think it wise to insist on your own price.

Part 3 Rudimentary Knowledge

Text 1

Correspondence on Counter-offer

Letters with counter-offer often cover the following points:

1. Express the offeree's thanks to the offeror for the offer.
2. Express regret at the offeree's inability to accept.
3. Forward concrete suggestions or amendments to the original offer.
4. Express hopes of mutual beneficial cooperation.

Offeree's Counter-offer

Dear Sir,

Subject: Counter-offer

We thank you for your fax of July 30 offering us 5,000 pieces of the captioned goods at \$4.00 per hundred.

We have been very pleased with your products, as you know. However, we find that your price is so high that our margin of profit would be very little or nil. The same products can be obtained from a local firm, but the price is approximately 10% lower than that of yours. We hope, therefore, you will reduce your price, to say, fifty cents per hundred lower than your original price.

If you can see your way clear to meeting these figures, we would be pleased to place with you an order that will carry us for the rest of this year. That order is likely to be one of the largest that we have ever placed with you.

Sincerely,

Offeror's Counter-counter-offer

Dear Sir,

Subject: We regret that we cannot accept your counter-offer.

In reference to your e-mail of August 1, we regret not being able to accommodate your request to make a better offer than the one we suggested to you. As a matter of fact, we feel that offer itself is most generous under the circumstances.

In checking our books, we find that you have purchased from us twice as much the first three months of this year as you did in the first three months of last year. This indicates to us that you have been successful in retailing our merchandise.

We hope that upon reconsideration you will be able to accept our offer. We have been very pleased to have you on our list of accounts.

Best regards,

Text 2**The Art of Negotiating**

Negotiating is a part of everyday life, but, in business, it's absolutely critical to your success.

Poor negotiation can cripple (削弱) a company just as quickly as losing key customers. While most negotiating strategies seem to be like common sense, it's not uncommon for people to get caught up in the emotion of the moment and ignore their basic instincts.

Preparation Is Key

Know about the party you're negotiating with, so you can capitalize on your strengths and the party's weaknesses. If the other party is very experienced, that means he also has a history that could contain useful information. If possible, talk to business associates who have dealt with this person before. Many negotiators (谈判代表) develop patterns and certain styles that you may be able to use to your advantage.

If you are a buyer, make sure you are thoroughly familiar with the product or service that will be the subject of the negotiation. If the other party senses you are weak on such details, you may be a prime target for a bluff or another technique designed to create anxiety and uncertainty. Psychology plays a crucial (至关重要的) role in your ability to make the most of the other party's lack of preparation and anticipate their next move.

Most negotiators have a price target or goal in mind before they start. During the course of the negotiation, the goal may change based on changes in scope and other unforeseen (无法预料的) actions by either party. While your ultimate goal should be realistic, this should not constrain your first offer or counteroffer.

Have a Strategy

There are basic principles that apply to every negotiation. The first offer is usually the most important and it is the benchmark (基准; 衡量标准) by which all subsequent offers will be judged and compared. You'll never get what you don't ask for, so make your first offer bold and aggressive. The asking price is just that, and will typically include a pad or margin to give away during negotiations. You want to take all of that and hopefully more, so start lower than the seller expects.

As a buyer, do not disclose (揭露, 透露) your budget or other limitations in your negotiating position. You want the best product you can get for the money you have to spend, so employ an approach that maintains the possibility of spending less than you had originally planned.

Always have something to give away without hurting your negotiating position. If you're submitting (提交, 递交) a price proposal to a buyer, consider inserting decoys and red herrings for the other party to find. For example, you could include spare parts that may or may not be needed in the end. If the buyer takes those items out to reduce the overall cost, you haven't lost anything but it may help the buyer reach his price target.

From a contractual (合同的, 契约的) standpoint, a counteroffer automatically rejects all previous offers. Once an offer is made, you should expect an acceptance or rejection of your offer, or a counteroffer that keeps the negotiation open. If your offer is rejected and you are asked to submit a new and better offer, do not fall into that trap. If the last offer on the table is yours, always insist on a counteroffer to force the other party to move his/her position before you make another offer.

Find the Leverage

In addition to exploiting the other party's weaknesses, concentrate on taking maximum advantage of your strengths. If you're the only source available for a particular product, you have tremendous leverage (优势; 杠杆作用) across the board. If economic conditions have created a market in which the product you're selling is in great demand and low supply, that gives you more bargaining power to name your price. If you are the buyer in a depressed economy, you normally have the advantage of too much supply and lower demand.

The Offer

An offer is more than just a dollar amount. It must encompass (围绕, 包含) all of the elements of the bargain and will normally comprise the basis for a contract that formalizes the agreement. If you make an offer without nailing down all of the specifics, you may find out later that there was no meeting of the minds with the other party. To avoid misunderstandings, offers should be presented in writing and include all elements of the bargain. It's a good idea to keep notes containing the rationale for each offer. While these notes won't be disclosed to the other party, they will prove to be invaluable should things go awry and you need to restart negotiations. If you work for a company or the government, those notes are usually required to document the negotiated outcome and complete the contract file.

Go For a Win-Win Solution

Throughout the negotiation, try to determine what you believe to be an acceptable outcome for the other party. It may be a combination of different things that aren't necessarily tied solely to price. For example, the delivery date may be the most important thing to the other party, while product quality may be your primary drive.

Understanding the other side's priorities is just as important as understanding your own, so figure out what you would do if you were in his shoes. When constructing your offers, attempt to satisfy some of his priorities if doing so doesn't weaken your overall position. Be prepared to give up the little things in exchange for the big things you don't want to concede. Know your limits and how far you're willing to go on all aspects of the deal.

Once the negotiation is completed, you will be able to work effectively with those in the other party during contract performance. If they are threatened and pounded into submission, they probably won't negotiate with you again, possibly cutting off any future business. While heated confrontation is a common occurrence during negotiations, at some point, collaboration (合作, 协作) and compromise (妥协, 折衷) are needed to get a deal.

Closing the Deal

Successful negotiation is like horse-trading in that it requires a sense of timing, creativity, keen awareness and the ability to anticipate the other party's next move. Negotiation is also like chess in that each move should be designed to set up not only your next move, but several moves down the line. Generally, your moves should get progressively smaller, and you can expect the same from the other party.

Always have the endgame (最后阶段; 终局) in mind as you plot your strategy, and be prepared at some point to split the remaining difference. It's almost inevitable when the parties are close but can't seem to make that last leap to a single number. It's completely arbitrary, but it gets the job done. That's why all the offers leading up to that point are so important: they will set the stage for the final handshake.

Notes

1. margin of profit 盈余
2. little or nil 几乎没有
3. in reference to 关于, 有关
4. accommodate one's request 满足某人要求
5. common sense 常识 (尤指判断力)
6. get caught up 被困住; 感兴趣于某事
7. capitalize on 利用
8. make the most of 尽量利用
9. red herrings 转移注意力的话
10. in addition to 除...之外
11. concentrate on 集中, 全神贯注于
12. take maximum advantage of 充分利用
13. across the board 全面一致; 全盘
14. nail down 明确
15. meeting of the minds 达成共识, 一致意见
16. go awry 出错, 失败
17. win-win 双赢; 互利共赢
18. figure out 明白; 计算出
19. be in one's shoes 处在和...一样的处境或情况
20. in exchange for 交换, 以此易彼
21. cut off 切断, 断绝
22. close the deal 搞定生意; 成交
23. lead up to 逐渐导致; 通往
24. set the stage for 为...打好基础; 为...创造条件

A

Read the two letters and discuss the following questions in class.

1. What does the offeree think of the fax of July 30?
2. Why, in the offeree's opinion, is the quotation too high?
3. What's the content of his counter-offer?
4. Is the counter-offer acceptable to the offeror? Why or why not?

B Divide the class into two teams and debate against each other.

| <i>Team A's Position</i> | <i>Team B's Position</i> |
|---|--|
| Buyer: the price for printed silk is too high. | Supplier: the price for printed silk is quite reasonable. |

You can refer to some of the words and expressions given below.

Words

| | | | | |
|-------------|------------|------------|-------------|--------------|
| offer | study | discuss | regret | unacceptable |
| workable | price | quotation | previous | quality |
| superior | reasonable | favorable | considering | origin |
| reduce | reduction | discount | counterbid | proposal |
| suggestion | indication | similar | goods | article |
| merchandise | product | design | technology | supplier |
| profit | gap | difference | conclude | clinch |
| complete | finalize | business | deal | transaction |
| competition | heated | sharp | acute | bargain |
| market | declining | | | |

Expressions

| | | |
|--------------------------|---------------------------|--------------------|
| out of line with | on the high side | original offer |
| current price | international market | upward tendency |
| downward tendency | take into consideration | compared with |
| further discussion | margin of profit | prevailing market |
| clinch the deal | conclude the transaction | make a concession |
| superior to | mutual benefit | for the time being |
| reach an agreement | approximately ...% higher | bridge the gap |
| meet each other half way | competitive price | sharp competition |
| rock-bottom price | a trial order | cut down |
| set the ball rolling | call off | |

- C** Complete the following letter with the words and phrases from the list given below.

| | | | |
|-----------------|-------------------------|--------|--------------|
| look forward to | approximately 10% lower | reduce | disappointed |
| thank you | meet in the halfway | accept | |
| counter-offer | regret | high | |

Dear Sirs,

___ 1 ___ for your letter of 20th August 20___. We are ___ 2 ___ to hear that our price for Flame cigarette lighters is too ___ 3 ___ for you to work on. You mention that Japanese goods are being offered to you at a price ___ 4 ___ than that quoted by us.

We ___ 5 ___ what you say, but we are of the opinion that the quality of the other makes does not measure up to that of our products.

Although we are keen to do business with you, we ___ 6 ___ that we cannot accept your ___ 7 ___ or even ___ 8 ___.

The best we can do is to ___ 9 ___ our previous quotation by 2%. We trust that this will meet with your approval. We ___ 10 ___ hearing from you.

Yours faithfully,

- D** Read Text 2 again and discuss how to be a good negotiator in class.

Part 4 Additional Practice

- A** Refer to Part 3, study the sample letters carefully and write a letter of counter-offer on your own. In your letter, you're required to state that the offer is a little bit high to be acceptable, but you are satisfied with the Chinese Hulled Sesame Seeds. Express your willingness to conclude the business if the other party has no objection to your bid on price and terms of payment.

B *Translate the following passage into English.*

所谓价格指的是为了获得某种产品及有关服务所需要支付的金额。实践证明，价格只是一种报盘。如果客户接受，则说明所定的价格可行；如果客户不接受，则往往需要马上对价格作出变动，不然将不得不把商品退市。

C *Work with your partners and practise speaking according to the following situations.*

1. Commodity: PNONENIX Ten-speed Bicycles

Price: \$150 per set FOB Pudong

Quantity: 1,000

Payment: irrevocable L/C at sight

Counter-offer: \$135 per set

The buyer from America asks for a 10% cut in the price. The seller, who works on behalf of China National Light Industrial Corp, refuses to consider any reduction but gives a 3% of discount. Now act this out with your partner.

2. Work with your group members, and try to think out some useful sentence patterns that are often used in bargaining. Compare your work with other groups.

D *A contract invariably includes the terms under which delivery is to be made. So, at an early stage, the exporter should take into consideration what terms of delivery he will take. What are the important points to fully understand a term of delivery? What are the usual terms? How to choose the proper terms in foreign trade? What is the general practice of Chinese corporations? Think about them while you read the following passage.*

Terms of Delivery

Terms of delivery (交货条件) are also known as terms of trade. Proper or improper terms of delivery used may make all the difference between profit and loss (盈利和亏损). So the most important task of the exporter, in quoting a price, is to use the right terms of delivery during the business negotiations (谈判). Trading practices indicate that it is the custom of the exporters to quote their prices in reference to (关于) a number of standard terms that are internationally recognized, among which the INCOTERMS (The International Rules for the Interpretation of Trade Terms 国际贸易术语解释通则) is most frequently used in the world today. China always follows the international practices and takes the INCOTERMS as the basis of export price. The purpose of INCOTERMS is to provide a set of international rules for the most commonly used trade terms in foreign trade. Thus, the uncertainties of different interpretations of such terms in different countries can be avoided or at least reduced to a considerable (相当大的) degree.

Each of the terms of delivery is quite different from the others. From a single term of delivery, we can find out the following:

- what prices are included in the quoted terms of delivery;
- which costs are paid by the buyer, and which by the seller;
- what documents must be prepared and supplied by the exporter and at whose expense (由支付费用);
- when the title to the goods passes from the seller to the buyer;
- when the risks pass from the seller to the buyer; and
- when and where the goods are to be delivered.

As mentioned above, terms of delivery are not only important for quoting a price, they also make it clear who is responsible for the damage to the goods that may happen in transit. Terms of delivery are vital for both exporter and importer to ensure they both know who has responsibility.

As for the usual terms of delivery, we have FOB (Free on Board), CFR (Cost and Freight), CIF (Cost, Insurance and Freight). In China's export, what terms of delivery an import and export corporation may offer vary with (随而变化) the nature of a commodity and also with the district. But, with the aim of gaining more foreign currency (外币), the corporation often tries to negotiate sales contracts on CIF terms wherever possible. In China's import, the foreign exporter is usually asked to quote FOB. A contract with FOB terms means that the exporter will deliver the goods on board a ship at a port in his country. He will pay for delivery up to that point and the importer pays for the rest of the voyage.

Merry Corner



“The fees for withdrawing money from your ATM (自助取款机) machines are expected to double, even triple (至三倍). You're going to pay two to three as much to withdraw your money, so basically the ATM machines have become full service. Instead of getting robbed at the ATM machine, the ATM machine robs you. You eliminate the middle man.” — Jay Leno

1. What is an acceptance?
2. What is an order?
3. How to place an order?
4. Letters of acceptance and ordering

Words & Expressions

addition *n.* 增加

assent *n. & v.* 赞成, 同意

component *n.* 成分

conduct *v.* 引导, 管理

countersign *n. & v.* 会签 (文件等)

definite *a.* 明确的, 一定的

driver *n.* (计) 驱动器

extensive *a.* 广大的, 广泛的

file *n.* 文件, 档案; 卷宗

inactivity *n.* 静止, 不活泼

indispensable *a.* 不可缺少的

initiative *n.* 主动

minimum *n. & a.* 最小的; 最小值

modification *n.* 更改, 修改

monitor *n.* (计) 显示器

persuade *v.* 说服, 劝说

prelude *n.* 前奏; 序幕

recommend *v.* 推荐, 介绍

relatively *ad.* 相当地

reserve *v.* 储备, 保存

respectively *ad.* 分别地

slightly *ad.* 些微地

unreserved *a.* 不隐瞒的, 坦白的

whereas *conj.* 鉴于; 反之

be inclined to 倾向于...

conclude a deal 成交

CPU (计) 中央处理器

for one's reference 供...参考

for the sake of 为了...

in duplicate 一式两份

in position to do sth. 能够做

letter of credit 信用证

long to do sth. 渴望...

main board (计) 主板

negotiate business 商谈生意

place an order with 订购

sell out 卖完

sign contract 签订合同

trial sale 试销

Part 1 Basic Ideas of Acceptance and Ordering

A Listen to the passage and fill in the blanks with the words you hear.

Order refers to an oral or written 1 to supply a specified quantity of goods. It may be the result of an offer or a counter-offer with 2. It may be given by letter, telegram, telex or fax, or even orally at a meeting. After receiving an order, 3 may immediately 4 the acceptance if he can accept all the terms, and he also must send a confirmation of sales in 5 to the buyer to be countersigned with one copy to be returned 6. And, after receiving the seller's confirmation, the buyer opens 7, whereas the seller gets the goods ready for 8 after he receives the letter of credit. On the other hand, if the supplier is not in a position to supply the goods 9 in an order, or the terms of transaction are not agreeable to him, he may 10 it, or make amendments to it for the buyers' reference.

B Listen to the mini dialogues, write down the key words and phrases to answer the corresponding questions briefly, and then practise them with your deskmate.

| Dialogues | Questions | Key Words |
|-----------|---|-----------|
| 1 | What's the minimum order for the product? | |
| 2 | Why can't the supplier meet Speaker A's need? | |

(Continued)

| Dialogues | Questions | Key Words |
|-----------|---|-----------|
| 3 | Under what condition would the supplier give Speaker A 5% discount? | |
| 4 | What is Speaker B's suggestion? | |
| 5 | Why do you think Speaker A is willing to accept the small order? | |

Part 2 Making a Further Concession

Dialogue 1 Placing a Trial Order

Mr. Allan Link (L), the sales manager of East Asia Trading Company, takes Mr. Mark Kuan (K), a representative from Textiles United Import & Export Corporation, to a café, where they're negotiating business. Mr. Allan Link adjusts the prices once again to gain a trial order from Mr. Mark Kuan.

- L:** Now, Mr. Mark Kuan, can we talk business over coffee?
- K:** All my pleasure. I've long wanted to have a talk with you about the possibility of business between us.
- L:** We welcome good business.
- K:** Good. Generally speaking, I am satisfied with the prices because your sewing machine is of superior quality. Thank you for making this concession; I accept your prices though on a slightly high side.
- L:** Our sewing machines are relatively popular in the world market. We strongly recommend you to accept it as our stocks are running low.
- K:** Since this is the case, we are willing to conclude this transaction.
- L:** Well, let's discuss the problem of placing an order. How many sewing machines do you want to order?
- K:** As I mentioned above, we'll order 1,000 sets at the very most because your price is still on a high side though you've adjusted it. What's more, it would not be easy to push the sale of the sewing machines of a new brand to our clients if we buy them at this price.
- L:** If you can order more, we would like to make a further concession.
- K:** We are inclined to place a trial order instead of a large order for the first deal. We shall probably be able to see our way to extensive dealings with you.
- L:** I hope so. Some more coffee?
- K:** No, thanks.

Dialogue 2 Confirming the Order

Mr. Simon Wang (W) is the general manager of Lenove Group. He is persuading Atony Lee (L), a businessman dealing with computers and components, to place orders for the components, such as the main board, the monitor, the printer and so on.

- L:** Thank you for making a concession in price once again, Mr. Wang. The settlement of the price is the prelude of the success of the transaction. We might say that the success of this transaction is in sight.
- W:** I hope there will be more business to come between us in the future. Now I'd like to know whether you want or not to place an order of some main components such as the color monitor, the main board, the driver, the CPU, the printer, etc. besides the 1,000 computers.
- L:** We will order some next time, I think. At first, we should make a market research in our home so as to obtain the information of requirement.
- W:** You should order some components since you have ordered 200 sets of our computers, by which you can ensure the market supplies.
- L:** Your suggestion seems to be reasonable. But the prices of your components are really on high side. You see, the price of a main board produced by India is only \$190, which is much lower than that you offer in your price-list, and their quality is as good as yours.
- W:** But we have reduced \$40 per piece.
- L:** I know you've reduced \$40 per piece — but the original price, \$260 per piece you offer in your pricelist is too high to accept. Even if you reduce \$40, your unit price is still \$220, which is still \$30 higher than what the Indian company offers. We can't find a ready market of your products if we buy at this price.
- W:** What's your definite idea?
- L:** We suggest you make a further reduction of \$30 per piece, which we can accept, and the business will be clinched.
- W:** How much would you like to order? If the quantities of the main components you order are large enough, we'll make further reduction of \$30.
- L:** Well, for the sake of friendship, we accept this price and order 200 pieces of the main board as a trial order.
- W:** The other main components? Don't you order?
- L:** You also make further reduction of \$30 per piece, right?
- W:** Yes, the prices of all the components, such as the color monitor, the driver and the main board, will be made \$30 reduction per piece again.
- L:** If that's the case, we'll order 200 pieces of the above main components respectively.
- W:** We can confirm your orders: 1,000 sets of Lenovo 12800 computer, 200 pieces of color monitors, 200 pieces of main boards, and 200 pieces of drivers. All the prices are on bases of CIF Beijing.

A *Listen to Dialogue 1 without referring to your book. Practise it with your partner and complete the following sentences in your own words.*

1. Mr. Kuan is quite satisfied with the sewing machines offered by East Asia Trading Company because of their _____, even though the prices are _____ he'd like to accept.
2. According to the dialogue, this kind of sewing machine is very _____ in the world market, and it is _____.
3. This is the first time for the Textiles United Import & Export Corporation to _____ of the captioned goods to their end users.
4. Mr. Kuan plans to place _____ for the new brand of sewing machines.

B *Listen to Dialogue 2 without referring to your book and decide whether the following statements are true (T) or false (F).*

- _____ 1. Mr. Lee intends to order 200 computers from Lenovo Group.
- _____ 2. Mr. Lee follows Mr. Wang's suggestion, and orders some components.
- _____ 3. Mr. Lee compares the prices offered by Mr. Wang with the prices of the similar products produced in India, and asks Mr. Wang for further reduction in prices.
- _____ 4. Mr. Lee finally places 200 pieces of main board at \$180.
- _____ 5. All the prices of the components are on FOB bases.

C *Work in pairs and take turns to start the dialogue with the given tips.*

Situation:

You represent China National Arts & Crafts Import & Export Corp., Chengdu Branch. You sell straw hats. Every year you have too many orders to catch up with. Now, a businessman from Singapore, whom you've had a business relationship with for years, has come again. He wants to get 3,000 straw hats. But you can't supply him from stock this time. You can only give him two thirds of the hats he needs. Your friend is not very happy and you try to solve the problem.

Tips:

The Singaporean businessman

1. be interested in; straw hats; the designs, the styles
2. to order 3,000
3. old customers; give some priority on supply
4. thanks

You

1. be popular; the best selling goods
2. best selling goods; be sold out fast; can't satisfy one's demand
3. according to the regulations; give each customer 1,000; make an exception; give 2,000

D *Work in small groups and make sentences with the following phrases in the box.*

owing to
push the sale
further reduction

place an order for
superior quality
from stock

a trial order
make a concession
as an exception

Part 3 Rudimentary Knowledge

Text 1

How to Write an Order Letter

Order letters are a common form of correspondence for obtaining goods and service. The writing of an order letter should include all the specifics necessary to complete the order. To make the order clear and easy to understand, the writer must include the following details:

1. Name of commodity, model number, size, color, or any other relevant information;
2. Quantity;
3. Date and method of shipment;
4. Price per item;
5. Packing;
6. Payment.

An Order Letter

Dear Sirs,

Thank you for your quotation of April 29 for women's nylon garments and also for the samples you sent us.

Having looked over your samples, we find the quality, workmanship and prices are up to our requirement. And we are pleased to place our order as follows on the understanding that they will

be supplied from current stock at the prices named:

| Commodity | Unit Price (Per dozen) CIF London | Size | Quantity (dozen) |
|------------------------|--------------------------------------|--------|---------------------|
| Women's Nylon Garments | USD80.00 | Small | 15 |
| Women's Nylon Garments | USD120.00 | Medium | 16 |
| Women's Nylon Garments | USD160.00 | Large | 14 |

We expect to find a good market for the above and hope to place further and substantial order with you in the coming future.

Our usual terms of payment are cash against documents and hope they will be acceptable to you.

Please send us your confirmation of sales in triplicate.

Yours sincerely,

Text 2

How to Make an Acceptance

When a seller receives the “first” order from a new customer, he must write a letter to acknowledge the order. The letter should include the following:

1. express pleasure at receiving the order;
2. add a favorable comment on the goods ordered;
3. include an assurance of prompt and careful attention;
4. draw attention to other products likely to be of interest;
5. hope for further orders.

An Acceptance Letter

Dear Sirs,

Thank you for your e-mail of May 15 confirming your order No. BD468 for

| Commodity | Unit Price (Per dozen) CIF London | Size | Quantity (dozen) |
|------------------------|--------------------------------------|--------|---------------------|
| Women's Nylon Garments | USD80.00 | Small | 15 |
| Women's Nylon Garments | USD120.00 | Medium | 16 |
| Women's Nylon Garments | USD160.00 | Large | 14 |

Although the current market price is a little bit higher, we accept the order in the same terms as before with a view to encouraging business.

As requested in your previous letter, we are enclosing our Sales Confirmation No.116 in triplicate, a copy of which please countersign and return for our file.

Please assure that your order will receive our prompt and careful attention.

Yours sincerely,

Notes

1. up to one's requirement 符合要求
2. on the understanding that 如果
3. cash against documents 见票即付
4. confirmation of sales 销售确认书
5. in triplicate 一式三份
6. with a view to 着眼于, 考虑到
7. return for our file 返回归档

A Read the two letters and discuss the following questions in class.

1. Why is the buyer pleased to place an order for women's nylon garments?
2. Do you think that the buyer will place the order if the seller can't supply the items from stock?
3. Will the buyer pay for the goods by L/C or in cash?
4. Why is the seller willing to provide the goods at the same price as before though the market prices have gone up?
5. What is the buyer required to do after receiving the Sales Confirmation?

B Study the sample letters carefully, and complete the following letter of regret with the phrases in the box.

| | | | |
|--------------------|-----------------------|------------|---------------------|
| much to our regret | cover these increases | in view of | in addition to |
| by return | as you know | as follows | as to payment terms |
| as requested | at these prices | | |

Dear Sirs:

We've received your letter of November 13 and your Order No.333. 1, we can hardly accept your order at the prices you bid. 2, wages and raw materials have risen considerably in these days 3 the increase of taxes and we are reluctantly compelled to adjust our prices in order to 4. We're afraid the best we can do is 5:

| Pattern No. | Quantity | Unit Price (Per yard) CIF Stockholm |
|-------------|-----------|-------------------------------------|
| 72 | 300 yards | 23 cents |
| 81 | 450 yards | 28 cents |
| 89 | 350 yards | 32 cents |

___6___, we usually require letters of credit. However, ___7___ our long and pleasant relations, we will accept D/P 60 days this time. But it must be clearly understood that, in doing so, we are not establishing a precedent.

Please inform us ___8___ whether you may book your order ___9___. We should be able to guarantee shipment during May ___10___.

Yours faithfully,

C *Work with your group members and list the different situations in which an order is declined. You can refer to some of the words and expressions given below.*

Words

| | | | | |
|---------------|----------------|------------|---------------|---------------|
| delivery | cancel | order | decline | alternative |
| payment | available | concession | catalogue | observe |
| shipment | inability | rise | considerably | adjust |
| increase | stock | exhausted | regret | unfavorable |
| unfortunately | cost | faulty | reject | amend |
| requirement | demand | particular | specification | inconvenience |
| restock | unsatisfactory | | | |

Expressions

| | |
|------------------------|--|
| beyond one's business | current tight supply position |
| urgent need | be heavily burdened with orders |
| meet one's requirement | early shipment |
| quick delivery | due to |
| out of production | be in badly need of |
| heavy commitment | increase in the price of raw materials |

Part 4 Additional Practice

A Write an acceptance letter according to the situation.

The seller accepts the buyer's counter-offer for 1,000 dozen raincoats at a 2% reduction with a view to encouraging business.

B Translate the following passage into Chinese.

Discount means that sellers offer buyers a certain percentage of reduction on the original price. When competition in the market is fierce, discount will help to improve seller's competitiveness. There are different kinds of discount, for example, quantity discount, seasonal discount and exceptional discount. The specific amount or percentage of discount varies in different situations. The percentage of discount can be clearly written down in a contract if the seller and the buyer have reached an agreement.

C Work with your partners and practise speaking according to the following direction.

You are the sales manager of Sichuan Yibin Wuliangye Group Co. Ltd. or Guizhou Maotai Distillery Group Co. Ltd. An Indian businessman, whom you've had a business relationship with for several years, has come again. He wants to get a \$980,000 deal. You accept his order, but you can't fulfill it within the limited time owing to heavy commitments. Discuss the matter with him and try to conclude the transaction.

D Read the following and discuss how to write a letter for acknowledging the acceptance of order.

Acknowledgement and Acceptance of Order

The success of any business solely depends on the customer satisfaction of their goods and services. If the products and services of any company are of superior order, the organization will attract greater number of buyers and enjoys higher customer base. The performance and good will of the company or business also depends on efficient and prompt service to their customers and clients.

These reasons make it necessary that, the organization should handle any order from the customers in the priority basis and should acknowledge the receipt of their order. The acknowledgment can be emailed or faxed immediately to the buyer or dealer once the order is received.

The order form should also be recorded and documented in specific customer folder for early delivery of the goods. The filing also helps in further accounting process and future references. It is also to be noted that, while acknowledging the acceptance of customer order, the acknowledgement letter should usually contain following points:

- Acknowledge with the thanks for the receipt of the order
- Recap the contents of the order
- Provide any relevant delivery schedule and details
- Inform about bulk discount provisions
- Mention any specific terms and conditions attached to the supply of order
- Can furnish a little more information about the company and inform buyer about other products, which may interest him. But, the tone should be concise with information and pitching for sale because the customer has already placed the order.

Below given Acknowledgement and Acceptance of Order letter template might be helpful when you write your own letter for acknowledging the acceptance of order:

(Letter Head/Header) _____

[Sender's Name] _____

[Sender's Address] _____

[Sender's Telephone] _____

[Sender's Email] _____

Date _____

To,

[Recipient's Name] _____

Recipient's Title (if Applicable) _____

Ref: _____ [Subject]

Dear _____ (Recipient Name)

We are in receipt of your order for _____ (product description)/or as contained in the attached Purchased Order Form. The order will be shipped within 15 working days.

We would also like to inform you that we offer free delivery and _____ % (per cent) turnover discount on orders over \$_____ (value of the product), so feel free to browse our catalog, and if you would like to take advantage of this significant saving, please inform us immediately.

Our products are already been approved by _____ (Branded company name) and _____ (Branded Company name) for their international customer base.

Thank you for your patronage.

Yours sincerely _____

[Valediction (Sincerely, Respectfully, Best Regards, etc.)]

_____ (Sender' Title/Position)

Enclosures: _____ (if applicable)

CC.: _____ (if applicable)

E *Merry Corner*



A door-to-door vacuum salesman goes to the first house in his new territory.

He knocks, a lady opens the door, and before she has a chance to say anything, he runs inside and dumps horse dung all over the carpet.

He says, "Lady, if this vacuum cleaner does not do wonders cleaning up that dung, I'll eat every chunk of it." She says, "You want tomato sauce on that? We just moved in and we haven't got the electricity turned on yet!"



1. Packing
2. Shipment
3. Packing materials
4. Mode of transportation
5. Types of packing
6. Time of shipment

Words & Expressions

cardboard *n.* 纸板

carton *n.* 箱

compact *a.* 结实的

concerning *prep.* 关于

effect *v.* 实现

freight *n.* 运费

load *n.* 量

packing *n.* 包装

pilferage *n.* 小偷小摸

reinforce *v.* 加固

seaworthy *a.* 适航的

soak *v.* 浸泡

strength *n.* 强度

transship *v.* 转运

transshipment *n.* 转运

undergo *v.* 经受

water-proof *a.* 防水的

wharf *n.* 码头

be lined with 内衬...

break the contract 违反合同

double straps 双道箱带

rough handling 野蛮搬运

selling season 销售季节

step up 加紧

Part 1 Importance of Packing and Shipment

A Write down the sentences you hear from the recording, and put them into Chinese. You will listen to the sentences three times.

1. _____
2. _____
3. _____
4. _____
5. _____

B Listen to the dialogue twice and complete the following sentences.

1. Mrs. Smith is asking Mr. Zhao to ship the goods _____.
2. Mr. Zhao can manage to ship the goods in _____.
3. In order to satisfy the demand of the shipment, Mrs. Smith has to accept _____.
4. If Mrs. Smith wouldn't accept transshipment, Mr. Zhao _____.
5. They should add this clause in the contract "_____".

C Listen to the passage and fill in the blanks.

The exporter has to pay 1 attention to the packing of the goods to be shipped abroad. The packing used in 2 goods for home trade is not usually suitable to 3 shipping. Most foreign shipping takes many weeks or even months to reach its destination. Moreover, goods frequently undergo rough 4 in loading and unloading. So the packing must be very 5. On the other hand, consideration must also be given to packing 6 because the cost of packing is usually involved in the selling 7. Finally, the exporter has to pack the shipment as light and 8 as possible in order to minimize the freight 9. However, strength and 10 should not be sacrificed for a saving in freight.

Part 2 Negotiation on Packing and Shipment Issues

Dialogue 1 Negotiation on Packing Containers and Materials

Mrs. Jane Smith (S), business representative of BCD company, USA, negotiates with Mr. Zhao (Z), business representative of ABC company, concerning the containers and materials of packing.

- S: Mr. Zhao, shall we discuss the packing now?
Z: All right. As to towels, we usually pack them 10 dozen to one carton.
S: Cartons?
Z: Yes, strong cardboard boxes.
S: I'm afraid cartons are not strong enough for such a heavy load.
Z: The cartons are comparatively light in weight and easy to handle. Besides, we'll reinforce the cartons with double straps.
S: Maybe you are right. But cartons are not quite seaworthy. You know the goods are to be transshipped at Hong Kong. And if the boxes are moved about on the open wharf, they may be soaked in the rain. That would ruin the towels.
Z: You needn't worry about that. The cartons lined with plastic sheets are water-proof. So far, no customers have complained about our packing.
S: OK. I understand you mean the packing in cartons reinforced with double straps and lined with plastic sheets?
Z: Exactly.
S: Very good. Thank you so much, Mr. Zhao ...

Dialogue 2 Negotiation on the Date of Shipment

Mrs. Jane Smith (S), business representative of BCD company, USA, negotiates with Mr. Zhao (Z), business representative of ABC company, concerning the date of shipment.

- S: Mr. Zhao, is it possible for you to effect shipment of the order in May?
Z: I don't think we can.
S: Then when is the earliest date we can expect shipment?
Z: In June, I think.
S: That's too late. As you know, June is the selling season for this commodity in our market. If the shipment arrives in June, then we will miss part of the selling season. Time is money, you know.

- Z:** Definitely, time is gold. But the problem is that our factories are fully committed for several months to come.
- S:** Mr. Zhao, you certainly realize the time of delivery is of great importance to us. Besides the matter of selling season, after the arrival of shipment, the distribution through the marketing channels will take at least one week or so.
- Z:** I see your point, but we have done more business this year than any of the previous years. It's really beyond our power.
- S:** I do hope you could manage to step up production.
- Z:** We'll do everything possible to help you. We'll contact our producers and see if the shipment can be made earlier than June.
- S:** That's great.
- Z:** We'll try our best ...

A *Listen to Dialogue 1 without referring to your book. Practise it with your partner and complete the following sentences in your own words.*

1. Mr. Zhao will pack the towels into cartons, of _____ to one carton.
2. Mrs. Smith is worried that the cartons _____.
3. According to Mr. Zhao, the cartons are _____.
4. According to Mrs. Smith, cartons are not seaworthy. When the boxes are moved about on the open wharf, they will _____.
5. According to Mr. Zhao, the cartons will be lined with _____ and they are _____.

B *Listen to Dialogue 2 without referring to your book. Practise it with your partner and complete the following sentences in your own words.*

1. Mrs. Smith is hoping that the shipment can be made in _____.
2. According to Mrs. Smith, June is the selling season, and if the shipment arrives in June, they will _____.
3. According to Mr. Zhao, they cannot ship the goods in May because their factories are _____.
4. According to Mrs. Smith, after the arrival of shipment, _____ will also take at least one week.
5. According to Mr. Zhao, they will contact the producers and see if the shipment _____.

C *Work in pairs and take turns to start the dialogue with the given tips.*

Situation:

You are Jason Wang, from ABC Computer Company, meeting Frank Smith from BCD Computer Company in your office. BCD company just ordered the man-made gloves from your company and Frank Smith comes to negotiate on the packing and shipment of the goods.

Tips:

1. Shall we discuss the shipment now?
2. As to packing, there is a problem we have to face ...
3. Is it possible for you to ...?
4. I don't think we can.
5. I'm afraid it is ...
6. You needn't worry about that.
7. A well-designed packing helps sell the goods.
8. It is necessary to pack the goods into strong cases to prevent damages in transit.
9. I should say I'm very satisfied with your packing.
10. Definitely, we can pack the goods according to your specific instructions.
11. As for the shipment, the sooner, the better.
12. We hope that the goods would arrive in time for the selling season.
13. Can you manage to ship the goods in May?
14. That's the best we can do right now.
15. I see your point, but ..., it's really beyond our power.
16. We'll try our best to help you.
17. Thank you very much. I am waiting for your good news.

D *Work in small groups and discuss the following topics.*

1. Why is earlier shipment so important for the importer?
2. Why could the exporter hardly ship the goods earlier sometimes as the importer expected?
3. What concerns the importer most about the packing of the goods?

Part 3 Rudimentary Knowledge

Text

General Introduction to Packing

Packing is one of the most important problems in foreign trade. Appropriate packing can prevent or minimize (减少) the damage of the shipment. Therefore, the exporter should give enough attention to the packing of the goods which will be shipped abroad. It is his duty to pack the goods according to the relevant terms in the contract and in a proper manner. This will facilitate their handling in transit and assure their safe arrival at the place of destination. Any neglect in this respect may cause damage or delay in the delivery of goods and, further, might give cause to the customer to reject the goods or to claim (索赔) damages. The packing used in transporting goods for domestic trade is usually not suitable for foreign shipping. Foreign shipping takes more time, usually weeks or months to reach its destination and frequently undergoes unfavorable weather and rough handling. So the packing must be very strong. The exporter also has to make the packing as lightly and compactly as possible to reduce the freight. Besides, packing cost has to be given consideration. In the eyes of law, the packing problem is relevant in several respects.

1. The buyer is in certain circumstances entitled to reject the goods if they are not packed as required or in accordance with the trade custom. The way of packing is stipulated in the contract as one agreed term by both parties. Any violation (违反) in packing may give rise to the buyer's legitimate (合法) rejection.

2. The packing is relevant to (与...有关) shipping. Freight is paid on the measurement (尺寸) or weight or value of the goods and the shipowner (船东) is entitled (有权) to demand the calculation of the freight at the highest rate.

3. The packing should conform (遵照) with the legislation (法规) in force in the country of destination. In some cases, certain types of packing are prohibited or restricted. The import regulations of certain countries provide that hay (干草), straw (稻草), chaff (糠谷) and flax rug (亚麻毯) cannot be used as packing material or dunnage (垫舱物料), and certificate has to be added on the official invoice (发票) form that the packing material has been disinfected (消毒) prior to its use. This precaution is due to the fact that undisinfected packing material may be a carrier (载体) of certain disease. In some countries, import duties (进口关税) are heavily levied (征收) on particular kind of packing material such as glass, pottery (陶器) and porcelain (瓷器) containers.



Notes

1. **packing 包装**: Packing is to get the contents into a nice, compact shape that will keep the goods well in the roughest journey. The forms of packing are outer packing and inner packing. Outer packing is also named packing for shipment. It gives cargo protection during the transit. Inner packing is also called packing for sales; it offers attractive appearance for sales promotion.
2. **freight 运费**: The cost of shipping goods for a particular voyage by sea or by air. Freight is charged on the basis of weight or the volume occupied. Usually the rate is quoted per tonne or per cubic meter. Certain cargoes are charged on an “ad valorem” (从价) basis, expressed as a percentage of the FOB (离岸价) value. Freight is normally paid when the goods are delivered for shipment but in some cases it is paid at the destination.
3. **packing materials 包装材料**: Packing materials can be wood, stiff paper, plastic stuff, wool, cotton, hay, iron sheet, jute, glass, steel, pottery, porcelain, etc.
4. **types of packing 包装种类**: The common types of packing can be the following: case and box (箱与盒), bale (捆包), bag (袋), drum and barrel (桶), bottle (瓶), crates (板条箱), container (集装箱), etc.

A Read the text and discuss the following questions in class.

1. Why is packing one of the most important problems in foreign trade?
2. Is it true that special care should be given to the packing for the exported goods rather than the goods for the home trade? Why?
3. What will improper packing cause to the exporter?
4. What shall be considered to make the packing up to standard?
5. What shall be noted concerning packing in the eyes of law?

B Divide the class into two teams and debate against each other.

| Team A's Position | Team B's Position |
|---|---|
| The textile commodity should be packed into strong wooden cases to avoid breakage and pilferage in transit. This is the traditional way of packing and it is seaworthy. Besides, the insurance will have no choice but to compensate any losses ... | Nowadays most commodities are packed in cartons. To pack textile commodity in wooden case is obsolete. The cartons are water-proof and moisture-resist, and the goods are not so susceptible to damages ... |

Part 4 Additional Practice

A Write a letter about the advice on shipment.

Sample

Advice on Shipment

Dear Sirs,

We write to inform you that the goods under S/C No.1234 went forward (装上) per (经由) steamer "Sea Wolf" on the 15th March, to be transshipped at Hong Kong onto s.s (汽船) "Hope" of the Outlook Line ETA (预计到达时间) the 30th March at Helsinki, freight prepaid (运费预付).

Enclosed please find a full set of duplicate (副本) shipping documents for the same, the originals (正本) of which will be forwarded to you through our bankers.

We hope that the goods will reach you safely and give the users entire satisfaction. We are looking forward to further orders from you and we assure you of our best service on any order you place with us.

Yours truly,
Jason Wu
Jason Wu

Sample

Advice to Customer of Unexpected Delay in Shipment

Dear _____,

Thank you for your order. At this time we cannot fill your order due to an unexpected shipment delay from our overseas suppliers. Please accept our sincere apology.

We will hold your order for arrival of the merchandise, and ship shortly thereafter. Unfortunately, we cannot provide you with a specific shipping date at this time.

Thank you for your anticipated patience in this matter.

Sincerely,
Jason Wu
Jason Wu

B *Translate the following passage into English.*

应该注意的是，装运时间非常重要，因为在合同达成之后，装运时间既不能够定得太早，也不能够定得太晚。如果装运时间过早，则出口商没有足够的时间将出口货物备妥；如果装运时间太迟，出口商不得不等很长时间才能得到货款，而进口商也可能会错失销售季节。因此，在合同谈判中，进口商和出口商在考虑装运时间时应该特别认真。

C *Work with your partners and practise speaking according to the following directions.*

Some people say that packing is an art. The real art of packing is to get the contents into a nice, compact shape that will keep the goods well in the roughest journey. It has been estimated that as much as 70% of all cargo loss could be prevented by proper packing and marking (标识). Both the buyer and the seller are very concerned, therefore, about the forms of packing, to avoid damages to the goods and disputes thus aroused. Divide the class into small groups, simulate a seminar on the matter of packing, and discuss the best way to pack some specific commodity. The participants may be the parties in the given list.

The Parties Involved

- B. T. Greenwood & Company, 315 Manor Street, London, England. The importer of ready-made (现成) garments. They bridge a business between their client and China National Import & Export Corp. Shanghai, China. They urged improvement (改进) to the packing of the goods.
- China National Import & Export Corp. Shanghai, China. The exporter of ready-made garments. They packed the goods into cardboard cartons. For years they have used these cartons in the shipments to many continental ports to the entire satisfaction of their clients. The cardboard used for making cartons is light but compact, and it keeps down packaging costs and helps customers save on freight. The cartons are well protected against moisture (潮湿) by plastic lining (衬里).
- The client of B.T. Greenwood & Company. They say that the cartons are easy to cut open because the cardboard of which the cartons are made is rather thin. The goods are subjected to damage in transshipment because the cartons will stand in the open on the wharf and be soaked in heavy rains. Besides, during loading and unloading, the cartons are to be piled up (堆起); hence breakage (破损) is unavoidable.
- People's Insurance Company of China. They are the insurer of this transaction. They accepted such packing for WPA (水渍险) and TPND (偷窃、提货不着险). They accept this form of packing for the garments and would compensate for losses.

- The shipping company. They prove that the garments packed in cartons are fit for ocean transportation. The cardboards are strong enough to sustain (经受) the roughest handling. Garments packed in them are not so susceptible (容易的) to damage by moisture as those packed in wooden cases.
- The competent department at the exporter's end (所在地). They say that the cartons used are up to standard and fit for ocean transportation. The client need not worry about any pilferage (偷窃) and breakage. Even if it occurs, the insurance company can be made to pay necessary compensation for losses caused by using such cartons.

D *How is shipment usually made nowadays? What is a tramp and what is a liner? Why does container service become very popular in international ocean transportation? What are the advantages of the container service? What shall be noted if transshipment is necessary? Think about them while you read the following passage.*

Shipment

The effectuation of shipment signifies the seller's fulfillment of the obligation to make delivery of the goods. So far as foreign trade is concerned, shipment is mostly made by ocean vessels — tramp (不定期货船) or liner (班轮). A tramp is a freight-carrying vessel which has no regular route or schedule of sailings. It is first in one trade and then in another, always seeking those ports where there is a demand at the moment for shipping space. A liner is a vessel with regular sailings and arrivals on a stated schedule between specified ports.

With the expansion of international trade, the container (集装箱) service has become popular. The use of containers provides a highly efficient form of transport by road, rail and air though its fullest benefits are felt in shipping, where costs may be reduced by as much as one half. Containers are constructed of metal and are of standard lengths ranging from ten to forty feet. This service has the following advantages:

1. Containers can be loaded and locked at factory premises (所在地) or at nearby container bases, making pilferage impossible.
2. There is no risk of goods getting lost or mislaid (错放) in transit.
3. Manpower in handling is greatly reduced, with lower costs and less risk of damage.
4. Mechanical handling enables cargoes to be loaded in matter of hours rather than days, thus reducing the time ships spend in port and greatly increasing the number of sailings.
5. Temperature-controlled (控温) containers are provided for the types of cargos that need them.

In case where direct sailing from one port to other is unavailable, transshipment is

necessary. In order to avoid dispute that might arise in future, the seller should first obtain consent from the buyer that the goods ordered may be sent to the port of destination with transshipment. As such, the stipulation “transshipment is allowed” should be laid down in the L/C (信用证) as well as in the contract.

With the rapid development of international trade, transportation facilities have greatly improved to meet the demand. Besides transport by sea, road, or rail, in order to speed up delivery, carriage by air has become popular, too.

Group Discussion:

1. What's the difference between a tramp and a liner?
2. Tell the advantages of container service in your words.
3. How much do you know about container service? What are containers usually constructed and what are the standard lengths of a container?
4. Compare the following different modes of transportation, their advantages and disadvantages: transport by sea, rail, or air.

E Merry Corner



A very successful businessman had a meeting with his new son-in-law. “I love my daughter, and now I welcome you into the family,” said the man. “To show you how much we care for you, I’m making you a 50-50 partner (合伙人; 股东) in my business. All you have to do is go to the factory every day and learn the operations (操作).”

The son-in-law interrupted, “I hate factories. I can’t stand the noise.”

“I see,” replied the father-in-law. “Well, then you’ll work in the office and take charge of some of the operations.”

“I hate office work,” said the son-in-law. “I can’t stand being stuck (困住) behind a desk all day.”

“Wait a minute,” said the father-in-law. “I just made you half-owner (半个主人) of a moneymaking (赚钱) organization, but you don’t like factories and won’t work in an office. What am I going to do with you?”

“Easy,” said the young man. “Buy me out (买下我的股份).”



1. Basic terms in insurance
2. Various kinds of risks
3. Different insurance businesses
4. Useful Expressions

Words & Expressions

bear *v.* 承担; 承受

consignment *n.* 所运送货物

dent *v.* 在造成凹痕

incur *v.* 遭受; 蒙受

indemnity *n.* 赔偿金

instantaneously *ad.* 立即地; 即时地

insured *n.* 被保险人

insurer *n.* 承保人

invoice *n.* 发票, 发货单

negligence *n.* 疏忽; 粗心大意

promptly *ad.* 迅速地

riot *n.* 暴乱; 骚乱

A. R. (All Risks) 一切险

additional risks/extraneous risks 附加险

F.P.A. (Free from Particular Average) 平安
险; 单独海损不赔

insurance policy 保险单

insurance premium 保险费

lodge a claim 提出索赔

special additional risks 特殊附加险

W.P.A. (With Particular Average)/W.A.

(With Average) 水渍险; 单独海损赔偿

Part 1 Understanding of Insurance

A Listen to the dialogue and explain the following terms in your own words.

insurer _____

insured _____

insurance premium _____

insurance policy _____

indemnity _____

B Listen to the following passage and fill in the blanks with the exact words you hear.

Insurance was originally applied to losses at sea, where 1 were always great. But now it 2 almost all kinds of occurrence that may result in 3. As far as foreign trade is concerned, marine insurance is still our major concern. There are various kinds of risks that can be covered under an 4. The three basic covers are F.P.A., W.P.A. and All Risks. Besides, there are some additional risks and some 5 additional risks.

The purpose of insurance is to provide 6 for those who suffer from loss or damage. A 7 of insurance, which is generally made in the form of an insurance policy, is one between a party who agrees to accept the risk and a party seeking 8 from the risk, namely between the insurer and the 9. In return for payment of a 10, the insurer agrees to pay the insured a stated sum should the event insured against occur.

Part 2 *Having the Goods Insured Appropriately*

Dialogue 1 Can I Claim Against the Insurance Company?

Mr. White (W) is a business man, but these days he is feeling quite unhappy because something has gone wrong with his business. Walking in the street he runs into an old friend, Mr. Bush (B), and they begin to talk about his business.

B: Hi, Mr. White, how is your business?

W: Not so good, I have to say.

B: Why, what has happened?

W: Well, the February consignment of canned goods arrived at the destination rather dented and our users refused to pay for it.

B: That really sounds bad! What's the cause for the damage, do you think?

W: Personally, I think the damage was due to careless packing. But my exporter insists that the damage has nothing to do with packing itself and asks me to claim against either the insurance company or the shipping company. Now, what I want to know is, can I lodge a claim with the insurance company on the damaged goods or not?

B: Well, that depends on what sort of insurance policy you have taken out.

W: We took out All Risks. I think, with All Risks, we will be covered for everything.

B: Not quite. It's true that All Risks is the broadest kind of standard coverage, but it does not really cover all risks. For instance, it excludes coverage against damage caused by war, strike, riots ...

W: I see. Insurance is far more complicated than I ever imagined. Well, what do you say to the loss through negligence? Can I claim with the insurance company for the loss through rough handling in transit or during unloading?

B: As I see it, the insurance company would refuse to pay for the damage through rough handling.

W: Why?

B: Obviously it's the shipping company that contributes to the loss through rough handling. The responsibility should rest with them, I think.

W: Thank you very much for all information. And now I'm sure of the next step to take.

B: My pleasure if my explanation might help you.

Dialogue 2 We Want to Place an Additional Order

Mr. Smith (S) comes to China to talk about his additional order for motorcycles. This time, he wants the shipment to be insured by the People's Insurance Company of China. Miss Bai (B), the clerk, greets him.

- B:** Hello, Mr. Smith. It's nice to see you again. Is there anything I can do for you?
- S:** I'm glad to tell you that your motorcycles turned out to be very salable on our market. The purpose of my visit is to talk about an additional order for Motorcycles Type S-350 on CIF basis. This time, we think it simpler to have the insurance covered by you. In this case, once the cargo is shipped, insurance can be covered instantaneously. And in addition, your insurance company is trustworthy.
- B:** You said it. Our People's Insurance Company can offer good services. It has agents all over the world. Should any damage be incurred, claims will be settled promptly.
- S:** Good. Will you please cover against All Risks for us?
- B:** OK.
- S:** Another thing, I'd like to have the goods covered at 130% of the invoice value. Do you think that can be done?
- B:** Yes. But please note that our insurance coverage is for 110% of the invoice value. So, if more than this is asked for, the extra premium should be borne by the buyers.
- S:** That's understood. Then, how about your covering the insurance against All Risks for 130% of the invoice value with the People's Insurance Company of China?
- B:** No problem. I'll do that. You can be sure that we'll have the goods insured as soon as they are shipped.
- S:** Thanks a lot.

A *Listen to Dialogue 1 without referring to your book and answer the following questions.*

1. What's wrong with Mr. White's business?
2. In Mr. White's opinion, what caused the damage?
3. What does Mr. White want to know from his friend?

B *Listen to Dialogue 2 without referring to your book. Answer the following questions.*

1. What's the purpose of Mr. Smith's visit?
2. Why does Mr. Smith want the insurance covered by the People's Insurance Company of China?
3. What do you know from the dialogue about the People's Insurance Company of China?
4. What kind of insurance does Mr. Smith want to get for this order of goods?

C *Work in pairs and make a dialogue based on the following situation.*

Suppose you are a green hand businessman. You are not familiar with insurance. It's the first time you have your goods insured. Now you are trying to get as much information as possible about insurance service from Mr. Smith, a clerk from New York Insurance Company, and then decide what kind of risks you should cover.

Part 3 Rudimentary Knowledge

Text

Insurance

In international trade, imported or exported goods usually must go through long procedures of transportation, and in some cases they may possibly suffer from losses or damages. The purpose of insurance is to provide compensation for those who suffer from loss or damage; in other words, it is a contract of indemnity, a contract to restore to someone, either the full amount of the loss that may be incurred, or a specified percentage of the amount of loss. In international trade, marine insurance can, by agreement of the parties or custom of the trade, be extended so as to protect the insured against losses on inland waters or land, which are incidental (易发生的) to the sea voyage. Usually, it is common to arrange an extended marine insurance under the “Warehouse to Warehouse” clause, that is, from the warehouse of the seller to the port of dispatch (发送), and from the port of arrival to the warehouse of the overseas buyer.

Insurance value is generally calculated as: cost of goods + amount of freight + insurance premium + percentage of the total sum to represent a reasonable profit for the buyer. For C.I.F. transactions, we usually effect insurance for 110% of the invoice value. That is to say, 100% is for invoice value and 10% is to cover a reasonable profit and some expenses. Sometimes, buyers may request insurance to cover more than 110%. In such circumstances, the extra premium will be for buyers' account.

In international trade, it is normally stipulated in the sales contract whether the costs



of marine insurance could be paid by the seller or by the buyer. If the goods are sold on F.O.B. terms, those costs have to be paid by the buyer. And if the goods are sold on C.I.F. terms, it is the duty of the seller to take out the policy and pay the costs of insurance.

An insurance claim, if any, should be submitted to the insurance company or its agent as promptly as possible. In order to substantiate (证实; 证明) an ordinary average claim on cargo, the following documents must be presented: insurance policy or certificate, bill of lading, original invoice, survey report, master's protest (船长证明书) and statement of claim.

Notes

1. CIF 到岸价格; 成本加保险费、运费 (… 指定目的港): It stands for Cost, Insurance, and Freight (... named port of destination). This means the seller has responsibility to arrange and pay for the shipment of the goods to the port of destination and provide insurance cover at his own expense. But the risk of loss or damage to the goods is transferred from the seller to the buyer once the goods are loaded on board the ship at the named port of shipment.
2. FOB 离岸价格; 船上交货 (… 指定装运港): It stands for Free on Board (... named port of shipment). This means that once the goods are loaded on board the ship at the named port of shipment, delivery is completed and the risk of loss or damage to the goods is transferred from the seller to the buyer. An FOB contract also requires the buyer to arrange and pay for the shipment to the port of destination, and take out whatever insurance cover the buyer considers necessary.

A Read the text and tell whether each of the following statements is true (T) or false (F).

- _____ 1. Businessmen buy insurance in order to keep dangers or disasters away from them.
- _____ 2. Marine insurance is commonly arranged under the "Warehouse to Warehouse" clause.
- _____ 3. For business on C.I.F. basis, insurance is usually covered for 110% of the invoice value.
- _____ 4. In the sales contract, who should pay the costs of insurance is usually explicitly stated.
- _____ 5. Any insurance complaint should be lodged with the insurance company or agent as soon as possible.

B Fill in the blanks with the words or expressions given in the box. Change the form where necessary.

| | | | | |
|---------|----------|--------------|--------------------|-------|
| insure | take out | reply | damage | loss |
| arrange | credit | compensation | be responsible for | claim |

1. An insurance policy _____ with the Midland Insurance Company.
2. In accordance with your instructions, our forwarding agents will _____ the goods against All Risks.
3. We would appreciate any information you can give us regarding this firm's _____ record, financial standing and general reputation.
4. We think it would be most unfair if we alone had to bear the _____.
5. We feel that there must be some explanation, and await your _____ with interest.
6. Under the terms of the contract, we must inform you that we have to refuse your _____.
7. Please _____ the necessary cover and send us the policy as soon as possible.
8. During discharge from the vessel, it was noticed that more than half the goods were severely _____ by sea-water.
9. We regret to state that no claim for _____ can be considered.
10. Although we _____ in no way _____ this unfortunate situation, we are prepared to do everything we can to remedy it.

Part 4 Additional Practice

A 1. Sometimes business is transacted by or through the written letter, memo, bulletin, or report. Now change Dialogue 2 "We Want to Place an Additional Order" (in Part 2) into a business letter.

Sample

Dear Sirs,

We shall shortly have a consignment of fridges, valued at US \$983,950 C.I.F. New York, to be shipped from Taiwan by a vessel of Jardan Co., Ltd.

We wish to cover the consignment against all risks from our warehouse at the above address to the port of New York. Will you please quote your rate for the cover?

Yours faithfully,

2. An insurance policy is also a contract. This insurance contract between the insurer and the insured has many basic contract principles. It is often considered a personal contract where the loss that is paid is based on the loss to the person or the organization that holds the policy. The policy is also a conditional contract where the insured has certain conditions that they must meet before the insurer is required to pay any benefit. Also, since the insured typically cannot negotiate terms of the contract, any uncertainties in the contract will usually conclude to the advantage of the insured party. Finally, insurance contracts are usually considered contracts of indemnity. As always, you should understand and read your insurance policy, understanding that it is a contract. Understand what it covers and, maybe more importantly, what it doesn't cover. Ask the insurance agent questions and make sure to get a good straight answer that can be verified with written contract. Study the following insurance policy and try to fill in the form to meet your own needs.

Sample

| | | | |
|--|---|------------|--|
| PICC | 中国人民保险公司 The People's Insurance Company of China 总公司设于北京 一九四九年创立 <i>Head Office Beijing Established in 1949</i> | | |
| 货物运输保险单 CARGO TRANSPORTATION INSURANCE POLICY | | | |
| 发票号 (INVOICE NO.) | | 保单号次 | |
| 合同号 (CONTRACT NO.) | | POLICY NO. | |

(Continued)

| | | | | | |
|---|-------------------|----------------------------------|--|-------------------------------|--|
| 信用证号 (L/C NO.) | | | | | |
| 被保险人: INSURED: | | | | | |
| 中国人民保险公司 (以下简称本公司)根据被保险人的要求, 由被保险人向本公司缴付约定的保险费, 按照本保险单承保险别和背面所载条款与下列特款, 承保下述货物运输保险, 特立本保险单。 | | | | | |
| THIS POLICY OF INSURANCE WITNESSES THAT THE PEOPLE'S INSURANCE COMPANY OF CHINA (HEREINAFTER CALLED "THE COMPANY"), AT THE REQUEST OF THE INSURED AND IN CONSIDERATION OF THE AGREED PREMIUM PAID TO THE COMPANY BY THE INSURED, UNDERTAKES TO INSURE THE UNDERMENTIONED GOODS IN TRANSPORTATION, SUBJECT TO THE CONDITIONS OF THIS POLICY AS PER THE CLAUSES PRINTED OVERLEAF AND OTHER SPECIAL CLAUSES ATTACHED HEREON. | | | | | |
| 标 记 MARKS & NOS | 包装及数量 QUANTITY | 保险货物项目 DESCRIPTION OF GOODS | | 保险金额 AMOUNT INSURED | |
| 总保险金额 TOTAL AMOUNT INSURED: | | | | | |
| 保费: PREMIUM: | AS ARRANGED | 启运日期 DATE OF COMMENCEMENT: | | 装载运输工具: PER CONVEYANCE: | |
| 自 FROM: | | 经 VIA | | 至 TO | |
| 承保险别: CONDITIONS: | | | | | |
| | | | | | |

(Continued)

所保货物，如发生保险单项下可能引起索赔的损失或损坏，应立即通知本公司下述代理人查勘。如有索赔，应向本公司提交保单正本 (本保险单共有__份正本) 及有关文件。如一份正本已用于索赔，其余正本自动失效。

IN THE EVENT OF LOSS OR DAMAGE WHICH MAY RESULT IN A CLAIM UNDER THIS POLICY, IMMEDIATE NOTICE MUST BE GIVEN TO THE COMPANY'S AGENT AS MENTIONED HEREUNDER. CLAIMS, IF ANY, ONE OF THE ORIGINAL POLICY WHICH HAS BEEN ISSUED IN__ORIGINAL (S) TOGETHER WITH THE RELEVANT DOCUMENTS SHALL BE SURRENDERED TO THE COMPANY. IF ONE OF THE ORIGINAL POLICY HAS BEEN ACCOMPLISHED, THE OTHERS TO BE VOID.

| | | |
|----------------------------|--|--|
| | | 中国人民保险公司 The People's Insurance Company of China |
| 赔款偿付地点 CLAIM PAYABLE AT | | |
| 出单日期 | | Authorized Signature |
| ISSUING DATE | | |

B Translate the following passage into Chinese.

Cargo insurance is one of the major items of an insurance company. There are different means of cargo transportation: marine, land, aviation, etc. Commodities are also varied — there are general cargo, refrigerated cargo, oil in bulk, live animals and poultry, and other kinds of goods. Generally speaking, premium varies with different risks, different destination and routes and different periods of insurance. To understand the scopes of different risks, you can read the details in the basic policy form and the insurance clauses for different risks. You should study not only the benefits but also the terms and limitations of any insurance agreement that appears best suited to your needs.

C Please make a dialogue in pairs based on the following situation.

Mr. White, a buyer of 500 drums of sesame seed oil (芝麻油), had lodged a claim with China Import & Export Corporation, against leakage for some of the oil drums (油罐), yet he was quite unsatisfied with the reply he had received which said that his loss was outside of coverage. He had insured the goods under WPA with PICC. So Mr. Li, a representative from PICC, came to meet Mr. White. He explained the insurance in question satisfactorily and offered some suggestions.

D *Read the following passage and discuss the questions attached.*

One of the largest sectors of modern commercial life is the insurance business. In fact, there is very little in the world today that can not be insured. All motorists must be insured not only against damage and injury to themselves and their own vehicles but also against the same to other parties who may be involved with them in a motor accident. A world-famous sportsman can insure himself against injury and a highly paid concert pianist can insure his hands as they are the main source of his income and without them he could not earn his living. Parents may insure against the possibility of having twins; farmers against disease of their flocks and herds or damage to crops and woodlands; private householders or businessmen against burglary, loss or damage by vandalism (故意破坏) or acts of God (不可抗力, 如风暴、地震等).

Insurance confers (授予; 给予) benefits on the insured who are thereby freed from a great deal of worry upon the payment of a relatively small premium. These benefits are also reflected in the economy of the nation. Insurance removes a great amount of uncertainty from business life and allows businessmen to take commercial risks which they might not otherwise attempt. This results in a high level of business activity. In consequence of the regular sums of money from a large number of individuals and businesses, the insurance companies are able to invest in new developments in industry and technology. It is from these investments that they make profits which are eventually shared by holders (投保人) of “with profits” policies (A “with profits” **Endowment Policy** (人寿保险单) is one which will bring the insured bonuses which depend on a share of the profits earned by the insurance company).

Insurance companies are also among the most important assets (资产) to a nation, for, by selling their services abroad, they are contributing to the balance of payments position by earning foreign currency. A nation that has to import much of what it needs must export as much as possible to pay for the imports. When the cost of the imports exceeds the income from exports, it is said to have “an adverse balance of trade (贸易逆差)”. But the deficit (赤字) is often made up by money earned on services which are sold overseas — what are normally called “invisibles (无形输出)” because they are not goods or commodities — and insurance is one of the most valuable source of invisible earnings (无形收益) to any nation.

Group Discussion:

1. Why is insurance necessary and important in people's life?
2. What causes a deficit on the balance of payments?
3. What is a country's balance of trade? When is it said to be favorable or adverse?
4. Give some examples of invisible trade.
5. In what way does insurance benefit a country's national economy?

E *Merry Corner*

The insurance company lawyer was determined to discredit (怀疑; 使丢脸) the eyewitness to the accident: “How far away from the scene would you say you were standing?”

“Six feet, eight inches,” Ms. Gomez replied calmly.

“And just how can you be so sure of the exact distance?”

“I had a tape measure (卷尺) in my pocket and I used it,” she said. “Something told me some stupid lawyer was going to ask me that question.”



1. Understanding of agency
2. Commission
3. Different types of agents
4. Applying for the agency

Words & Expressions

annual *a.* 一年一度的

article *n.* 物品

brochure *n.* (介绍或宣传用) 小册子

commission *n.* 佣金

conservative *a.* 保守的

designate *v.* 指定; 委派

garment *n.* 衣服

principal *n.* 被代理人; 委托人

specify *v.* 明确规定

turnover *n.* 营业额

draw up 起草

out of the question 不可能的, 办不到的

resort to 求助于

sole agent 独家代理

Part 1 Roles of Agency

A Listen to the following passage and fill in the blanks with the words you hear.

Agency is a means frequently used in international trade. When a company seeks to 1 its market, it often resorts to the help of agents, who will be employed to represent the company and sell its 2 in an area, too distant to be effectively covered by the company itself. Another important reason for 3 a foreign agent is his knowledge of local 4 and of the market in which he will 5. He knows what goods are best 6 to his area and what prices the market will 7. In developing foreign trade, agents often play a very important role.

Before reaching an 8 for agency, the company should make sure whether the firm or person to be appointed has 9 means to develop the trade and whether the firm or person has reliable 10 in the designated area. And when appointing an agency, the company should specify its nature and duties in the contract.

B Listen to the dialogue and complete the following statements.

1. Mr. Green thinks it's time for Mr. Wang's business to _____ in Chicago.
2. What have interested Mr. Green are the wide range of the products and the _____.
3. At the beginning of the conversation, Mr. Wang thanks Mr. Green for _____.
4. Before making a decision, Mr. Wang wants to know Mr. Green's _____.

Part 2 Agency and Commission

Dialogue 1 We'd Like to Be an Agent

Ms. Liu (L), the section chief of China National Import and Export Corporation, talks with Mr. Wang (W), a Singaporean agent, about his request to be the sole agent for Chinese tea. Agreement is finally reached through negotiation at Guangzhou Fair.

L: Good morning, Mr. Wang. Welcome to Guangzhou Fair again!

W: Good morning, Ms. Liu! Thank you for your invitation.

L: We've been looking forward to your visit, too. Have you found anything interesting in our catalogue?

W: Yes. I think some of the items can be placed in our market.

L: I'm glad to hear that.

W: We're very interested in your tea and would like to be the sole agent for your tea in our country. What's your idea, may I ask?

L: Well, I know that you've been handling this article for several years, but ...

W: You know, we have very good connections with leading tea dealers in our country.

L: Sounds good to me. But I'd like to know the total annual turnover you can fulfill.

W: To be on the safe side, I'd say 20,000 cases annually.

L: It sounds a bit conservative, doesn't it?

W: Well, this figure has been carefully calculated and can be reasonably increased for the coming year.

L: Anyway, it's worth trying. Considering our pleasant cooperation in the past, we'll give you a trial period of six months. After that, we'll see what else can be done.

W: Thank you, Ms. Liu.

L: Another thing, Mr. Wang. As our sole agent, you are not expected to handle the same or similar products of other origins.

W: That's understood.

L: And you'll give us a monthly market report, won't you?

W: Certainly, we will.

L: Oh, it's time for lunch. How about talking about the details this afternoon?

W: OK.

Dialogue 2 Discussing the Commission

Mr. Lu (L), managing director of China Light Industrial Products Import and Export Corporation, wants Mr. Turner (T), a Canadian businessman, to be the agent for their products. They are discussing the annual order and the commission.

- L:** As you might know, we want to have an agent to promote our products in Canada. How would you like to accept this appointment yourself?
- T:** Why not? Let me assure you that if I'm appointed, you'll have nothing to worry about.
- L:** That sounds fine. Now what's the annual order you can guarantee?
- T:** I'm afraid I'll not be able to guarantee anything, at least not to begin with.
- L:** What do you think of no less than \$100,000 for a start?
- T:** \$100, 000 for a start? OK, we'll try to attain that target. But I needn't mention that the price you give us must be competitive.
- L:** Of course. Now let's discuss the amount of commission. We usually give 5% commission to our agents in this line.
- T:** I feel 5% is really out of the question. You know we'll spend a lot of money in advertising your products. 5% commission won't leave us much.
- L:** We'll bear about 80% of the advertising expenses. How's that?
- T:** That's reasonable. I'll assure you that we'll go all out into this business.
- L:** Thank you. I'd like a market report every month on current market conditions and customers' comments.
- T:** I'll make sure you have them.
- L:** Very good. How about signing the agency agreement this afternoon?
- T:** All right. Thank you. See you this afternoon.

A *Listen to Dialogue 1 without referring to your book. Practise it with your partner and complete the following sentences with the information you get from the dialogue.*

1. Mr. Wang is interested in Ms. Liu's tea and wants to be _____.
2. Mr. Wang says he has very good connections with _____.
3. Ms. Liu wants to know _____.
4. Mr. Wang is finally given _____.
5. Ms. Liu expects Mr. Wang not to _____.

B *Listen to Dialogue 2 without referring to your book. Practise it with your partner and answer the following questions.*

1. Mr. Lu wanted Mr. Turner to accept the appointment. How did Mr. Turner respond to

Mr. Lu's offer?

2. What did Mr. Turner think of an annual order of no less than \$100,000 for a start?
3. What's Mr. Turner's opinion of 5% commission?
4. How did they finally reach an agreement?
5. What did Mr. Wang expect Mr. Turner to do?



Work in pairs and take turns to start the dialogue with the following sentences.

Situation:

You are Mr. Wang, the sales manager from CHN Company, meeting Mr. Miller, a businessman who wants to act as the sole agent for CHN Company's products.

1. We're very much interested in your products and would like to be the sales agent for the products in our country. What's your idea, may I ask?
2. Do you mean to say you refuse us the agency?
3. Have you any particular advantages for acting as our agent?
4. Would you mind giving me some idea of your plan for promoting our products?
5. What do you think is the annual turnover you can guarantee?
6. On what commission are you prepared to work for us?
7. You'll give us a monthly market report, won't you?
8. When do you expect to sign the agency agreement?
9. We're sure we can do better if you appoint us as your sole agent.
10. We have very good connections with potential customers, and we have wide and varied experience in this line.
11. We think the annual sale of 5,000 sets by a sole agent in Canada is rather conservative.
12. Our usual practice is 5%. Our agents in other areas usually get a 3%~5% commission.
13. I feel 5% is really out of the question. 5% would be impossible for us.
14. Well, if you put this way, we'll have to comply. (如果你这么说, 我们只好同意了!)
15. We're prepared to give you a trial period of six months.
16. We'll consider your suggestion (proposal).

Part 3 Rudimentary Knowledge

Text 1

“Principal to Agent” Relationship

Alexandra (A), an American student majoring in economics, is now discussing the relationship between a principal and an agent with Bob (B), a businessman who wants to develop his career in China.

- B:** I hope that I can sign an agency agreement with CHN at an early date.
- A:** Assuming that you have an agency agreement in China, is the relationship different?
- B:** Yes. In an agency agreement, the owner of the goods authorizes an individual or a firm to be his agent. The agent does business on behalf of the owner of the goods.
- A:** So, it's a “principal to agent” relationship.
- B:** You are right. The owner of the goods is the principal. The agent operates with the principal's funds and sells goods for him, but is not responsible for the losses or the profits of the operation.
- A:** Sounds like an easy job.
- B:** You are kidding. Every agent will do his best to maximize sales for his principal because he lives on commission, which is usually a percentage of the sales he makes.
- A:** The more sales he makes, the more commission he will get.
- B:** That's right.
- A:** In the US, there are basically three types of agents: commission agents (佣金代理), exclusive agents (独家代理) and general agents (总代理).
- B:** It's the same in China. A commission agent is not exclusive. The principal can appoint one or several commission agents in the same area at the same time.
- A:** After the agents are appointed, can the principal sell directly to the buyers in the same area without the involvement of the agent?
- B:** He can, and if this is the case, the agent will get no commission.
- A:** The poor agent!
- B:** Once the principal is familiar with an agent and is convinced of the agent's strength, he may appoint the latter as the exclusive agent for a certain area. In an exclusive agency agreement, only one agent can be appointed in the same area at the same time.
- A:** So the agent enjoys exclusive right.
- B:** Right. Direct sales by the principal are still allowed, but the principal has to pay the agent commission no matter who sells the goods unless otherwise stipulated.
- A:** That's fair; because in such an agreement, the agent is not allowed to sell goods made by the principal's competitors.

- B:** That's right. The third type of agents is the general agent. A general agent represents the principal in a bigger area and is given more authorization. He can also appoint agents working under him and share their commissions.
- A:** Well, it seems that there's little difference between China and the States as long as agency is concerned. Right?
- B:** Yes. China and the States do have a lot in common here. As China opens her door wider to the world, more international norms will be adopted in her relations with other countries.

Text 2

An Import Agent & a Forwarding Agent

An agent is a company (or a person) acting on behalf of or representing another company. There is a lot of documentation (paperwork) involved in arranging the transportation of exported goods. An agent who handles the documentation and transportation of exported goods is called an import agent or a forwarding agent. The forwarding agent arranges the transportation of the goods from the factory or warehouse to the quay or to the airport. Goods are sometimes stored in a warehouse until they are sent (or dispatched) to the buyer. When they arrive in the importing country, they may then be stored in a warehouse until the buyer has paid for them. The warehouse charges are called storage costs.

The import agent is responsible for arranging the dispatch of the goods from their point of arrival in the importing country (the quay or the airport) to the buyer and for arranging the documentation. The main documents involved in exporting goods are the Bill of Lading (if the goods are shipped) or Air Waybill (if the goods are dispatched by air), the customs declaration form, the insurance certificate and sometimes a certificate of origin. The Bill of Lading has three main functions:

(1) it is a receipt for the goods signed by the shipping company; (2) it is a contract between the shipping company and the forwarding agent; and (3) it is the title document which proves ownership of the goods. The contract between the forwarding agent and the airline is called the Air Waybill. The form that shows the value of the goods for taxation purposes is called the customs declaration form. The document that proves where the goods were originally sent from is called the certificate of origin.

Before an import agent agrees to represent an exporting company, he must be sure that the company can



guarantee continuous production, that they can maintain high quality, that they can provide an adequate supply of spare parts and that they will keep delivery dates. In other words, when a company guarantees continuous production, it promises that production will not stop; its products will always be good (the company must maintain high quality); if any of the goods need replacement parts, the company will be able to supply enough spare parts; and the company will deliver the goods when needed (they must keep delivery dates).

Notes

1. **commission 佣金**: A fee or percentage allowed to a sales representative or an agent for services rendered.
2. **Bill of Lading (abbr. B/L) 提货单**: A document issued by a carrier to a shipper, listing and acknowledging receipt of goods for transport and specifying terms of delivery.

A Read Text 1 and discuss the following questions in class.

1. What is meant by a “principal to agent” relationship?
2. Why will every agent do his best to maximize sales for his principal?
3. What are the three types of agents in the US? And what’s the difference between them?

B Read Text 2 and choose the best answer to each of the following questions.

1. An agent is _____.
 - A a company to play games with
 - B a person performing a part in a play
 - C a person or a company representing another company
2. An import agent or a forwarding agent is to handle _____.
 - A the transportation of exported goods in a warehouse
 - B the documentation and transportation of exported goods
 - C the documentation from the factory
3. The certificate of origin refers to _____.
 - A the document that proves where the goods were originally sent from
 - B the document that shows the value of the goods
 - C the document that is called Air Waybill

Part 4 Additional Practice

- A** *Work with your partner. One writes a letter of asking for agency, and the other is supposed to write a reply. And you may find the given useful expressions are of great help.*

Sample

Asking for Agency

Dear Sirs,

I have a well-developed sales organization in Tanzania and I am represented by a large staff in various parts of the country. From their reports, it seems clear that there is a good demand for nylon textiles. As I believe you are not directly represented in Tanzania, I am writing to offer my services as commission agent.

I have numerous connections throughout the country and there are good prospects of a very profitable market for your manufactures. Provided satisfactory terms could be arranged, I would be prepared to guarantee payment of all amounts due on orders placed through me.

You will naturally wish to have information about me and for this I refer you to the Barminster Bank, Dar es Salaam and to Electrical Household Appliances Ltd., Birmingham, with whom I have held the sole agency in Tanzania for the past five years.

I hope to hear favorably from you and feel sure that we could come to a satisfactory arrangement as to terms.

Yours faithfully,

Sample

A Reply

Dear Sir,

We thank you for your letter of July 10th.

After paying due consideration to your proposal and investigation into your business standing, we have decided to appoint you as our sole agent for the sale of Golden Brand Bicycles in the district you defined.

We are enclosing a draft agreement. Please go it over and let us have your comments by return. We assure you of our full cooperation.

Truly yours,

Useful Expressions:

Applying to be an agent

1. We write to act as your agent for the sale of your products in China.
2. If, as we believe, you are not directly represented in our area, we are very interested in acting as your sole agent.
3. Ours is a reliable firm with wide and varied experience in this line.
4. We attended the recently held International Photographic Exhibition in Cairo and we were impressed by the high quality, attractive design and reasonable prices of your cameras.
5. If we are appointed as your agent, we can assure you we will spare no effort to push the sale of your product.

Appointing an agent

1. Thank you for your proposal on May 12, offering your services as an agent for our product.
2. In consideration of your extensive experience in this field, we are glad to appoint you as our sole agent.
3. Enquires we have made suggest that your firm is the right one to do this and we have the pleasure in offering you a sole agent.
4. If you decide to accept our offer, please state the terms on which you would be willing to represent us.
5. Looking forward to prosperous business relationship.

Rejecting the application to be an agent

1. We regret to inform you that we made our decision prior to receiving your proposal.
2. We're not prepared to take the agency into consideration for the time being.
3. We have to decline your proposal of acting as our sole agent.
4. We shall keep your name and address, however, so that we may call upon you when our activity becomes more extensive.
5. Thank you again for your proposal and hope a friendly business relation between us will be possible in the future.

B *Translate the following passage into English.*

代理是国际贸易中采用的贸易方式之一。为了扩大出口，卖方会在一些国家和地区选择适当的客户建立代理关系。代理商在特定的地区和一定期限内享有代销指定商品的权利。代理商应积极推销代理商品，并享有收取佣金的权利。

C *Please compose a dialogue according to the following situations.*

Scene One

1. Mr. White, a representative from M.H. Tools Company (a well-known hand-tools distributor in Thailand), met Mr. Yang, from Shandong Machinery Import & Export Corporation at the Guangzhou Autumn Fair.
2. Mr. White expressed their desire to be SDMIEC's sole agent for hand-tools in Thailand.
3. Mr. Yang thanked Mr. White for his offer, and asked him some questions, for example, about their advantages, their plans for promoting the products, etc.
4. Mr. Yang asked Mr. White to write an account of their business activities for him, and promised to take their application into consideration.

Scene Two

1. Mr. Yang called Mr. White, telling him that SDMIEC would like to offer him the agency after reading the account of their activities.
2. Mr. White was very happy and promised that they would do their best.
3. Mr. Yang asked Mr. White on what terms he wanted to accept the agency. They discussed about the commission, the initial expenses in advertising, etc.
4. Mr. Yang asked Mr. White to come next week to discuss a draft contract with him.

D *Read the passage and decide whether the attached statements are true (T) or false (F).*

In exporting, as in many things, there is no substitute for experience. As you put into practice the export steps, they will become more familiar, more comfortable, and easier to use in an effective way. Your confidence, too, should grow in proportion with your exporting proficiency (效率; 熟练). However, since experience also includes knowledge gained from mistakes, the following common mistakes and pitfalls (缺陷, 失误) offer you a chance to profit from errors.

1. Insufficient commitments (承诺; 保证) by top management to overcome the initial difficulties and financial requirements of exporting. Although the early delays and costs involved in exporting may seem difficult to justify compared with your established domestic trade, you should take a long-range view of this process and plan to shepherd (带领; 指导) your international marketing efforts through these early difficulties. If you lay a good

foundation for your export business, the benefits derived should eventually outweigh your investment.

2. Insufficient care in selecting overseas agents or distributors. The selection of each foreign distributor is crucial. The complications involved in overseas communications and transportation require international agents or distributors to act with greater independence than their domestic counterparts. Also, since a new exporter's history, trademarks, and reputation are usually unknown in the foreign market, your foreign customers may buy on the strength of your distributor's reputation. Therefore, you should conduct a personal evaluation of the personnel handling your account, the distributor's facilities, and the management methods employed.

3. Chasing orders from around the world instead of establishing a basis for a profitable operations and orderly growth. New exporters should concentrate their efforts in one or two geographical areas until there is sufficient business to support a company representative. Then, when this initial core area has expanded, you can move into the next selected geographical area.

4. Neglecting export business when the domestic market booms. Too many companies turn to exporting when business falls off in the home market. When domestic business starts to boom again, they tend to neglect their export trade or relegate (转移; 归入; 降级) it to a secondary place. Such neglect can seriously harm the business and motivation of their overseas representatives.

5. Failure to treat international distributors on an equal basis with domestic counterparts. Often companies carry out institutional advertising campaigns, special discount offers, sales incentives (刺激; 奖励) program, special credit-term programs, etc. within home market, but fail to make similar assistance available to their international distributors. This is a mistake that can destroy the vitality (活力; 生命力) of your overseas marketing efforts.

6. Unwillingness to modify products to meet regulations or cultural preferences of other countries. Local safety and security codes (法典; 法规), as well as import restrictions, cannot be ignored by foreign distributors. If necessary modifications are not made at the factory, the distributor must make them — usually at greater costs and, perhaps, not as well.

- _____ 1. This essay is written mainly for those new-to-export firms.
- _____ 2. The author's purpose of writing this essay is to help exporters learn from mistakes.
- _____ 3. In the author's opinion, a businessman will encounter more difficulties and financial problems in exporting than in domestic trade.
- _____ 4. Selecting a good overseas agent is very important for the success of your business.
- _____ 5. Trying to get as many orders as possible is a good strategy for a new exporter.
- _____ 6. Exporting will in turn help the growth of the domestic market of a company.
- _____ 7. New-to-export firms usually fail to treat each of their foreign distributors equally.
- _____ 8. When exporting, the foreign cultures and regulations cannot be ignored.

E *Merry Corner*



It took several weeks to convince my boss that a cellular phone would be valuable to my work as an insurance agent. Soon after, we were traveling together in my car when the phone rang.

I answered, eager to demonstrate this too in action. "Hello, this is Curt Olsen. May I help you? Yes. Okay. I would recommend five. Okay, sounds good. Good-bye."

"Well, Curt," said my boss, looking impressed, "did you close another big deal?"

"No," I sheepishly admitted. "My son wanted to know how many eggs to use for French toast."



1. Different kinds of claims
2. Basic principles for lodging a claim
3. Basic principles for settling a claim
4. Documents needed to file a claim

Words & Expressions

amicable *a.* 友好的; 无敌意的

bale *n.* 大包; 大捆

binding *a.* 有约束力的

certificate *n.* 证(明)书

compensate *v.* 赔偿

convey *v.* 传达, 转达

destination *n.* 目的地

distressed *a.* 难过的; 痛苦的

electroplate *v.* 电镀

engage *v.* 雇佣; 聘用

excessive *a.* 过分的; 过度的

identical *a.* 完全相同的

inferior *a.* 劣质的; 差的

moisture *n.* 潮湿

provision *n.* 规定; 条款

ramie *n.* 苧麻

restraint *n.* 克制; 约束

surveyor *n.* 检验员

at random 胡乱地, 随机地

be obligated to (do sth.) 有责任 / 义务做某事

call it a deal 成交

rust spots 锈点

Part 1 Reasons for Claims

A Listen to the recording and complete the table below.

| | |
|-------------------------|--|
| 1. Order number | |
| 2. Claim | |
| 3. Reason (s) for delay | |
| 4. Solution | |

B Listen to the passage and fill in the chart with the information you get from the recording.

| | |
|-----------------------------|--|
| Possible Reasons for Claims | <p>a. The wrong goods <u>1</u>.</p> <p>b. The quality may have been found unsatisfactory.</p> <p>c. The shipment may have been found <u>2</u>, short, missing, or late.</p> <p>d. The prices charged may be excessive or <u>3</u>.</p> <p>e. The buyer <u>4</u> with the goods as an excuse to escape from contract.</p> |
| How to Settle the Claim | <p>a. Investigate the problem <u>5</u> and settle the problem as soon as possible.</p> <p>b. Handle claims with the principle of “on the first ground, to our advantage and with restraint” and settle them amicably to the satisfaction of all parties concerned.</p> |

Part 2 Making Claims

Dialogue 1 A Claim for Inferior Quality

Mr. Smith (S), from B & S Machinery Import & Export Corporation, talks with Mr. Wang (W), an import agent about the payment of the last transaction of machine tools. With Mr. Smith's cooperation, Mr. Wang finally gets a satisfactory solution of the problem of inferior quality.

S: Hello, Mr. Wang. It's nice to see you again.

W: Hello, Mr. Smith. Glad to see you.

S: Mr. Wang, I come here for the payment of the last transaction of machine tools. The goods reached your port of destination about two months ago. But we haven't collected the payment because your bank has refused to pay us. May I know the reason?

W: We have already informed you of the problem, Mr. Smith. The last consignment of goods is very disappointing though the previous transactions between us have been quite satisfactory. It was found that there are rust spots on them and the delivery is not up to your usual standard.

S: Do you have any proofs?

W: Yes, of course. A close inspection and a careful test by Shanghai Import & Export Commodity Inspection Bureau indicated that some of the machine tools are rusted. Here's a copy of the inspection certificate.

S: It's impossible. In fact, our manufacturers always pay special attention to the quality of their products, and we have never received any complaint at all. I wonder whether the rust stains are due to careless transportation.

W: I don't think so. Our experts are of the opinion that the machine tools were not electroplated properly. So it's clear that this time your manufacturers have failed to come up to their standard.

S: Well, I'd ask our manufacturers to look into this matter. I'll let you know the result as early as possible.

The next day

W: Hello, Mr. Smith. Any news from your manufacturers about the machine tools?

S: Our manufacturers were really distressed to learn that some of the machine tools had caused you so much inconvenience. They asked me to convey their sincere apologies to you and promised to replace these machine tools by new ones.

W: Thank you very much for your efforts to help make such a satisfactory solution.

S: I do hope this minor incident will not affect our business in future.

Dialogue 2

A Claim for Shortage

A Japanese company bought 1,000 M/T of ramie from a Chinese company. After the material arrived, the inspection revealed that the total weight was only 950 M/T. The Japanese side raised a claim against the Chinese company. Mr. Song (S), the sales manager of the Chinese company, happens to be in Japan for an exhibition. He is now talking with the Japanese manager Mr. Tanaka (T) to settle the claim.

- S: Nice to meet you again, Mr. Tanaka. How are you?
- T: Fine, thanks. Welcome to Japan.
- S: I'm here to settle the claim for the ramie.
- T: Have you seen the shortage claim from our company?
- S: Yes, I have. We're surprised to know that the weight is so short.
- T: We had the material inspected immediately when the goods arrived, and a shortage of 50 M/T was found. Here is the surveyor's certificate.
- S: Well, I'd like to point out that the goods were weighted before the shipment. I've brought with me the certificate from the China Commodity Inspection Bureau. The package number and quantity are identical with each other.
- T: As I see, the problem might come from those bales which were not sampled. I believe the material of those bales was not as dry as required by the contract before shipment.
- S: 10% of the whole consignment was sampled at random and inspected by the China Commodity Inspection Bureau. This is done in accordance with the contract. The inspection is reliable and the certificate is binding upon both parties.
- T: The inspection by our surveyor was also carried out according to the provision of the contract. A shortage of 50 M/T is a big loss for us.
- S: It might be caused by moisture loss on the way, and thus a natural loss occurred.
- T: It's clearly stated in the contract that the maximum allowance for natural loss is 2%. But now the actual loss is 5%.
- S: So what's your idea of settling the claim?
- T: In my opinion, you should compensate us by 3%, plus the inspection fee.
- S: That's too harsh. We cannot accept it. It's normal to have different results by different surveyors. If you stick to your original point of view, maybe we have to engage a third surveyor.
- T: As you know, we are in urgent need of the material. We hope the claim can be resolved as quickly as possible. So how about 2% compensation and you pay for the inspection charges?
- S: All right, we accept it.
- T: Let's call it a deal. Thank you for coming and settling the claim so quickly.

- A** Listen to Dialogue 1 without referring to your book. Practise it with your partner and complete the following table with the information you get from the dialogue.

| | |
|-----------------|--|
| <i>Claim</i> | |
| <i>Proof</i> | |
| <i>Solution</i> | |

- B** Listen to Dialogue 2 without referring to your book. Practise it with your partner and judge whether the following statements are true (T) or false (F).

- _____ 1. Mr. Song had had no idea of the claim before he came to Japan.
 _____ 2. It's clear that only a certain part of the goods were sampled before the shipment.
 _____ 3. Mr. Song didn't follow the contract as far as the inspection was concerned.
 _____ 4. Mr. Song didn't think Mr. Tanaka's requirement is fair.
 _____ 5. Finally they agreed on 2% compensation, and Mr. Tanaka would pay the inspection fee.

- C** Work in pairs and make a dialogue with the help of the given expressions below.

Filing a Claim:

1. We are making a claim for ...
2. It was found that ...
3. The delivery is not up to your usual standard.
4. A close inspection and a careful test by ... indicates that ...
5. Here's a survey report issued by ...
6. It's clear that this time your manufacturers have failed to come up to their standard.
7. I hope you will give us a satisfactory answer.

Settling a Claim:

1. We're surprised to know that ...
2. Do you have any proofs?
3. We have never received any complaint at all.
4. Well, I'd ask our manufacturers to look into this matter. I'll let you know the result as early as possible.

5. I'm sorry to have caused you so much inconvenience.
6. So what's your idea of settling the claim?
7. I'd like to convey my sincere apologies to you and I promise to ...

Part 3 Rudimentary Knowledge

Text

Claims

Minimizing Claims

Many claims could easily be avoided with more emphasis on quality control and proper care when first planning the overseas shipment. Another major factor is proper packaging of the product and intelligent loading plans for containers. Many pallets (集装架) are not strapped well enough to withstand (承受) the rolling motion of ocean shipments or the movement of the container from truck to vessel to truck. Even the best strapped pallets need to be properly braced (支撑) in the container itself to avoid titling (倾斜).

Avoiding claims is crucial for the exporter not only because of the merchandise sales loss and administrative and legal costs of a claim, but also because of the greater, long-run potential loss of importer/customer satisfaction and good will. Even without blaming the exporter, many an importer has decided that it is simply too much trouble to import that particular product because of the high loss ratio (比率). The importer's customers will be unhappy and the importer may have expensive administrative and possibly legal costs to settle the claim. The exporter faces similar problems, but the worst is disinterest from the customer in future imports of the product, on which the exporter has spent a good deal of travel and time to develop in the first place.

Lodging of Claims (提出索赔)

Knowledge of marine insurance is incomplete unless the system of lodging claims is known. The basic principle for lodging a claim is:

- (1) Make timely reports — that is, as soon as possible following arrival! Write a notice of claim (索赔通知) letter to the carrier involved and to the insurer to give all parties concerned an opportunity to inspect the cargo.
- (2) Obtain certificates from all of them which will help in sustaining (认可) the claim for losses. As soon as the extent of the damage is determined, present a formal claim to the appropriate party. Many times the forwarder will take care of these details; however, since your money is at stake

(在危险中; 在危急中), it is best to work closely with the forwarder when preparing the actual report of loss or damage.

The documents, which need to be sent when filing a claim, include:

- (1) Original policy, certificate of insurance;
- (2) Set of Bill of Lading (成套提单);
- (3) Packing list, weight note or Independent Inspectors Quality/Quality Certificate;
- (4) Surveyor's report (鉴定报告) certifying extent of loss;
- (5) Copies of correspondence with carriers on losses and their replies thereon. In fact, it is a prudent practice to first claim the carrier and then pass the papers to the insurance company for handling;
- (6) Copies of customs Landing Certificate (到岸证明书), outturn report (卸货数量清单);
- (7) Calculation sheet showing how the claim value has been arrived at.

The best way to deal with claims is to do all possible to avoid having them in the first place. When claims do occur, speed and thoroughness in reporting them to all parties involved, and settling them as expeditiously (迅速地) as possible is essential. As soon as possible calculate the dollar figure of the total claim value so that everyone is aware of the extent of the damage or problem. And just as with your personal automobile insurance, it might be beneficial in the long run to settle some nuisance claims without involving all sellers' rights or involving the insurance company, just to keep clean record and a satisfied customer.



To verify a claim overseas, someone must be involved who can be trusted to examine the goods abroad, or certain percentage rules for sampling must be established. Also remember that at least in some countries, quality standards are as high or higher than yours. The best example of this is Japan, whose consumers are the fussiest in the world, and among the most pampered (纵容) by their retailers and suppliers.

In view of these considerations, the cooperation of the overseas importer in dealing with claims of all kinds is of vital importance, especially if it is not practical for the exporter to be on hand to assess the damage or validity of the claim, arrange for surveys, inspections or repairs, properly store and handle the undamaged goods, and salvage (营救; 打捞) whatever possible of the claimed merchandise.

Read the text and discuss the following questions in class.

1. Why is it important for the exporter to avoid claims?
2. What is the basic principle for lodging a claim?
3. Can you list the documents needed when filing a claim?
4. What should the buyer pay attention to when verifying a claim overseas?

Part 4 Additional Practice

- A** 1. *The following letter is a letter of complaint. The first line and the last line are correct, but the other lines are in wrong order. Write out the letter in correct order and then use the correct format for a letter of complaint.*

We have just received our order No.5934 for
 Unfortunately the packing in the crate was
 In the meantime, we have also received your
 obviously inadequate as 19 of the GM79s were
 will be happy to pay it. Otherwise we will
 send us replacement parts as soon as possible.
 damaged. We should be grateful if you would
 parts we have received in working order, we
 broken and 10 of the GM95s were irreparably
 would like to send an amendment invoice for the
 pay this invoice as soon as we receive the
 invoice for this order (no. 0067). If you
 moped spare parts (40×GM79, 60×GM95).
 full order.

2. *All businesses face customer complaints at one time or another. Some of these complaints are justifiable, and some are simply outrageous. Without performing a full investigation, your company cannot know whether a complaint is legitimate or not. Therefore, every complaint must be researched thoroughly before you reach a conclusion about the situation. This process may take time; hence, sending a letter to an upset customer is an ideal way to inform him or her that you received the complaint and you are investigating the situation.*

Dear _____,

Thank you for taking time to contact _____ (company name) to explain the

issues that have occurred recently. We regret any inconvenience you have experienced, and we assure you that we are anxious to retain you as a satisfied customer.

Our Customer Satisfaction Team is reviewing the information you sent us and conducting a full investigation in order to resolve this matter fairly.

If you need further assistance, you may contact us at _____ (phone, e-mail address, and physical address).

At the conclusion of our investigation, we will contact you about our findings. Thank you for giving us the opportunity to assist you.

Sincerely,

B *Translate the following passage into Chinese.*

Conclusion of a business deal marks the beginning of performing a contract by both parties. In the process, claims regarding quality, quantity or weight are common occurrence. The goods may have been damaged or lost en route (在途中) or at transshipping points or ports of destination — anything unfortunate may happen to the goods before the buyer receives them. In this case, the buyer should first of all find a public surveyor to ascertain the extent of damage and/or loss since in any event an authenticated (经证实的) document is indispensable (不可缺少的) in filing a claim.

C *On the phone, Mr. Clive (from Clean & Clean Company) claims for improper packing and late delivery upon Mr. Hu, (manager of Quick & Quick Company). The situation is given below. Please compose a dialogue in pairs.*

1. Mr. Clive placed two orders one and a half months ago. He received Order No. 113 last week, only to find 5% of the cases were found broken. He has the inspection certificate issued by the CCIB to prove the breakage is due to improper packing. Mr. Hu asks Mr. Clive to send the survey report to them and promises they will investigate the packing conditions of the goods in their warehouse and solve the claim as soon as possible.
2. Mr. Clive claims that they haven't received the shipment of Order No. 114., Mr. Hu contacts their manufacturers and then calls Mr. Clive, saying that they have to extend the time for delivery. Mr. Clive is afraid that the delivery will cause him losses since the selling season is coming. Mr. Hu agrees to pay for compensation for late delivery. At last, they agree on 8% of the invoice value.

D *Read the following passage and discuss the questions attached.*

Claims and Adjustment

Business relations are largely a matter of contractual links between two parties — the customer and the supplier. The customer is the buyer of goods or services, and the supplier, the seller of goods or the provider of services. All contractual arrangements between them must be mutually beneficial. The buyer must receive goods or services of the kind or quality he anticipated while the seller must receive the price of the goods or payment for the services reasonably and beneficially. Failure to achieve either of these aims will lead to complaints.

Some complaints are about the quantity delivered. Perhaps not enough goods were sent, perhaps too many. And it is always a cause for complaint that the wrong goods were delivered.

In the complaint about inferior quality, buyers often complain that the goods are not up to standard. There may be a discrepancy (差异; 不一致) between the samples and the goods which actually arrived.

Often, there are complaints about poor packing, which can cause damage to the goods.

A complaint may be about a delay in shipment. Usually there is a penalty clause in the contract to protect the buyer against loss from delay.

Usually, complaints about damage are the business of insurance companies. However, the insurance company will not take responsibility if the damage is due to negligence of packer.

When there is a complaint that the wrong goods were sent, or too many, or too few, then it is always necessary to check the packing list as well as the invoice. The agent must investigate what has happened. The goods may still be at the port of loading. But the buyer cannot wait for the agent's report. He usually insists on the goods being replaced as soon as possible.

Bad, inferior or inadequate packing may cause damage to goods in transit. The buyer may accept damaged goods if the supplier offers a discount, but if the goods are badly damaged, they may be unsalable and in this case the buyer will demand replacement.

If the delay is very long, the buyer may cancel the order, and there may be a great loss to both the supplier and the buyer.

Letters in business correspondence should always be polite. Even if the subject of the letter is serious or even acrimonious (尖酸刻薄的), the tone throughout the letter should be courteous (客气的).

On one hand, complaints should be made in a restrained (克制的) and tactful way so that future business relationships are not jeopardized (受到破坏). On the other hand, all complaints should be treated as serious matters and thoroughly investigated. Replies to complaints should be in dispute until you have full facts. Explain if possible the reasons for the delay, damage, wrong consignment, bad packing or inferior quality. Finally, you should write to the customer informing him that you are arranging replacement, price reductions or other

remedies, and assure the customer that similar mistakes will not happen in the future.

Group Discussion:

1. What's the relationship between the buyer and the seller?
2. Why is a good business relationship beneficial to both parties?
3. List the different kinds of complaints mentioned in this passage.
4. What do you think should be the right attitude towards a complaint?
5. What should be the basic principle (s) of writing a business letter?

E Merry Corner



When I played with a symphony orchestra (管弦乐队), our union reached an agreement with a major airline about which instruments we could carry on board, and which had to be shipped as luggage. A cellist (大提琴演奏家) was dismayed to find that his delicate, expensive wood instrument had to be consigned to the rough handling and cold temperatures of the baggage hold.

He neatly solved the problem. Cello (大提琴) in hand, he approached the flight attendant at the gate and asked, "May I bring my clarinet (单簧管; 黑管) on board?" Scanning her list, she replied, "Clarinets are okay. Have a good trip," and smiling, waved him on.



1. Ways of settling trade disputes
2. Arbitration clauses
3. Drawing a contract
4. The arbitration commission

Words & Expressions

accuse *v.* 控告, 控告

administer *v.* 执行; 实施

appeal *v.* 上诉

applicable *a.* 可适用的, 可应用的

award *n.* 裁定

compulsory *a.* 强迫性的; 必须做的

conciliation *n.* 调解

conciliator *n.* 调解员

entertain *v.* 接受, 娱乐, 招待

hearing *n.* 听证会; 听讯; 开审

intervention *n.* 介入

litigation *n.* 诉讼

obligation *n.* 责任; 义务

plaintiff *n.* 原告

reference *n.* 参考

regulate *v.* 规定

reveal *v.* 显示, 揭示, 暴露

submit *v.* 提交

supervise *v.* 监督, 管理, 指导

unilateral *a.* 单方面的

CIETAC 中国国际经济贸易仲裁委员会

Part 1 Settling Trade Disputes

A Listen to the passage and fill in the blanks with the words you hear.

Disputes in international trade refer to a case in which one party of a business transaction 1 the other of not having fulfilled its obligation in accordance with the 2 of the contract.

There are several ways of 3 an international trade dispute. In general, the two parties may either conduct direct consultation to solve the dispute or settle the dispute by means of conciliation, arbitration and litigation. In general, most of the disputes are settled in an 4 way when both parties realize that it is 5 to both of them. Yet, if both consultation and conciliation fail, the dispute will be submitted for arbitration.

B Listen to the dialogue and fill in the table with the information you get from the recording.

| <i>Ways of Settling Trade Disputes</i> | <i>Main Features</i> |
|--|---|
| Amicable Settlement | a. Commonly used. b. Without outside <u>1</u> . c. A faster and <u>2</u> method. d. Friendly business relations can be maintained. |
| Conciliation | a. A third party may be invited. b. Opinions of the conciliator are only <u>3</u> and not compulsory. |
| Arbitration | a. A third party is needed. b. The award of the arbitration is <u>4</u> and compulsory. |
| Litigation | a. The dispute is referred to the court. b. The plaintiff may take unilateral action <u>5</u> . |

Part 2 Avoiding Arbitration

Dialogue 1 I Hope There Are No Disputes at All

Mr. Anderson (A) is signing the business contract with his Chinese partner, Mr. Gu (G). Now they have proceeded to the last item — how to settle a dispute. And Mr. Anderson is asking Mr. Gu about the arbitration clauses in China.

- G:** Almost everything has been talked over and agreed upon. What should we do next?
- A:** Well, let's come to talk about arbitration, shall we?
- G:** OK.
- A:** First, I want to know more about the arbitration in China so that we can regulate the location for arbitration.
- G:** All right. Anything particular you want to know?
- A:** Is the cost of arbitration in China very high?
- G:** I don't think so. If you submit the dispute to arbitration, you only need to pay a reasonable arbitration fee in advance according to the Arbitration Fee Schedule.
- A:** I see. I've heard that CIETAC administers arbitration cases in China; is that right?
- G:** Yes. CIETAC arranges and supervises the procedures for each arbitration case. At the hearing, the arbitration committee will ask questions and try to get as much information regarding the facts of the case as possible. Each party presents fully their positions and evidence concerning the case. Then the arbitrators will analyze the case according to the applicable legal principles. After the analysis, a final decision and award will be made by majority votes, and reasons are given for the decision. The award is final and no appeal is permitted.
- A:** What if one party doesn't follow the decision and award?
- G:** If things like that happen, the People's Court in China can enforce it at the request of the other party. But usually disputes are settled by friendly negotiation between the two parties.
- A:** I also hope that disputes can be settled through amicable discussions. I think we'd better not regulate the location for arbitration, and the arbitral organization now. We may discuss to agree upon a temporary arbitral body when needed.
- G:** I agree. I hope there are no disputes at all.

Dialogue 2 Resorting to Arbitration

Mr. Lee (L), director of Universal Industry Co., Ltd., and Mr. Wang (W), Manager of East Import & Export Corp., can't reach an agreement on the settlement of the damage of the shipment. Finally, Mr. Wang decided to resort to arbitration.

- W:** I'm calling to find out your settlement of our claim.
- L:** Well, we are still of the opinion that the damage was caused by rough handling when the goods were being loaded at the dock. The claim should be referred to the ship owners. We regret we can't entertain your request.
- W:** I'm afraid that we can't withdraw our claim. The investigation made by our experts has revealed that the damage was mainly due to the inferior quality of the goods.
- L:** Well, we've had a further consultation with our manufacturers. They thought the quality of the goods was in conformity with the contract stipulation. So we consider it difficult to file a claim against the manufacturers.
- W:** As you know, this delay of settlement has caused us a great damage. And it will also affect your reputation. You'd better give it a prompt attention.
- L:** I'm very sorry to have caused you some inconvenience with this shipment, but we're not liable for the damage.
- W:** Then maybe we have to submit this case to arbitration.

A *Listen to Dialogue 1 without referring to your book. Complete the following table with the information you get from the dialogue, and then practice the dialogue with your partner with the help of the information in the table.*

Arbitration in China

| | |
|--------------------------------------|---|
| <i>Arbitration Fee</i> | a. Reasonable. b. The arbitration fee should be paid <u> 1 </u> according to the Arbitration Fee Schedule. |
| <i>The Procedures of Arbitration</i> | a. At the hearing, the committee will <u> 2 </u> and try to get information and each party will present fully their positions and evidence. b. The arbitrator will <u> 3 </u> according to the applicable legal principles. c. After the analysis, a <u> 4 </u> will be made by majority votes. |
| <i>The Award</i> | a. Final. b. If one party doesn't follow the decision and award, the People's Court in China can reforce it at the request of <u> 5 </u> . |

- B** *Listen to Dialogue 2 without referring to your book. Practise it with your partner. Notice how the boxed words and phrases are used in the dialogue and learn the sentences by heart.*

| | | | |
|--------|-----------|------------------------|--------------------|
| refer | entertain | withdraw | prompt |
| liable | submit | have consultation with | in conformity with |

1. The claim should be **referred** to the ship owners.
2. We regret we can't **entertain** your request.
3. I'm afraid that we can't **withdraw** our claim.
4. We've **had** a further **consultation with** our manufacturers.
5. They thought the quality of the goods was **in conformity with** the contract stipulation.
6. Since it will also affect your reputation, you'd better give it a **prompt** attention.
7. I'm very sorry to have caused you some inconvenience with this shipment, but we're not **liable** for the damage.
8. Then maybe we have to **submit** this case to arbitration.

Part 3 Rudimentary Knowledge

Text

Arbitration Clauses in a Contract

In exporting, it is necessary to make the risks of a transaction clear-cut (轮廓鲜明的; 清晰的) and stipulate both parties' responsibility. In practice, if it requires a complete contractual (契约的) agreement, it is a good idea to pay particular attention to every aspect of a transaction so as to minimize possible problems arising from potential risks.

One good reason for a written contract or agreement is that this is the best opportunity to spell out (讲清楚) the use of arbitration in the event of a dispute. Controversies (争论) are not necessarily more likely in international trade than in domestic transactions, but they are usually more difficult to resolve. Gaining jurisdiction (司法权; 管辖权) over a foreign party for the purpose of litigation is costly and time-consuming, and court judgments can prove difficult to execute (执行). Furthermore, it is desirable to resolve the dispute in the friendliest and least expensive manner while overcoming the natural barriers created by differences in language, culture, and varying court procedures.

For these reasons, most international contracts call for (要求; 提倡) settlement by arbitration. This is usually less expensive in the long run, as well as more efficient and practical. Arbitration is also more likely to be impartial (不偏袒的) in terms of nationalities if a three-person arbitration panel (小组) includes one neutral nationality (中立国). Many buyers are quite satisfied to have arbitration in their own countries while others will insist it be in a neutral country. Whichever country is chosen, it should conform to (遵守) the applicable law of the contract.

The choice of which country to choose should be influenced by the choice of the international arbitration organization. Their fees for administration and arbitration should be considered when making this choice.

When drawing a contract, the arbitration clauses are very important because, if advance thought (事先的意见或见解) has been given to the arbitration organization and the country in which the arbitration is to take place, the arbitration rules can be covered more or less by reference (参照) to that organization's standard.

Experts recommended using the clause exactly as stated to avoid further arguments about the scope and meaning of the clause that can come into question (被讨论) by the arbitrators once any change is made.

Read the following statements and judge whether they are true (T) or false (F).

- _____ 1. A clear and complete contract can help prevent the possible trade dispute from happening.
- _____ 2. Compared with domestic transaction, international trade disputes are always less likely to happen but harder to settle.
- _____ 3. Differences in language, culture, and varying court procedures will add to the difficulties in resolving a dispute.
- _____ 4. You can choose to have the arbitration held either in your own country or in a third country.
- _____ 5. Arbitration fees and rules can be different from country to country.

Part 4 Additional Practice

- A** *Suppose the following letter is a reply to your letter of June 15th. In accordance with the information in the given letter, write a letter of complaint.*

Sample

Dear Sirs,

We are surprised to note from your letter of the 15th June that you are not prepared to consider our offer of a 15% discount to compensate you for the defects in the goods supplied in execution of your order No. 99 of the 1st June.

Though we consider our offer adequate, and even generous, we are prepared to admit that our views may not be justified by the fact. At the same time, we regard with disfavor your threat to resort to litigation, and we suggest that the dispute could be settled just as effectively and far more economically by arbitration.

We could recommend, on the grounds of economy, a joint arbitrator, but should you prefer to have one appointed by each of us, and a third called in with a casting vote in the event of disagreement, we should be prepared to fall in with your wishes.

Yours faithfully,

- B** *Translate the following passage into English.*

仲裁是解决国际贸易争议的一种方式。按照国际惯例，当交易双方发生争议时，可以有4种解决争议的途径：协商、调解、仲裁、诉讼。在实践中，大多数争议都可以通过友好协商解决。根据具体情况，双方各做些让步以寻求公平解决问题。如果协商不能解决问题，就只能用另一种解决方法——仲裁。

- C** *Compose dialogues according to the following situations.*

Situation One

Mr. Moore has ordered 2,000 pieces of glass vases from Changsha. But on examination, 8% of them were found broken. Mr. Moore insisted that the damage was due to improper packing. Yet Mr. Lee, the manager of Changsha Glassware Company, thought it was not all their fault, and he could only offer a 3% reduction on the consignments. Mr. Moore refused

to accept the offer and threatened to submit the case to arbitration.

Situation Two

For consultation, Mr. Moore called his friend Mr. Wang, a businessman who has been doing business in China for many years. On the phone, Mr. Wang tried to persuade Mr. Moore to settle the dispute in a satisfactory way.

D *Read the following passage and answer the attached questions.*

BAC: Qualified and Efficient

The Beijing Arbitration Commission (“BAC”) is a permanent (永久的, 持久的) organization that provides a forum for the efficient and impartial arbitration of disputes associated with contractual and other property rights among citizens, legal persons and other organizations.

The BAC was founded on September 28, 1995, following the passage of the Arbitration Law of the People’s Republic of China.

The BAC headquarters (总部) is a modern, first-class facility that includes hearing rooms, arbitrators’ rest room, conference room, secretaries’ offices, reference room and legal library. By utilizing a computerized case-management system, the BAC offers a high-quality dispute resolution service.

In the past years, cases handled by the commission have increased steadily. They have risen from just 7 in 1995 to 149 in 1996; from 168 in 1997 to 233 in 1998; and from 326 in 1999 to 1566 in 2010. These cases involve various economic disputes over construction projects, real estate deals, finance, insurance, securities, futures, investment, patents, registered trademarks, transfer of stock rights, joint ventures and international trade. The BAC accepts both domestic and foreign-related economic disputes. The parties in such disputes may either select their arbitrators from the BAC’s list of arbitrators or entrust (委托) the Chairman of the BAC to designate (指定, 指派) arbitrators to form the arbitration tribunal (审理团). On average, it takes a period of 75 days from the establishment of a tribunal to the conclusion of a case, and 97 days from the registration of a case to its conclusion. The commission ranks high nationwide in the arbitration sector in terms of the quantity of registered cases and settlements it deals with, and its high quality service.

Since China joined the WTO, the commission has taken measures to improve further its service quality and efficiency in the light of international practice.

First, the commission revised its Arbitration Rule. This revision includes stipulations as regards the disputing parties’ non-performance, or delayed performance of giving evidence. It prescribes (指示, 规定) that arbitrators perform their duty “justly, diligently and efficiently.” According to the revised rule, the arbitrator signs a letter after being selected by the disputing parties, or appointed by the commission director, declaring that he/she will at all times act

independently and justly beyond doubt, and that he/she will handle the case conscientiously, diligently and efficiently. These new stipulations are to ensure just arbitration proceedings, and to improve efficiency.

Second, the commission revised its arbitrators' rules and measures for appointment of arbitrators, and drew up its stipulations to enhance management of the time limit on arbitration. According to these stipulations, the commission will, when personal circumstances affect proceedings, send notification (通知) to the arbitrators constraining (强迫) them to prolong the hearing for a specific period of time. Any arbitrator that incurs (招致) delay to a specific number of hearings will not again be appointed. Arbitrators will be sacked (解雇) for using the law for purposes of personal gain, and in instances of severe dereliction of duty (失职). In order to enhance the professional level of arbitrators, the commission has formulated its Arbitrators' Case Handling Regulations, Criteria for Preparing Arbitration Awards, and the Arbitrators' Handbook. In addition, it keeps computer files on any particular arbitrator's performance as grounds for assessment. What's more, the commission also promotes and advocates professional discussion and research. For example, it establishes a training system for new arbitrators and conducts a lot of activities such as debates and seminars (研讨会) for the purposes of exchanging experiences and perfecting the arbitration system.

Third, the commission has been raising its level of office automation and improving its management. Computers now document the registration and conclusion of all cases, and hearing proceedings and commission panel discussions are simultaneously filed on computer. In cases where a settlement agreement is reached through conciliation, the arbitration tribunal may immediately make an award in accordance with the said agreement reached by two parties.

Fourth, in order to expand its international business and better serve its clients, the commission also employs foreign experts, scholars, and professionals as arbitrators, and is seeking cooperation with overseas arbitration agents. The commission has, moreover, added English, French, Korean and Japanese pages to its web site, prepared bilingual brochures, and intensified publicity among foreign enterprises.

Group Discussion:

1. When was the BAC founded?
2. Why do they say that the BAC headquarters is a modern, first-class facility?
3. How did the BAC revise its arbitration rule?
4. What's the purpose of the revision?
5. What will the commission do if an arbitrator delays the hearing?
6. How does the commission try to enhance the professional level of its arbitrators?
7. What has the commission been doing to raise its level of office automation and improve its management?
8. What else is the commission going to do in order to expand its international business and better serve its clients?

E *Merry Corner*

A lawyer's dog, running around town unleashed (未拴皮带的), heads for (前往) a butcher shop and steals a roast. The butcher goes to the lawyer's office and asks, "If a dog running unleashed steals a piece of meat from my store, do I have a right to demand payment for the meat from the dog's owner?" The lawyer answers, "Absolutely."

"Then you owe me \$8.50. Your dog was loose and stole a roast from me today."

The lawyer, without a word, writes the butcher a check for \$8.50. The butcher, having a feeling of satisfaction, leaves.

Three days later, the butcher finds a bill from the lawyer: \$100 due for a consultation.



1. The main commercial documents and their functions
2. The formats of some frequently used documents
3. The procedures of collecting payment and the circulation of L/C

Words & Expressions

accept *v.* 承兑

addendum *n.* 附录, 附加说明

afloat *a.* 留置船上的, 漂货的

bear *v.* 有, 显示

consignee *n.* 收件人, 受托托者

consignment *n.* 寄售, 托运

constitute *v.* 组成, 构成

corresponding *a.* 相应的

discount *n.* 折扣, 贴现

dishonor *n. & v.* 拒付

draft *n.* 汇票

draw *v.* 开票

drawee *n.* 受票人

drawer *n.* 开票人

facilitate *v.* 加速, 加快

formality *n.* 手续

former *n.* 前者

forwarding *a.* 出货

foul *a.* 犯规的; 污秽的

franco *a.* 全部费用在内价的

function *n.* 功能, 作用

honour *n. & v.* 兑付

hypothecation *n.* 抵押, 质押

identify *v.* 鉴定, 识别

indispensable *a.* 必不可少的, 必须的

insufficiently *ad.* 不足地

latter *n.* 后者

loco *a.* 现场交货的

marine *a.* 海的, 海运的

mark *n.* 唛头, 标记

maturity *n.* (票据等) 到期

measurement *n.* 尺寸, 大小

negligence *n.* 忽视, 疏忽

note *v.* 注明 (拒付汇票)

package *n. & v.* 包装; 装运

particular *n.* 细目, 项目

particular *n.* 细目, 项目

presentation *n.* 呈现, 提出

protest *v.* 出具拒绝证书

quote *v.* 引用, 包括

receipt *n.* 收据

release *v.* 交出, 释放

symbolic *a.* 象征性的

title *n.* 权益, 货物权

transferable *a.* 可转让的

vessel *n.* 船只

warehouse *n.* 仓库

bill of change 汇票

certificate of origin 原产地证书

clean/ unclosed B/ L 清洁提单

commercial invoice 商业发票

confirming bank 保兑银行

custom clearance 结关提货

document of title 代表货物所有权的单证

freight rate 运费

in question 议论中的, 已谈论的

in the presence of 在...面前

letter of hypothecation 押汇抵押书

make up 弥补

notary public 公证人, 公证员

order B/ L 指示提单

performa invoice 形式发票

preferred import status 优惠进口待遇

received B/ L 备运待装提单

revolving L/C 循环信用证

shipped B/ L 已装船提单

sight draft 即期汇票

straight B/ L 记名提单

term draft 远期汇票

the carrying vessel 运载船只

unclean/ foul/dirty / B/ L 不清洁提单

Part 1 General Ideas of Commercial Documents

A Listen to the dialogue and judge whether the following statements are true (T) or false (F).

- _____ 1. An invoice is a statement sent by the buyer to the seller giving particulars of the goods being purchased, and showing the sum of money due.
- _____ 2. Such information as quality, quantity, price, forwarding particulars, and terms of

- payment are contained in an invoice.
- _____ 3. The most commonly used invoices are Franco and Loco invoices.
- _____ 4. By C.I.F. invoice the price charged includes all the expenses of an F.O.B. invoice plus freight and marine insurance.
- _____ 5. Franco invoice is one in which the price charged includes only the cost of goods at the warehouse of the seller.

B *Listen to the passage and fill in the blanks with the words that you hear.*

International trade attaches so great importance to shipping documents that, to a certain degree, it can be called trade of documents, or “symbolic” trade. This is because shipping documents represent the 1 to the goods. What documents to be used and how to carefully and accurately complete them deserve our adequate attention, and any slightest negligence in these documents might 2 serious problems. As a rule, every contract of sale stipulates the kinds of shipping documents required. Generally, the commercial invoice, 3 and insurance policy constitute the 4 shipping documents in international trade. They are indispensable in almost every instance of export and import 5 .

Part 2 *Dialogues About Draft and Bill of Lading*

Dialogue 1 Talking on Bill of Lading

Mr. Carter (C), a captain of Canada Ocean Shipping Company, is discussing Bill of Lading with his new colleague, Mr. Franks (F).

- F:** Would you mind telling me something about Bill of Lading?
- C:** Well, Bill of Lading is the most important shipping document. It is issued and signed by a shipping company.
- F:** What are the contents of Bill of Lading?
- C:** A Bill of Lading is, first of all, a contract between the shipper and the shipping company; secondly, a receipt for the consignment; and thirdly, a document of title.

- F:** So it seems to me that a Bill of Lading, one of the most important shipping documents, serves three functions: it is a receipt of the goods given to the shipper by shipping company; it is evidence of the contract by the shipping company and the shipper; it is a document of title, entitling the person named on it to claim the goods when they arrive at the port of destination. By the way, does a Bill of Lading contain a full description of the consignment — numbers and weights and marks of packages?
- C:** Yes. It contains a lot of other information as well. It quotes the name of the shipper and the carrying vessel, the ports of shipment and destination, the freight rate, the name of the consignee, and the date of shipment, which is very important from a contractual point of view.
- F:** It is said that Bill of Lading comes in many varieties. Could you give me a brief introduction about classification of Bill of Lading?
- C:** Well, according to whether the goods are loaded or not, the Bill of Lading can be classified into Shipped B/L and Received B/L. The former indicates that the goods have already been loaded on board the carrying vessel bound for the port of destination; the latter is an evidence given by the ship owner, merely confirming that the goods have been handed to the ship owner but have not yet been actually loaded on board a particular ship. Therefore, it is just a receipt, not a document of title to the goods.
- F:** Are both of them acceptable by banks for payment under a letter of credit?
- C:** According to general international trade practice, only shipped B/Ls are acceptable where payment is arranged under a letter of credit.
- F:** Then what's the difference between Clean and Unclean Bill of Lading?
- C:** When Bills of Lading state the goods “in apparent good order and condition” and this statement is not modified by the ship owner, the Bill of Lading is called “clean” or “unclassified”. Such kind of Bill is much favored by banks for financial settlement purpose; when a B/L bears remarks unfavorable to the shipper, such as “insufficiently packed”, “wet by rain”, etc., it is called a “dirty” or “foul” B/L, which is not acceptable to the banks for negotiation under a letter of credit.
- F:** How about Straight Bill and Order Bill?
- C:** On the basis of the fact whether the Bills of Lading can be transferable, the Bills of Lading can be classified into Straight Bill and Order Bill. In a Straight Bill, the name of the consignee is definitely written. This kind of B/L cannot be transferred because it has lost the function of document of title to the goods. Ordinary banks are unwilling to advance the payment for it.
- F:** And a Bill without the named consignee is Order Bill?
- C:** Right. It's also called “Negotiable B/L”. It can be transferred, carrying the title to the goods. Therefore, it is more preferable and widely used in international trade.
- F:** So far, I've fully understood “Bill of Lading”. Thanks for your time!

Dialogue 2 What Is a Draft?

Mr. Foster (F), the sales manager, is explaining something about “draft” to his assistant Mrs. Grey (G).

- G:** What's a draft, please?
- F:** It is an order to pay. It is made out by an exporter and presented to the importer.
- G:** How does an exporter make it out and present to the importer?
- F:** Usually through a bank.
- G:** It is also called a bill of exchange?
- F:** Yes, true. It may be payable immediately on presentation, or so many days after presentation.
- G:** Would you please explain in a bit more detail?
- F:** Sure. The former is called a sight or demand draft; the latter is called a term draft. In the latter case the drawee writes "Accepted" across it and signs his name. The exporter can then get immediate payment by discounting the draft and supplying a letter of hypothecation.
- G:** When will it be noted, protested and presented to the drawee by a notary public?
- F:** When it is not honored at maturity.
- G:** Does a term draft involve risks?
- F:** Yes, such a draft, and the corresponding payment terms, "Document against Acceptance", obviously involve risks to the exporter.
- G:** Do sight draft terms involve the same risks?
- F:** No, sight draft terms involve less risk since the title to a consignment is only released against payment; even so the shipper may be left with his consignment on his hands, or rather, afloat, if the draft is dishonored.
- G:** How about drafts presented under a letter of credit?
- F:** Then the shipper has full protection, only the opening and confirming banks run a risk.
- G:** What must be done for the L/C to be opened?
- F:** All exchange control formalities must already have been completed for the L/C to be opened, and if an import licence is needed, it must already have been granted so that the number may be quoted in the credit.
- G:** What is a revolving letter of credit?
- F:** It is a special type, the value of which is constantly made up to a given limit after each shipment, thus saving the charges on multiple letters of credit.
- G:** Thanks a lot.

A *Listen to Dialogue 1, trying to understand what a Bill of Lading is without referring to your book. Fill in the blanks with the words or expressions given in the box.*

| | | | |
|--------------|------------------|-------------------|-----------|
| discharging | shipping company | bank endorsed | clean B/L |
| straight B/L | received B/L | dirty B/L | contract |
| order B/L | transferred | document of title | |

1. The original Bills of Lading are signed by the _____.
2. Where documentary credit is involved, the credit terms often state that the Bill of Lading must be shipped, clean, to order and _____.
3. A Bill of Lading is a key export document and has three functions: receipt of the goods, _____ and evidence of the contract.
4. A _____ only admits that the shipping company has received the goods.
5. Only the _____ has the words "the goods are in apparent good order and condition".
6. "One case is leaking" written on the B/L is taken as a _____ or Unclean B/L.
7. A B/L with the name of the buyer given on it is a _____.
8. Whoever holds the _____ holds the title to the shipment.
9. A B/L that can be _____ is called a Negotiable B/L. A B/L that cannot be transferred is called a Straight B/L.
10. The details printed on the Bill of Lading must include the port of loading and the port of _____.

B *Listen to Dialogue 2 and discuss the following questions with your group members.*

1. Give the definition of a draft.
2. What is a sight draft? What is a time draft? Which one involves less risk?
3. What are the three parties to a draft?
4. According to the dialogue what must be done for the L/C to be opened?

C *Work in pairs and make up a dialogue about Insurance Policy. The following passage is for your reference.*

Insurance Policy

Insurance Policy is the most commonly used document that contains all the details concerning the goods, coverage (保险险别), premium and the insured value.

All this information must be sufficient enough for the insured party to assess the risk and make insurance decisions. This policy will normally return the duplicate to the insured with their rubber seal. The signed insurance policy will become the legal document that serves as the shipping document evidencing insurance cover.

D Match the words or expressions you've learned from the above dialogues in Column A with their Chinese definitions in Column B and then make your own sentences.

| Column A | Column B |
|------------------------------------|----------|
| _____ 1. Export Permit | a. 保险单 |
| _____ 2. Commercial Invoice | b. 装箱单 |
| _____ 3. Proforma Invoice | c. 商业发票 |
| _____ 4. Legalized Invoice | d. 原产地证书 |
| _____ 5. Certified Invoice | e. 提单 |
| _____ 6. Combined Invoice | f. 领事发票 |
| _____ 7. Consular Invoice | g. 检验证书 |
| _____ 8. Certificate of Origin | h. 形式发票 |
| _____ 9. Certificate of Inspection | i. 汇票 |
| _____ 10. Packing List | j. 法定发票 |
| _____ 11. Bill of Lading | k. 联合发票 |
| _____ 12. Bill of Exchange | l. 签证发票 |
| _____ 13. Insurance Policy | m. 出口许可证 |

Part 3 Rudimentary Knowledge

Text

Export Documentation

The major difference between selling in the domestic market and trading with a foreign firm is the documentation, which is a task that needs to be performed meticulously (小心翼翼). When you go shopping in the department store, the shop assistant always gives you a receipt, which is the only document you need. In exporting, it is necessary for each export shipment to be accompanied (伴随; 附上) by a number of correct documents.

The documents known as export or shipping documents are required for multiple purposes. One major purpose of the documents, in general, is to furnish (提供) the foreign customs authority (海关



当局) with a complete, detailed description of the goods so that the correct import duty (进口关税) can be levied (征收). Some are required to spell out (清楚说明) contractual rights and duties of the parties concerned; some are required to collect and remit payments; some are required to satisfy government stipulations of exporting and importing countries, others are required for the administration of exchange control regulations or import quotas (进口配额) in the product, and to safeguard (保护) the public and animal health and prevent the spread of plant diseases. Each importing country has specific circumstances including political, economic, geographic, environmental, welfare and military contingencies (意外事; 偶发事), which it is trying to meet with its documentation requirements.

Preparing the correct documents to cover an export shipment is considered by many to be very demanding. Failure to complete the forms correctly may lead to a fine or unnecessary delay in clearing the goods through foreign customs. If the information given is found to be false, heavy fines may be imposed (征收; 缴纳) or the goods confiscated (没收). In an attempt to reduce the error rate, exporters are recommended to review thoroughly their documents for accuracy and to weed out (清除) errors that have crept in (渐渐形成) through sloppy (粗心的) practices over the years.

Although there are no international standards for documents, there are many established traditions and practices. We should familiarize ourselves with those forms required by the major countries and the basic export documents common to most export shipments such as export permit, commercial invoice, certification of origin, bill of lading and so on.

Notes

1. export documentation 出口制单: 指为出口准备所需要的各种单证工作。documentation指制单工作, 而document指合同规定的某一单证。
2. to clear the goods through customs 货物结关: 指通过海关验收放行。

A Answer the following questions in class.

1. What is the difference between the documents needed in domestic business and those needed in export trade?
2. What are the purposes of the export documents?
3. Why is it true that correct documents are considered to be very demanding?
4. What would happen to the company if the documents prepared by the exporter have some mistakes?

B Familiarize yourself with the following documents.

- | | |
|--------------------------|---------------------------|
| 1. Bill of Lading | 2. Inspection Certificate |
| 3. Certificate of Origin | 4. Packing List |
| 5. Insurance Policy | 6. Invoice |

Part 4 Additional Practice

A Write a letter about application for issuing an L/C.

Sample

Dear Sirs,

Please open a Letter of Credit for US \$30,000 in favor of China National Import & Export Corporation, Chengdu, China, available to them at sight in respect of a shipment of bicycles as specified on the attached sheet.

China National Import & Export Corporation is to draw on you for the amount of their invoice for the shipment as it is effected and the following documents are required:

- 1) 3 Commercial Invoices
- 2) 2 Bills of Lading
- 3) Insurance Policy

We thank you for your assistance in the matter.

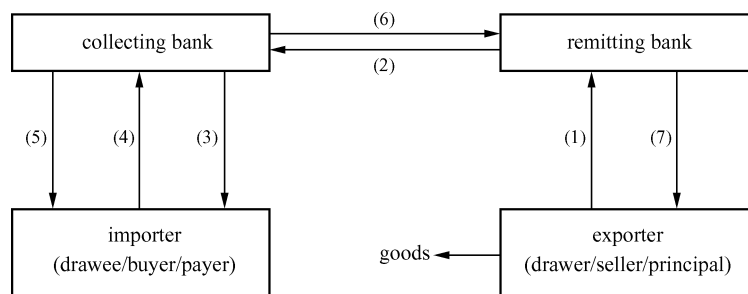
Very truly yours,

B Translate the following passage into Chinese.

Certificate of Inspection is a document which shows the quality or quantity or other elements of the goods. It is issued by the manufacturer of the goods, chambers of commerce, surveyors, or government institutions. It mainly performs two functions: Firstly, as a document of quality or quantity, it can decide whether the quality or quantity of the goods shipped by the seller is in conformity with that stipulated in the contract. It is an important proof at the time of refusing payment, lodging or settling a claim. Secondly, it is one of the shipping documents used at the time of negotiating payment.

C Work with your partners and practise speaking according to the following directions.

Study the following figure carefully and describe the Procedure of Collecting Payment orally with your pairs.



D Read the following information and practise as you are suggested.

1. Major Parties Involved in a Letter of Credit

- The opener (buyer, importer, applicant): the person who applies a bank to open a letter of credit.
- The opening bank (the issuing, establishing, originating bank): the bank in the importer's country issuing the letter of credit at the request of the importer.
- The advising bank (notifying bank): the bank in the exporter's country which advises the exporter of the establishment of letter of credit.
- The drawer (seller, exporter): the person who sells the goods and draws a draft on the opening bank or the buyer.
- The drawee (buyer, importer): the person, usually the buyer, on whom a draft is drawn, responsible for making payment when the draft falls due.
- The negotiating bank: the bank that accepts or discounts the draft presented by the exporter.
- The reimbursing bank: normally the issuing bank itself that repays the negotiating bank for the money given in advance by the latter.
- The beneficiary: the party in whose favor the letter of credit is issued, in other words, the person who is entitled to draw a draft and receive the payment of the shipment.

Group Discussion:

How many parties are involved in a letter of credit? Specify their roles respectively.

2. The Circulation of Letter of Credit

- 1) The buyer applies to his bank to open an L/C in favor of the exporter. The opening bank approves the application and issues the actual letter of credit document.
- 2) The opening bank forwards the L/C to the advising bank.
- 3) The advising bank passes the L/C to the beneficiary.
- 4) Having examined the L/C, the beneficiary (seller/exporter) completes the shipment and prepares documents, draws a draft and presents them to his bank.

- 5) The beneficiary's bank negotiates the documents and pays funds to the beneficiary in accordance with the L/C.
- 6) The negotiating bank sends the documents to the opening bank.
- 7) The opening bank receives the documents and checks them. If the documents are in order and comply with the L/C, the opening bank credits the negotiating bank's account.
- 8) The opening bank notifies the buyer to make payment for documents.
- 9) After making payment, the buyer receives the documents and takes the delivery of the goods.

Group Work

Draw a diagram to illustrate the circulation of Letter of Credit according to what you read with your group members.

3. Ocean Bill of Lading (海运提单)

| | | | |
|---|---|---|--|
| SHIPPER/EXPORTER (COMPLETE NAME AND ADDRESS) 托运人/出口商 (全名及地址) | | BOOKING NO. 运单号 | BILL OF LADING NO. 提单号 |
| | | EXPORT REFERENCES 出口备注 | |
| CONSIGNEE (COMPLETE NAME AND ADDRESS) 收货人 (全名及地址) TO ORDER 指示 | | FORWARDING AGENT/F M C NO. 运送代理/联邦海事委员会号 | |
| | | POINT AND COUNTRY OF ORIGIN 起运国别 (地点) | |
| NOTIFY PARTY (COMPLETE NAME AND ADDRESS) 通知人 (全名及地址) | | ALSO NOTIFY — ROUTING & INSTRUCTIONS 另请通知 —— 航程&运送指示 | |
| | | FINAL DESTINATION (OF THE GOODS NOT THE SHIP) 目的地 (货物到货地, 非船到达地) | |
| VESSEL VOY FLAG 船名/航次/国籍 | PORT OF TRANSHIPMENT 转运港 | LOADING PIER/ TERMINAL 装运码头/终点站 | ORIGINAL (S) TO BE RELEASED AT 本单签发地 |
| PORT OF DISCHARGE 卸货港 | PLACE OF DELIVERY BY ON-CARRIER 接运承运人交货地 | CONTAINER YARD TO CONTAINER YARD 集装箱堆场 | |
| PARTICULARS FURNISHED BY SHIPPER 托运人提供的数据或说明 | | | |

(Continued)

| | | | | | | |
|--|--|--------------------|---|---------------|--------------------------------|----------------------------|
| MKS.& NOS/ CONT.NOS 标记唛码/合同编号 | | NO.OF KGS 件数 | DESCRIPTION OF PACKAGES AND GOODS 包装及货物描述 | | GROSS WEIGHT 毛重 | MEASUREMENT 尺码 |
| DECLARED VALUE 报价 | IF SHIPPER ENTERS A VALUE CARRIERS PACKAGE LIMITATIONS OF LIABILITY DOES NOT APPLY AND THE AD VALOREM RATE WILL BE CHARGED 如托运人申请估价, 不适用承运人包装责任限制, 并收取从价运费 | | | | FREIGHT PAYABLE AT/BY 付款地/人 | |
| FREIGHT CHARGES 运费 | RATED AS PER 运价 | RATE 费率 | PREPAID 预付 | COLLECT 到付 | CURRENCY 货币 | RATE OF EXCHANGE 兑换率 |
| TOTALS 总计 | | | | | | |
| THE RECEIPT CUSTODY, CARRIAGE AND DELIVERY OF THE GOODS ARE SUBJECT TO THE TERMS APPEARING ON THE FACE AND BACK HEREOF AND TO CARRIER'S APPLICABLE TARIFF 收据保管, 货物承运和交货均依照本单正反两面 条款规定及承运人应用税则。 | | | APPLICABLE ONLY WHEN USED FOR MULTIMODEL OR THROUGH TRANSPORTATION 仅适用多式或联运运输 INDICATE WHETHER ANY OF THE CARGO IS HAZARDOUS MATERIAL UNDER DOT. IMCO OF OTHER REGULATIONS AND INDICATE CORRECT COMMODITY NUMBER IN BOX 20 ● 注明是否有国际海事协议组织运输部规定之有 害物品, 并在20号箱上标注正确的商品编号 | | | |
| IN witness where of 3 original bills of lading all the same tenor and date one of which being accomplished the others to stand void, have been issued by Sea-land Service. Inc. or its designated agent on behalf of itself, other participating carriers, the vessel, her master and owners or charters 兹证明海-陆公司, 包括或其代表公司的指定代 理人, 其他共同承运人、船主、船长和货主或租 船人签发提单一式三份, 具有同等效力。如有修 改, 以修改后的为准。 | | | AT (地名) BY (由) (公司名) FOR SEA-LAND SERVICE, INC. AS CARRIER. 承运人包括海运-陆运服务 | | | |

Discuss the above sample in pairs and create a Bill of Lading of your own.

4. Shipping Advice (装船通知)

Dear Sirs,

Re: Your order for canned asparagus

We are pleased to inform you that we have shipped today, as per copy of our fax enclosed, by the M.S. "Suez Maru" 900 cartons canned asparagus ordered by you on May 25. The boat is scheduled to arrive at Hamburg on September 30.

In order to cover ourselves for this shipment, we have drawn on Dresdner Bank, Hamburg, by sight draft for EUR28, 950 under the L/C No. 123 and negotiated it with Bank of Shanghai, China.

To facilitate your taking delivery, we are enclosing the following non-negotiable shipping documents, each in duplicate:

Commercial Invoice No. 123

Bill of Lading No.231

Insurance Policy No. 567

Packing List No.123

Certificate of Origin

We trust that you will find all these documents in order and the goods will arrive at Hamburg in perfect condition.

Yours faithfully,

Please study and imitate the above Shipping Advice.

5. Commercial Invoice (商业发票)

| COMMERCIAL INVOICE | |
|---|--|
| SENDER: AUTO PARTS FEE WAREHOUSE 7634 KIMBEL STREET UNIT 1—9 MISSISSAUGA, ON L5S—1M6. Phone: 905.677.0996 Fax: 999—999—9999 | RECIPIENT: XYZ Company 3 Able End There, Shropshire, UK Phone: 99—99—9999 |
| Tax ID/VAT/EIN# 0123456 | |
| Invoice Date: 12 December 20 __ | Invoice Number: 0256982 |
| Carrier Tracking Number: 526555598 | Sender's Reference: 5555555 |
| Carrier: GHI Transport Company | Recipient's Reference: 5555555 |

(Continued)

| COMMERCIAL INVOICE | | | | | | |
|---|--------------------------|--------------------------------------|--------------------------------------|-------------|------------|----------------|
| Quantity | Country of Origin | Description of Contents | Harmonised Code | Unit Weight | Unit Value | Subtotal (USD) |
| 1,000 | United States of America | Widgets | 999999 | 2 | 10.00 | 10,000 |
| Total Net Weight (lbs): | 2,000 | Total Declared Value (USD): | 10,000 | | | |
| Total Gross Weight (lbs): | 2,050 | Freight and Insurance Charges (USD): | 300 | | | |
| Total Shipment Pieces: | 1,000 | Other Charges (USD): | 30 | | | |
| Currency Code: | USD | Total Invoice Amount (USD): | 10,000 | | | |
| Type of Export: Permanent | | | Terms of Trade: Delivery Duty Unpaid | | | |
| Reason for Export: <i>stated reason</i> | | | | | | |
| General Notes: <i>notes and comments</i> | | | | | | |
| The exporter of the products covered by this document — <i>customs authorization number</i> — declares that, except where otherwise clearly indicated, these products are of United States Of America preferential origin. I/We hereby certify that the information on this invoice is true and correct and that the contents of this shipment are as stated above. Name, Position in exporting company, company stamp, signature | | | | | | |

注：商业发票 (Commercial Invoice) 是出口方向进口方开列的发货价目清单，是买卖双方记账的依据，也是进出口报关交税的总说明。商业发票是一笔业务的全面反映，虽没有统一格式，但内容通常包括商品的名称、规格、价格、数量、金额、包装等，同时也是进口商办理进口报关不可缺少的文件，因此商业发票是全套出口单据的核心，在单据制作过程中，其余单据均需参照商业发票缮制。

Please study the above Commercial Invoice and try to fill in the following form.

成都鸿飞进出口公司
CHENGDU HONGFEI IMP. & EXP. CORPORATION
CHENGDU, CHINA
COMMERCIAL INVOICE

| | | | |
|---------------------|------------------|-----------------|---------------|
| 1) SELLER | 3) INVOICE NO. | 4) INVOICE DATE | |
| | 5) L/C NO. | 6) L/C DATE | |
| | 7) L/C ISSUED BY | | |
| 2) BUYER | 8) CONTRACT NO. | 9) DATE | |
| | 10) FROM | 11) TO | |
| | 12) SHIPPED BY | | |
| 13) MARKS | 14) DESCRIPTION | | 15) QUANTITY |
| 16) PRICE | 17) UNIT | | |
| 18) AMOUNT OF GOODS | WEIGHT | TERM | PRICE |
| 19) ISSUED BY | | | 20) SIGNATURE |

E *Merry Corner*



A motorist, driving by a Texas ranch (大农场), hit and killed a calf that was crossing the road. The driver went to the owner of the calf and explained what had happened. He then asked what the animal was worth.

“Oh, about \$200 today,” said the rancher (农场主). “But in six years it would have been worth \$900. So \$900 is what I’m out.”

The motorist sat down and wrote out a check and handed it to the farmer.

“Here,” he said, “is the check for \$900. It’s postdated six years from now.”