

See discussions, stats, and author profiles for this publication at: <https://www.researchgate.net/publication/323684347>

INTERNATIONAL TRADE

Book · March 2016

CITATIONS
0

READS
45,419

2 authors:



Temur Shengelia

Ivane Javakhishvili Tbilisi State University

35 PUBLICATIONS 46 CITATIONS

SEE PROFILE



Yuriy Kozak

Odesa National Economic University

7 PUBLICATIONS 21 CITATIONS

SEE PROFILE

Some of the authors of this publication are also working on these related projects:



Methodology for Establishment of Relation between Social Capital and Motivation and its Use for Development of Transnational Companies. [View project](#)



For students and academics [View project](#)

INTERNATIONAL TRADE

Yuriy Kozak, Teimuraz Shengelia

**Tbilisi
Publishing House „Universal“
2016**

ISBN 978-9941-22-391-4

**International trade. Yuriy Kozak, Teimuraz Shengelia – Tbilisi :
Publishing House „ Universal“ , 2016 - 258 p.**

In this training manual the essence and the role of international trade in economic development, the basic theories of international trade exchange, the trade policy, the organizational and financial aspects of international trade, the normative legal regulation and the practice of the conclusion of international trade agreements are examined.

For students and academics.

© Yuriy Kozak, Teimuraz Shengelia 2016

© Publishing House „ Universal“, 2016

CONTENTS

Preface	8
Part I. International trade: economic essence and development theories	9
Chapter 1. General characteristics of international trade	9
1.1. The notion of international trade, structure and specific features	9
1.1.1. Geographical and commodity structure of international trade	11
1.1.2. The main types of markets and products	14
1.1.3. Specific features of international trade	18
1.2. Main stages of international trade development	21
1.3. The system of indicators of monitoring the impact of international trade	25
1.4. Expediency of international trade exchange	36
1.4.1. The gain from international trade at the country and consumers levels	36
1.4.2. Benefits of export and import activities for domestic firms	38
Chapter 2. International trade and economic development	40
2.1. Determinants of promotion of economic development and international trade	40
2.2. Role of international trade in economic growth	44
2.2.1. Types of economic growth	44
2.2.2. Competitive export as a component of the dynamization of growth	47
Chapter 3. International trade theories	50
3.1. Classical international trade theories	50
3.1.1. Mercantilism theory	50
3.1.2. Absolute advantage theory	51
3.1.3. Comparative advantage theory	52
3.1.4. Factor proportions theory and its testing by W. Leontief	54
3.2. Standard model of international trade	56
3.3. Alternative concepts of international trade	57
3.3.1. The technology gap theory	58
3.3.2. Product life cycle theory	58
3.3.3. Representative demand theory	59
3.3.4. Economies of scale theory	59
3.3.5. Intra-industry trade theory	60
Part II. Trade policy	62
Chapter 4. National level of international trade regulation	62
4.1. The main types of trade policy	62
4.2. Tariff methods of international trade regulation	66
4.2.1. Types of duties	66
4.2.2. The economic implications of the imposition of duties	71
4.2.3. Optimal tariff	73
4.3. Nontariff methods of international trade regulation	75
4.3.1. Quantitative restrictions	75

4.3.2.	The hidden trade restrictions	78
4.3.3.	Financial methods of trade policy.....	79
4.4.	Trade discrimination.....	82
4.4.1.	Trade blocks.....	83
4.4.2.	Trade embargo.....	84
4.4.3.	Trade wars.....	85
Chapter 5. Supranational level of international trade regulation. The international organizations for the international trade regulation		87
5.1.	International trade regulation in the WTO system.....	87
5.1.1.	Goals, objectives, principles of the WTO.....	87
5.1.2.	Regulation of international trade in goods.....	91
5.1.3.	Regulation of international trade in services.....	92
5.1.4.	Regulation of international trade in intellectual property products.....	93
5.2.	The regulation of international trade in the UN system.....	95
5.2.1.	Facilitation of international trade development by UNCTAD.....	95
5.2.2.	Specificity of ITC activity in the sphere of international trade.....	97
5.2.3.	Activity directions of UNCITRAL in the field of international trade law.....	100
Part III. The European Union's trade policy.		103
Chapter 6. The common EU's trade policy as a basis of the European integration		103
6.1.	The formation and organization of the common trade policy.....	103
6.2.	The features of the common EU's trade policy.....	107
Chapter 7. The main instruments of the EU's trade policy		111
7.1.	Instruments of tariff regulation in the EU.....	111
7.2.	The use of quantitative restrictions in the EU's foreign trade.....	114
7.3.	The system of protective measures in the EU's trade policy.....	116
7.4.	Financial methods of the EU's trade policy.....	118
Part IV. Organizational aspects of international trade.....		123
Chapter 8. Forms of international trade: essence and features.....		123
8.1.	Forms of international trade in accordance with the subject of trade....	123
8.1.1.	International trade classifications.....	124
8.1.2.	The international trade in manufactured goods, machinery and equipment.....	128
8.1.3.	The international trade in raw commodities.....	132
8.1.4.	World prices for manufactured and raw commodities.....	138
8.1.5.	International trade in services.....	141
8.1.6.	International trade in intellectual property products.....	152
8.2.	The forms of international trade on the type and organization of the relationship between the partners.....	161
8.2.1.	International countertrade.....	161
8.2.2.	E-commerce.....	164
8.2.3.	International leasing.....	166
8.2.4.	International industrial cooperation.....	167
Chapter 9. Methods of export and import operations		170

9.1.	Trade on the basis of direct links between contractors (direct method).	170
9.1.1.	Essence of direct method.....	170
9.1.2.	Features of intra-firm trade.....	171
9.2.	Trade through the mediatory link (indirect method).....	173
9.2.1.	Essence of indirect method.....	173
9.2.2.	Trading-intermediary operations.....	175
9.2.3.	Trading-intermediary firms.....	184
Chapter 10. Organized international commodity markets.....		189
10.1.	International commodity exchanges.....	189
10.1.1.	Essence of international exchange trade.....	189
10.1.2.	Types and procedure of exchange business transactions.....	193
10.2.	International commodity auctions.....	197
10.3.	International biddings.....	201
10.4.	International fairs and exhibitions.....	204
Part V. International trade agreements.....		208
Chapter 11. Legal regulation of international trade agreements.....		208
11.1.	Essence of international trade agreements.....	208
11.2.	Regulation's unification of the conclusion of the international trade agreements.....	211
11.3.	International trade terms (INCOTERMS -2010).....	216
Chapter 12. International purchase and sale contracts.....		222
12.1.	Types and content of international purchase and sale contracts.....	222
12.1.1	Characteristic of international purchase and sale contracts	222
12.1.2.	The influence of trade traditions on the terms of contract.....	223
12.1.3.	Basic terms of international purchase and sale contract.....	224
12.2.	Preparation for the conclusion of international purchase and sale contract	231
12.3.	Conclusion of international purchase and sale contract.....	233
12.3.1.	Stages in conclusion of international contract.....	233
12.3.2.	Form, moment and language of contract.....	236
12.4.	Performance of international purchase and sale contract.....	236
12.4.1.	Preparation of commodities for shipment.....	236
12.4.2.	Foreign trade documentation.....	237
12.4.3.	Liability of the parties for violation of contract obligations.....	241
Chapter 13. Settlement of international trade disputes.....		242
13.1.	Settlement of international trade disputes by international commercial arbitration.....	242
13.2.	Settlement of international trade disputes within the WTO.....	245
Part VI. Payment operations under international trade contracts.....		248
Chapter 14. Essence and basic forms of international payments.....		248
14.1.	Characteristic of international payments.....	248
14.2.	International payments via letter of credit.....	249
14.3.	International payments via encashment.....	250
Chapter 15. Tools and methods of international payments.....		251
15.1.	Tools of payment in international trade.....	251

15.1.1. Payments by bills.....	251
15.1.2. Payments by checks.....	252
15.1.3. Payments by plastic cards.....	253
15.1.4. Bank transfer.....	253
15.2. Methods of payment in international trade.....	253
References.....	257

References

1. Berishvili Kh. (2017) Contradictory character of the process of liberalization and integration of economic relations and influence of this process on the countries with small economy. 6th Business & Management Conference, Geneva, p. 3
2. Berishvili Kh. (2017) Identification of integration processes in Conditions Economic Turbulence and Their Use in development of The Countries With Small Economy. Ecoforum Journal, Volume 6, Issue 2, pp.108-115
3. Berishvili Kh. (2014) Possibilities for Mastering The Foreign Trade Potentials In Georgia. Georgian International Journal of Science, Technology and Medicine 6 (4), 277
4. Berishvili Kh. (2015) Importance of Investment Implemented Through Technological Transfer for Recipient Country. (IJAS) International Conference for Business and Economics.P. 2-3
5. Berishvili Kh. (2014) Liberalization of Economy and Possibilities of Development of Foreign Trade Potential in Georgia. Materials of reports made at the international scientific-practical conference held at Paata Gugushvili Institute of Economics of Ivane Javakhishvili Tbilisi State University pp. 124-129
6. Berishvili Kh. (2013) Globalization and Georgia's Integration Into World Economic Space. Materials of reports made at the international scientific-practical conference held at Paata Gugushvili Institute of Economics of Ivane Javakhishvili Tbilisi State University pp.125-128.
7. Essentials of International Economics: Questions & Answers.- Edited by Y. Kozak, T. Shengelia - Kiev-Katowice: CUL ,2014
8. Economia mondială: Suport de curs / Iurie Kozak, Alexandru Gribincea - Chişinău: ULI, 2013
9. Feenstra Robert C. Advanced International Trade: Theory and Evidence - Princeton University Press, 2004
10. Gandolfo Giancarlo. International Trade: Theory and Policy - Springer Berlin Heidelberg, -2013
11. Gribincea A. Iu.Kozak. Marketing International- Chisinau :CEP- USM, 2014
12. Gribincea, A. Iu.Kozak RELATII ECONOMICE INTERNATIONALE - Chisinau :CEP-USM, 2013
13. Handel Międzynarodowy - Wydanie piąte, poprawione i uzupełnione.- Pod redakcją prof. Jurija Kozaka, prof. Tadeusza Sporaka - Kijów – Katowice - Kraków: Centrum literatury naukowej, 2014
14. International Economic Relations. - Edited by Y. Kozak, T. Shengelia – Tbilisi, Universal, 2014
15. International Marketing.- Edited by Y. Kozak, T. Shengelia - Kiev-Katowice: CUL , 2014.
16. Introduction to International Economics: Questions & Answers.- Edited by Y. Kozak, T. Shengelia–Tbilisi: Publishing House „Universal“, 2014
17. International finance: training manual, 5th edition, revised and enlarged . - Edited by Y.Kozak, T.Shengelia. – Kiev – Tbilisi - Chisinau - Katowice - New York : CUL , 2015.

18. Krugman P, Obstfeld M., Melitz M. International economics: Theory and Policy (ninth edition). – Addison – Wesley. – 2012
19. Krugman Paul, Obstfeld Maurice, Melitz Marc International Trade: Theory and Policy: Global Edition -Pearson Education Limited- 2014
20. Suranovic Steve International Trade: Theory and Policy- Flat World Knowledge, 2010
21. Shengelia T.(2013) Global Business.Tbilisi, Publishing House „Universal“.
22. Shengelia T. (2014) Business Aticophobia and the Terms For Overcaming in Georgia. Georgian International Journal of Scince, Tecnology and Medicine, Volume 6, Issue 4, Nova Science Publishers, Inc. PP. 331-337
23. Shengelia T. (2017) Determination of correlative relations between social capital, trust and motivation in the international company. 6th Business & Management Conference, Geneva. Pages 32-32
24. Shengelia T. (2017) Interpersonal and Organizational Trust, As Factor of Social Capital and Its Influence On the Motivation of International Company Employees. Ecoforum Journal, Volume 6, Issue 2
25. Shengelia T. (2017) The role of state regulation of investment in the Georgia business development. International business in the world economic system. Universal, Tbilisi. ISBN 9789941175986
26. Y.Kozak , T. Shengelia , S. Ierokhin (2017). Essentials of International finance: Questions & Answers. Tbilisi : Publishing House „Universal“, 288 p.
27. Shengelia T. (2016) Generation of Knowledge Into Conception of Cultural Pragmatizm and its Influence on International Business. Ecoforum Journal. Volume 5, Issue 2, p.265-268
28. Shengelia T. (2015). Terrorism, As Socio-Political Phenomenon and Impeding Factor For Global Business. Volume 4, Issue 2, pp.80-86
29. Yuriy Kozak, Temur Shengelia (2014) An introduction to international economic relations. Tbilisi, Publishing House „Universal“
30. Shengelia T., Berishvili Kh. (2014). The Role of Institutional Reforms in the Improvement of the Georgian Investment Environment. Journal of Social Sciences, Volume 3, Issue 2, International Institute of Social and Economic Sciences. PP. 81-87.
31. Shengelia T. (2014) Tendencies of The Capital International Movement and Its Influence on the Economy of the Sovereign State. Georgian International Journal of Scince, Tecnology and Medicine, Volume 6, Issue 1, Number 4, Nova Science Publishers, Inc. PP. 49-55
32. Shengelia T., Berishvili Kh. (2014). Evaluation of the Global Position of Georgia and its Role In the Development of Business. Georgian International Journal of Scince, Tecnology and Medicine, Volume 6, Issue 1, Nova Science Publishers, Inc. PP. 57-65
33. Shengelia T. (2013) Influence of Role of International Busines on Formation of International Relation Policy. Georgian International Journal of Scince, Tecnology and Medicine, Volume 5, Issue 3/4, Nova Science Publishers, Inc. PP. 219-228.
34. Shengelia T., Berishvili Kh. (2013). Globalization and Place of Georgia in International Business. Georgian International Journal of Scince, Tecnology and Medicine, Volume 5, Issue 3/4, Nova Science Publishers, Inc. PP. 229-238.
35. Shengelia T. Metamorphoses and Results of Business Development in Georgia. Materials of reports made at the international scientific-practical conference held at Paata Gugushvili institute of Economics of Ivane Javakhishvili Tbilisi State University in 2013. P. 74-78
36. China, Japan and South Korea in free trade talks. Financial Times [Electronic resource]. Mode of access: <http://www.ft.com/cms/s/0/d6ffcf3c-9cc0-11e1-aa39-00144feabdc0.html>
37. Index Mundi. World External debt. [Electronic resource]. Mode of access: http://www.indexmundi.com/world/debt_external.html
38. .Net official development assistance from DAC and other OECD members in 2011 [Electronic resource]. Mode of access: <http://www.oecd.org/dac/stats/50060310.pdf>
39. Total Midyear Population. U.S. Census Bureau, International Data Base. accessed on June 29, 2011. The World Factbook - European Union, Central Intelligence Agency, accessed on June 29, 2011. [Electronic resource]. Mode of access: <https://www.cia.gov/library/publications/the-world-factbook/geos/ee.html>
40. The World Bank database. Commercial service exports and imports. [Electronic resource]. Mode of access: <http://data.worldbank.org/indicator/>

41. The International Trade Statistics Yearbook (ITSY) of the United Nations Statistics Division/ Department of Economic and Social Affairs. 2013
42. The World Bank database. Commercial service exports and imports. [Electronic resource]. Mode of access: <http://data.worldbank.org/indicator/>
43. World Trade Organization. Trade in commercial services 2013. [Electronic resource]. Mode of access: http://www.wto.org/english/res_e/statis_e/its2013_e/its13_trade_category_e.pdf
44. World Trade Organization. World Trade 2013. [Electronic resource]. Mode of access: http://www.wto.org/english/news_e/pres12_e/pr658_e.htm#chart2
45. WTO: 2012. [Electronic resource]. World Tariff Profiles. <http://stat.wto.org/TariffProfile/WSDBTariffPFHome.aspx?Language=E>
46. WTO: 2012 Press Releases. [Electronic resource]. Mode of access: http://www.wto.org/english/news_e/pres12_e/pr658_e.htm#chart2
47. WTO: 2013 Press Releases. [Electronic resource]. Mode of access: http://www.wto.org/english/news_e/pres12_e/pr658_e.htm