



Export Import

C1-C2

Module 9

Here's What We
Will Be Learning
in this
Presentation:



SUMMARY

- ❑ Introduction.
- ❑ Import and Export and their impact.
- ❑ Trade Agreements.
- ❑ The Internet and International Trading.
- ❑ Exercises.

Vocabulary

Free trade: international buying and selling of goods, without limits on the amount of goods that one country can sell to another, and without special taxes on the goods bought from a foreign country.

Robust: (of a person or animal) strong and healthy, or (of an object or system) strong and unlikely to break or fail.

Prosperity: the state of being successful and having a lot of money.

Trade fair: an exhibition at which businesses in a particular industry promote their products and services.

Imports

An import is a good or service brought into one country from another. The word "import" is derived from the word "port," since goods are often shipped via boat to foreign countries.



International trade has a significant economic, social, and political importance in many countries. Imports provide countries with access to goods and services from other nations. Without imports, a country would be limited to the goods and services within its own borders.

Impact of Imports

It is common for countries to import goods rather than produce it.

For example, the U.S. imports labour-intensive goods from China. Instead of importing Chinese labour, the U.S. imports goods that were produced in China by Chinese labour.

On a business level, companies take part in direct-imports. The direct-import program allows the retailer to bypass the local supplier and purchase the final product directly from the manufacturer. Direct imports save retailers money by eliminating the local supplier.

A high level of imports indicates **robust** demand for goods in the domestic market and a growing economy.

Trade Agreements

Many countries have signed **Free Trade Agreements (FTA)** with other countries, which opens up the ability to import goods and materials from cheaper production zones in the world and reduces the reliance on goods made locally. A common and popular FTA is:

NAFTA: The **North American Free Trade Agreement** is an agreement among the United States, Canada and Mexico designed to remove tariff barriers between the three countries. It created one of the world's largest free trade zones and lay the foundations for strong economic growth and rising **prosperity** for Canada, the United States, and Mexico.

Other FTAs:

Country	Signed FTAs with:
China-	Switzerland, Chile, Pakistan, etc.
European Union-	Israel, Mexico, South Africa, etc.
India-	Sri Lanka, European Union, Thailand, etc.



Export

An export is a function of international trade whereby goods produced in one country are shipped to another country for future sale or trade. If used for trade, exports are exchanged for other products or services in other countries.

Exports are one of the oldest forms of economic transfer and occur on a large scale between nations that have fewer restrictions on trade, such as tariffs or subsidies.



Impact of Exports

Exporting goods and services has both advantages and disadvantages for countries involved in international trade.

Exporting allows a country's producers to gain ownership advantages and develop low-cost and differentiated products. It is viewed as a low-risk mode of production and trade. Exporters also experience internationalization advantages. The ability to export goods helps an economy to grow by selling more overall goods and services.

While the advantages of exporting by far outweigh the disadvantages, small and medium size enterprises especially face some challenges like extra cost, product modification, financial risk, acquiring export licenses and documentation and market information when venturing in the international marketplace.

The Internet and International Trading

There are many trade organizations that have established websites for international importers, exporters and agent representatives. Trade professionals can become members and advertise the goods and services that they have available. Importers can search for a seller's goods, and exporters can search for potential buyers (importers) for their products.



Trade fairs are also organized and held in various countries several times throughout the year. Importers and exporters come together and meet personally and, often, establish long-lasting relationships.

Exercise 1

Fill in the blanks:

1. _____ trade has a significant economic, social, and political importance in many countries. (international, import)
2. A high level of imports indicates _____ demand for goods in the domestic market and a growing economy. (political, robust)
3. _____ are one of the oldest forms of economic transfer and occur on a large scale between nations that have fewer restrictions on trade. (import, export)
4. Trade fairs are also organized and held in various countries several times throughout the _____. (month, year)

Exercise 2

Explain the terms:

- a) Trade fair
- b) Venturing
- c) Robust
- d) Eliminate
- e) Free trade

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Exercise 3

Answer the following questions:

- 1) What is an import? Give an example.
- 2) Explain the term “direct-imports”.
- 3) Speak about “NAFTA” in three lines.
- 4) What is export?
- 5) How does the Internet play a role in the importing and exporting of goods and services?