

<研究ノート>

「貿易コミュニケーション」入門

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はじめに

「現代ビジネス学科」新設、 Semester制の導入を機に、従来「商業英語 I」といわれていた科目名を「貿易コミュニケーション」へと変更した。外部の人から見ると、非常にわかりにくく、ふさわしくない名称と思われるかもしれないが、この科目名は、英語を学ぶだけでなく、英語で学ぶことを目指して命名された。つまり、コミュニケーションの基本と貿易についての基礎知識を、英語で読み、理解し、可能ならば英語で第三者に説明できるようになることを意図している。もちろん、実際のビジネス状況で役立つ表現の習得も目指している。そのためには、受講生にとって平易な英語で書かれた入門書が求められる。

筆者がこれまで講義で使用してきた教科書 *Overseas Business and Communication* は、内容が古く、最新の通信技術と変化の激しい現代のビジネス状況にはそぐわなくなっている。同書は、筆者を含め4人の共同作業で完成されたものである。しかし、出版後年月を経て現在、当該科目の教育に携わっているのは筆者のみで、今回は、筆者単独の試みである。本稿は、同書を基に、読みやすくかつ現実のビジネスに近い状況設定を試みた、同書の改訂版といえる（英語力のない筆者ゆえ、多々初歩的な用法の間違いや稚拙な表現が見られるかもしれない）。

本稿は、理論編と実践編から構成されている。まず、理論編では、

Part 1. Basic Concepts

1-1. Concept on Communication

1. International Communication
2. Characteristics of Business English and Effective Writing

1-2. Concept on International Trade

1. International Traders
2. Supporting Organizations

Part 2. Basic Know-How

2-1. Business Letter : Layout of Letter Writing

2-2. International Trade : Process of Exporting and Importing

となる。

上記の基本的な概念を理解した上で、実践編では、「日本の貿易会社が米国のスポーツ用品メーカーから輸入する」という状況設定に基づく交信を、各段階に分けて取り上げる。ここでは、実際の状況にふさわしいコミュニケーションの方法、表現を学ぶ。その構成は、

Part 3. Negotiations for International Trade

3-1. The Situation

3-2. Correspondence for Negotiations

1. Inquiry
2. Credit Inquiry
3. Offer
4. Order and Acknowledgement
5. Trade Terms
6. Shipment
7. Payment
8. Complaint and Adjustment
9. Follow-up

となる [上記 correspondence の具体例 (e-mail, letter) は、本稿では省略される]。

Part 1. Basic Concepts

1-1. Concept on Communication

1. International Communication

Communication is just like air. We are seldom conscious of its existence in everyday life, though we recognize its necessity and importance. Effective communication is, of course, indispensable for maintaining our pleasant or comfortable lives. But it is not easy as it looks for us to have successful communication.

Communication is, basically, a process of social interaction in which the sender encodes the message and sends it to the other party through a channel, and the receiver perceives and decodes it and then grasps its meaning. If it turns out well, the receiver will be able to have the same meaning as the sender intended. In order to achieve such a good result in communication, we need to have a common system of encoding and decoding, that is, a language.

In today's international business, English has played an important role as a common way of communication, which is a "lingua franca". English fluency is one of the basic skills for today's international businesspeople. Of course, local language is important as well. You will be surely welcomed and easily accepted if you use the local language in a target market, for example, Portuguese in Rio de Janeiro of Brazil, Turkish in Istanbul of Turkey, Greek in Athens of Greece, Finnish in Helsinki of Finland, and so forth. But it is regrettably very hard for Japanese business persons to become bilingual or trilingual who can speak fluently Chinese and/or Arabic as well as English, though Kenneth D. Weiss points out that :

The more languages you know the better, and the better you know languages, the more likely you are to avoid misunderstandings. (1991, p. 15)

English proficiency, however, is not enough. We should not ignore cultural aspects which have a great effect on the language. Dr. Ferraro explains the relation between culture and language adequately as follows :

It is generally held that it is impossible to understand a culture without taking into account its language ; and it is equally impossible to understand a language outside of its cultural

context. (1990, p. 52)

It is true that culture and language are inseparably connected, and that they have strong interactions each other. Although Dr. Ferraro also indicates the cases in which people who share similar cultures speak different languages and people with different cultures speak mutually understandable languages (1990, p. 52), he puts a stress on their interrelationships as follows :

... culture influences language and language influences culture in a number of ways.

(1990, p. 53)

It is natural that communication will be carried out comparatively well in case that both parties are from similar cultures. According to Professor Nishiyama,

... the sender, Person A, encodes his message based on his knowledge and experience and sends it to the receiver, Person B, who, in turn, receives it and decodes it based on his own knowledge and experience. If the knowledge and experience of Person A and Person B are very similar, the message will most likely be interpreted correctly. (1980, p. 9)

On the other hand, in cross-cultural communication situations, it is not easy for one party to have a common understanding of the message given by the other party. As Professor Nishiyama explains that :

In intercultural communication situations, Person A and Person B share neither the same culture nor the same knowledge or experience. A person in culture A encodes his message based on his knowledge and experience and sends the message to his counterpart in Culture B in the language understood by both parties. The person in culture B receives and decodes the message based on his own knowledge and experience, and he tries to understand its meaning as intended by the sender in Culture A, (1980, pp. 9-10)

each party from different cultures tends to interpret the message or judge its meaning by his own cultures and such tendency may cause an unexpected misinterpretation or communication gap between the two. Dr. Ferraro also points out that effective communication is difficult even among people from the same culture, but that miscommunication will much more often occur among people who have different ideas, attitudes, assumptions, perceptions, and ways of doing things.

(1990, p. 45)

Thus, the most difficult problem as explained in the above is that both parties are most likely to encode or decode the messages on the basis of their own cultures, which may sometimes be just the opposite. This means that communication in the similar culture or society is usually more effective and more easily realized than that of foreign people who are different from cultural or linguistic background.

International business is done in such cross-cultural situations. So persons who have been engaged in international trade must have a deep insight into the workings of different societies and be sensitive to cultural dimensions which may have an impact on their business activities. Being a good cross-cultural communicator is also one of the necessary skills for international businesspersons so that the sender's message can be understood by the receiver exactly as the sender intended.

2. Characteristics of Business English and Effective Writing

At the stage of international business, a variety of languages have been used, for example, French is popular between or among France and French ex-colonies in North Africa such as Algeria, Morocco and Tunisia, and Spanish is used in Spain of course, and also adopted among countries in Central and South America such as Mexico, Venezuela, Argentina, etc. except Brazil. But nobody will deny the fact that English is most widely used in the world of business today.

Business English is a kind of English. It is not a special language, of course. But there are a few characteristics. First, it has words and expressions specific to business activities. These are not so difficult as they may seem, though, because so-called technical or commercial words usually have very limited meanings. For example, a poem is composed of "easy" words, but it is usually much more difficult to understand than an interoffice memo in terms of transmitting the writer's real intentions. And also we should not be afraid to use the same words or expressions many times or repeatedly in various business-related situations, because synonyms do not always have exactly the same meaning as the words used and may add risks of ambiguity that can lead to confusion and misunderstandings.

Second, the tone and style of the Business English is, in most cases, official and formal, not casual; it is necessary, therefore, to be familiar with the kind of English generally used by educated or cultured native speakers of the language. It is natural that substandard English and slang

words or expressions should not be used.

Third, though the four language skills—speaking, writing, listening, and reading—are all important, speaking and writing are especially so. Good speaking and writing skills are qualities which all businesspeople should have, for such people are constantly involved with the spoken language and frequently required to write reports, minutes of meeting, correspondence including letters and e-mails, and so on.

The following guidelines are so helpful especially in writing :

1. Clarity : The writer should use not general but specific words, and avoid ambiguous or unnecessary words and phrases so that the reader can understand exactly what the writer is trying to tell.
2. Completeness : All the necessary information should be given so that the reader can evaluate the message adequately and respond to it appropriately.
3. Correctness : The message must contain accurate information with grammatical correctness and proper usage of the language.
4. Conciseness : The message should be written to the point in a logical way so that the reader can grasp its contents as quickly as possible.
5. Consideration : The message should give a positive image without losing courtesy for establishing a good relationship with the reader.

Thus, international businesspersons are now required to have not only English fluency, but also an ability to communicate in a clear way. In other words, the sender should try to express himself in a way that the recipient can easily understand.

1-2. Concept on International Trade

1. International Traders

Traders in international dealings help to distribute various goods from producers or suppliers to end users or consumers in different countries. They are manufacturers or manufacturing companies, trading companies, and buying and/or selling agents. If manufacturers do business in their own name and account, they are engaged in “direct trade”. If business is done through trading companies or agents, they are engaged in “indirect trade”, which are usually conducted on a commission basis.

International trade once seemed to be more difficult or complicated than domestic one. In Ja-

pan, trading companies have functioned as middlemen, importing raw materials or primary goods, and exporting manufactured or finished goods, on behalf of their clients, the manufacturers.

Some representatives of big trading companies are known as “Sogo Shosha”, which have dealt in almost every product covering from daily necessities, food and clothing such as soaps, papers, precooked noodles, wine, T-shirts, brand-name goods, etc. to heavy machinery and equipment such as iron and steel products, machinery plants, bulldozers, jumbo jets, and even war supplies such as helicopters, jet fighters, missiles or rockets, etc. They are literally gigantic companies, which have thousands of experts with trading expertise and know-how as well as language proficiency, and they also have strong and extensive dealer networks, which enable them to have easy access to the resources such as raw material, manpower and capital in developed or developing countries.

With the growth of industries, many Japanese manufacturers have recognized the importance of world markets as well as domestic market. Products sold to a global market were required to be more sophisticated nature than those in the home market. Then, they had to pay greater attention to international or global “marketing”, focusing on pricing, sales promotion, distribution, and servicing ; hence, these manufacturers have gradually chosen direct trading.

For a few decades after the mid-1960s, both trading companies and manufacturers have aggressively and successfully marketed their products overseas, creating serious trade imbalance between Japan and other countries. The huge trade surplus and the significant appreciation of the yen have encouraged Japanese industries to enter into foreign countries. They have now many overseas plants producing goods for selling domestically in that country or exporting to Japan or third countries. Many Japanese companies now become multinational firms.

Sometimes or especially in a business recession, they have been accused of exporting jobs, meaning that jobs are lost in Japan because they have established plants in other area. But their favorable aspects should not be neglected in a broader sense or from the worldwide viewpoint. They have contributed to not only creation of many jobs but also transfer of technology or new products in host countries and/or next-door developing countries.

Thus, many economic activities across the borders will have merits or demerits at home and in foreign countries, but companies as going concerns will have no choice but to continue growing and expanding in a global market.

2. Supporting Organizations

When goods are exported abroad, trading companies and manufacturing companies need a lot of helps or supports given by service companies such as forwarding agents or customs brokers, airlines or shipping companies, insurance companies and banks, e. g. packing, transportation, insurance and payment.

Upon completion of manufacturing in the factory, the goods must be packed for export carefully in order to protect them from any damage especially in transit, and shipping marks should be made on the outer side of the packages so that all the parties concerned can easily know where they are going.

The goods can be transported by a shipping company or by an airline. In order to deliver them to the shipping company or to the airline, they are carried by truck or by rail either to the port in the case of shipment, or to the airport in the case of air-cargo. Then the cargo must be inspected and controlled by customs, because all the incoming and outgoing cargo or goods have to be cleared through customs before crossing the border. Soon after customs clearance, the cargo will be boarded onto the ship or the airplane.

In a real situation, a forwarding agent or customs broker actually works on behalf of the exporter so that the above works can be performed without any difficulties. The agent's jobs are mainly to provide customs clearance, transport and warehousing services such as, for example, to receive cargo at a port, to keep it at a warehouse for a while, to deliver it to a ship, etc. as well as to prepare the required documents and file them with customhouse.

The cargo will be covered from the factory to the port or to the airport, and also be insured from the delivering point of the cargo to the final destination in the importing country. Since it will be exposed to a lot of risks especially when crossing the oceans or the borders, it should be insured against loss or damage while it is in transit. The exporter takes out insurance or the importer insures the cargo, depending on the trade terms such as CIF or CIP and FOB or FCA, for example. The insurance company will make up for the cost of the damaged or missing goods if they are damaged or lost. Thus, the insurance company can help the exporter deliver the cargo smoothly or the importer receive it safely.

The next step after shipment for the exporter is to receive payment. Different from the domestic deal, the importer lives in a foreign country. There are a long distance and a time lag between both parties. Therefore, their positions are opposed to each other; the exporter wants to collect payment soon after shipping the cargo, while the importer wants to make payment after receiving it. In order to adjust such differences between the two separated parties, banks will

stand between them.

In order to collect payment, in actual practice, the exporter draws a draft (bill of exchange), called “a set bill (bill of exchange)” and prepares or obtains shipping documents such as a commercial invoice, a bill of lading (B/L), an insurance policy, etc., and submits them to the bank, which will pay the exporter the same amount of the draft after checking the documents. This is tantamount to financing to the exporter, because the exporter will be able to receive payment in advance before the importer will pay. Finally, the related documents will be sent to the bank in the importing country and delivered to the importer upon his payment or acceptance of the draft.

This method of payment for exported goods is known as a “documentary bill of exchange (draft)”, which often accompanies a letter of credit (L/C) issued by a bank. Thanks to this convenient means of payment, both parties can have full assurance, that is, the exporter can get paid for the goods and the importer can take possession of them. Thus, banks contribute to promote smooth transaction by functioning as middlemen.

Part 2. Basic Know-How

2-1. Business Letter : Layout of Letter Writing

The appearance of a business letter is very important and helps the receiver have a good impression, as it is often said that a business letter is an ambassador or representative for its company. Clarity, brevity and neatness are also essential factors for writing a letter so that the reader can easily grasp its contents. We should keep in mind that “The longer and more diffuse a letter is, the longer the writer often has to wait for an answer” *.

*A. B. Kench, *The language of English Business Letters*, Macmillan Publishers, 1990, p. ix

Parts of the Letter

(1) Letterhead

The name, address, and telephone and/or facsimile numbers of the company are printed at the top of official stationery. This heading and the sheet itself are known as letterhead. Use of the letterhead indicates that the contents have official status. It also, of course, serves as a handy reference for the reader so that he can learn easily where to communicate.

(2) Reference

A filing code is usually assigned to each letter.

Example : Our Reference No. XY-234

When replying to a letter, the addressee's reference number comes first. References help both parties operate more efficiently.

Example : Your Reference No. AB-105

Our Reference No. XY-267

(3) Date

The date on the letter is the date of preparing or issuing the letter. In the United States, it is customary to write the month first, the day second, and the year third.

Example : January 1, 20XX

In the United Kingdom, the order is different—date, month, and year. It is in general practice that the particles or endings -st, -nd, -th are added to the date numeral.

Example : 1st January, 20XX

(1 January, 20XX)

(4) Inside Address

This is the same name and address of the recipient or addressee that the sender writes on the envelope. When writing a reply, the sender should copy the address carefully from the letter he received.

4-1) Addressed to a company :

International Services Co., Inc.
220 Fifth Avenue
New York, NY 10010
USA

4-2) Addressed to a particular person at the company :

Mr John Clark
Sales Manager
Western Equipment Co., Ltd.
137 Mortimer Street
London, W 1 C 37 D
UK

4-3) Addressed to the company, but to the attention of a particular person :

Johnson & Co.
115 Wilshire Boulevard
Los Angeles, CA 90041
USA

Attention : Mr. Paul Hamilton
Import Manager

(5) Salutation

This is a kind of the greeting phrase which opens the letter and comes before the body of the letter. When writing to a company or department and do not know exactly who to write to, plural forms are desirable to be adopted. In the United States, the colon (:) is used, following the salutation.

Example 1 : Gentlemen :

Example 2 : Ladies and Gentlemen :

In the United Kingdom, a comma (,) is used after the salutation.

Example : Dear Sirs,

When the writer knows the name of the addressee, it is recommended to use the family name or surname so that it helps to personalize or familiarize the letter.

American *Example* : Dear Mr. Smith :

British *Example* : Dear Mr Turner,

A period (.) for abbreviation is not placed after Mr or Mrs in British English.

(6) Subject of the Letter

It is placed after the salutation, and tells what the letter is about. It helps the reader grasp the letter's contents quickly.

Example : Your Order No. 253

(7) The Body of the Letter

This consists of a few paragraphs which the writer wants to tell the reader. It is usually three parts, e.g. the beginning, the middle, and the end.

(8) Complimentary Close

The closing phrase is usually used to politely close a letter. There is a rule that the closing should match the opening greeting. When a letter is addressed to a particular person and the salutation is like "Dear Mr. ...", the following closings are suitable and friendlier :

American *Example 1* : Sincerely,

Example 2 : Sincerely yours,

British *Example* : Yours sincerely,

When a letter is to a stranger or to a company and the salutation is "Dear Sir" or "Dear Sirs", the following are appropriate :

American *Example 1* : Yours truly,

Example 2 : Very truly yours,

British *Example* : Yours faithfully,

(9) Signature

This consists of the writer's signature in ink, his typewritten name in full, and his official title.

Example : 

Taro Yamada

Export Manager

(10) Identification Marks

This is the initials of the writer in upper-case letters, which comes first, and the secretary or the typist in lower-case letters, who prepares the letter.

Example 1 : TY/hs

Example 2 : TY : hs

When the letter has been drafted by someone other than the writer, the initials of the person who drafted it are placed between the other two.

Example 1 : TY/jk/hs

Example 2 : Ty : jk : hs

(11) Enclosures

This indicates that something is enclosed with the letter.

Example : Enc. Price List No. 3

(12) Copy

This indicates that copies of the letter have been sent to other person(s) or other section(s) besides the addressee.

Example 1 : cc : Mr. Peter Thomas

Example 2 : cc : Accounting Department

2-2. International Trade : Process of Exporting and Importing

1. From the Exporter's Side

1) Before the Contract

(1) Export Market Research

When the exporter wants to sell his goods abroad for the first time, he must select a market or markets which offer most favorable conditions for those goods. He can get general information about markets from several organizations, which are, for example, the Japan External Trade Organization ("JETRO"), the chamber of commerce and industry, and embassies or consulates located in the exporting country. More detailed information can be obtained from marketing agen-

cies, which specialize in market research. The exporter will select the best possible market, based on all the information he needs. Once an appropriate market is selected, a most suitable partner should be selected after careful study.

(2) Credit Inquiry

When the exporter wants to know whether the future partner is reliable or not, he may ask a credit inquiry to a bank, with which he has an account. It is called a "bank reference". Or he may ask it to a company in the same line of business, which is called a "trade reference". He can get, for free, necessary information about the potential importer's credit standing including the "3 C's" of credit, e. g. capital, capacity and character, from the references. He can also ask credit or mercantile agencies for more detailed information whenever he needs. In this case, he bears the cost for it. After conducting the credit inquiry, he decides whether or not he will go one step further.

(3) Sales Activities

The exporter sends prospective importers catalogs or brochures, samples and price lists. If the importer has an interest in some products, he will send the exporter an inquiry asking about their quality, quantity, delivery time, etc. Soon after receipt of this, the exporter gives an answer which will meet the importer's requests. This is called an "offer". It is very rare, though, that the importer accepts the exporter's first offer. The importer usually sends his proposal demanding reduction on prices or modification on terms of sales. This proposal is called a "counter-offer". Then, the exporter tries to accept the importer's request or counter-offer by giving certain concessions. Thus many counter-offers are exchanged between them and finally both parties reach an agreement.

(4) Conclusion of the Contract

When one party accepts the other party's offer, a contract is concluded. The exporter may send a "sales note". or the importer may send an "order sheet" or a "purchase note" in order to confirm the conditions to which they agreed. Whichever they adopt, it is necessary for one party to check the terms and conditions of the contract arranged by the other party, because such an order or acceptance will bind both parties. Usually a formal document or contract is prepared in duplicate by either of the two parties and sent to the other party for confirmation of it. The receiver will sign it after confirming that there is no problem with it, and keep the original and return the duplicate to the other party.

Thus, in international trade, even small misunderstanding may result in serious disputes and

claims, because both parties live in different countries and have diverse manners and customs. Therefore, a contract which stipulates their responsibilities and obligations is needed to avoid problems, causing unexpected loss to them.

2) After the Contract

(1) Applying for Government Approval

Generally, the government wants to control which goods enter or leave his country, but it is desirable that exports restrictions should be kept as minimum as possible, for example, like “in principle free” rule adopted in Japan. Sometimes, however, the contract for certain goods requires the exporter to have a government approval in the form of export license (E/L) as a precondition of enforcement of the contract, stating that, for example, “This contract shall be subject to a government approval”. In this case, the exporter must apply to the government for an E/L, soon after conclusion of the contract.

(2) Obtaining a Letter of Credit

When a letter of credit (L/C) is used to make payment, the exporter requests the importer to open an L/C in favor of the exporter and receives it through a bank. Upon receipt of the L/C, he can begin preparing the goods for shipment, because it is a kind of guarantee for payment, indicating that the bank agrees to pay the exporter on behalf of the importer on condition that the exporter duly fulfills the contract.

(3) Space-booking

On a CIF or CIP contract, the exporter must book space with a shipping company so that he can ship his cargo as scheduled.

(4) Arranging the Insurance

The exporter asks an insurance company to cover his cargo against various risks in transit, in case that the contract is stipulated on a CIF or CIP term.

(5) Shipment

5-1) Shipment through Conventional Ship

The cargo is transported from a factory or a warehouse to a bonded area for customs clearance and the exporter files an export declaration (E/D) with customhouse. Customs officers check the documents and inspect the cargo whenever necessary, and then grant an export permit, if

everything is satisfactory. Finally, the cargo is loaded onto a ship and a mate's receipt (M/R) is issued by the chief officer or mate. In exchange for the M/R, the exporter receives from the shipping company a bill of lading (B/L) certifying that the cargo has been duly loaded onto the ship.

5-2) Shipment through Container Ship

a) FCL Cargo

A full-container-load (FCL) cargo is a shipment which is large enough to fill one or more containers. In this case, the containers into which the cargo is loaded by the shipper (exporter) are delivered to the container-yard operators, who load the containers onto the ship and issue a dock receipt (D/R) with his signature on it. The exporter receives the B/L in exchange for the D/R from the shipping company.

b) LCL Cargo

A less-than-container-load (LCL) cargo is one which is insufficient to fill one container. In this case, the cargo is delivered to the container-freight station, whose operators pack them into a container along with other cargoes. The container is then delivered to the container-yard operator, who in turn loads it on a container ship. A B/L is issued in the same way as it is for the FCL cargo.

(6) Giving Shipping Advice

As soon as the cargo has been loaded, the exporter gives the importer the details of the shipment including ship's name, its departure date, expected time of arrival (ETA), etc., in addition to sending copies of the related documents to the importer. This will enable the importer to make preparations in advance for import customs clearance.

(7) Negotiation of the Draft

In order to receive payment after shipment, the exporter must prepare the requisite shipping documents as stated in the L/C. He makes out a commercial invoice, a customs invoice, and a packing list, etc. At the almost same time, he has obtained a bill of lading (B/L) issued by the shipping company, an insurance policy or certificate by the insurance company, a certificate of origin by the chamber of commerce and industry, a certificate and/or list of weight and measurements by the authorized agency, and so on.

Then, the exporter draws a draft (bill of exchange) for collection and presents it to a bank together with the shipping documents certifying that the exporter has made shipment as instructed. The presented draft is negotiated or bought by the bank, which means that the exporter receives the payment for the goods. The documents are finally delivered to the importer through

a bank located in the importing country after the importer pays or accepts the draft.

2. From the Importer's Side

1) Before the Contract

(1) Import Market Research

The importer studies his market and selects the items to be sold, and then considers a best possible supplier of those items. Sometimes a credit inquiry about the prospective supplier will be necessary before making a final decision and then the importer asks bank and/or trade references to check the credit standing of the exporter. It is important for the importer to find a reliable overseas supplier with great care, because a good selection will lead to success of the business.

(2) Buying Activities

The importer sends the supplier or exporter an inquiry asking for information on specific products. The importer will surely receive an offer soon, because the supplier or exporter eagerly waits for receiving inquiries from buyers. Usually, the first offer is seldom accepted and the importer makes a counteroffer requesting price reduction or demanding shorter delivery time. After several such counter-offers are exchanged, both parties reach an agreement on price, quality, quantity, delivery time, etc. of the products.

(3) Conclusion of the Contract

An agreement is reached the moment either party's offer is accepted. The importer may send an order sheet or a purchase note, or the exporter may send a sales note, for requesting a signature of the other party. Whichever chosen, the receiver needs to sign the document after confirming the conditions to which they agreed. The original is then kept by one party and the duplicate by the other. Thus, they can do business, based on the same understandings about their responsibilities and obligations respectively, which will result in helping to have no disputes of the transaction.

2) After the Contract

(1) Applying for Government Approval

Soon after conclusion of the contract, the importer may apply to the government for an import li-

cense (I/L) or import quota (I/Q), depending on the kind or nature of products, or payment terms, etc., because all imports must be monitored or controlled by the government or sometimes through banks in order to protect domestic infant or weak industries or to allocate or limit production among foreign suppliers.

Some imported goods may give a bad effect on societies in the importing country. For example, narcotic drugs and pornographic films or books disturb the sound development of the youth in terms of health, education, public peace and morals, etc. Accordingly, the government has rather strict laws and regulations to restrict the importation of such items, compared with cases of the exportation.

(2) Issuing a Letter of Credit

When a letter of credit (L/C) is required for payment, the importer applies to his bank to open an L/C in favor of the exporter soon after conclusion of the contract or in advance of the shipment. It should be issued by a bank in the importing country and finally handed over to the exporter through the bank in the exporting country. Upon confirming the L/C opening, the importer has assurance that the goods ordered will be shipped by the exporter as stated in the contract.

(3) Arranging the Insurance

When the contract stipulates an FOB or FCA term, the importer should take out insurance for the cargo. Therefore, he needs to have detailed shipping information including ship's schedule, amount and quantity of the cargo, etc. from the exporter before shipment is made.

(4) Notification of Shipment

As soon as the ship leaves a port in the exporting country, the importer should be given the information about shipment including departure date, expected time of arrival (ETA), etc. so that he can make arrangements for import customs clearance.

(5) Receiving Shipping Documents

Before the ship arrives at the destination, the importer has to obtain shipping documents including a bill of lading (B/L), especially for receiving the cargo, because the B/L serves as title (ownership) to the cargo. In order to get the shipping documents, the importer either pays or accepts the draft presented by the bank in the importer's area. The receipt of the B/L surely enables the importer to take delivery of the cargo.

(6) Taking delivery of Cargo

After the bank releases the documents to the importer, he submits the bill of lading (B/L) to the shipping company and receives a delivery order (D/O), which allows receipt of the cargo. And then, the importer files an import declaration (I/D) with customhouse. Customs officers check the documents and inspect the imported goods, whenever necessary, and if the customs inspections are satisfactory, an import permit (I/P) is issued after the importer pays import duties. In Japan, duty payment by a way of self-assessment method is applied to general import cargo.

6-1) Shipment through Conventional Ship

The importer gives the delivery order (D/O) to a captain of the ship, and the cargo is unloaded. The unloaded cargo is transported to and stored in a bonded warehouse until after completing import clearance procedures. The importer, finally, can take delivery of his cargo, by showing the import permit (I/P) to an operator at the warehouse.

6-2) Shipment through Container Ship

a) FCL Cargo

The importer goes to a container yard and receives his containers from the operator in exchange for the delivery order (D/O).

b) LCL Cargo

The operator of the container-freight station delivers the cargo to the importer in exchange for the D/O.

(7) Inspection of Cargo

Soon after the cargo is unloaded and delivered to the exporter, it should be inspected whether or not it is damaged or short landed. If it is confirmed that there are any damages or shortages to the cargo and decided what the causes are and who is liable for, a claim should be made against the shipping company or the insurance company, whichever appropriate.

And also the importer needs to inspect whether or not the goods ordered are shipped and delivered in accordance with the conditions of the contract. If they do not satisfy the requirements of the contract, the importer should immediately give a notice on the problems to the exporter, and both parties should try to settle such problems as amicably as possible.

Part 3. Negotiations for International Trade

3-1. The Situation

Tokyo Shoji Co., Ltd., Aoyama, Tokyo, is a trading company specializing in sporting goods. Until a few years ago, Tokyo Shoji enjoyed a 10% share of the domestic market. Discount wars and an influx of bogus products with famous brands have shrunk the company's market share to less than 7%.

In order to cope with this difficult situation, management has decided to change its market orientation from the middle-class to the affluent consumers. The remarkable appreciation of the yen has made it possible to market well-known brands at attractive prices.

Tokyo Shoji is considering the Olypex Co., Inc. of Los Angeles, California, as a possible supplier. Olypex was recommended by a market research agent among several candidates. Olypex manufactures a wide variety of high-quality and well-designed sporting goods, favored by many sports-minded people and professional players as well. Their products have the clean, sunny image of California.

Though their products are excellent, delivery has always been a problem for Olypex. It is very difficult for foreign consumers to get Olypex products because production is extremely limited. Even the company's domestic consumers must wait at least three months for their orders.

A new chief executive officer (CEO), however, has decided to adopt a more aggressive policy. A new factory has been opened in a suburb of Santa Monica. Olypex is now planning to establish a network of reliable overseas dealers and is conducting extensive market research. The Japanese market seems to be very attractive because it is sizable and profitable.

3-2. Correspondence for Negotiations

1. Inquiry

In order to find a suitable partner, the buyer or the seller needs to have information necessary to help him in making the right choice. Usually the buyer approaches the seller or supplier to get specific information about products. He may request the seller to send catalogs or brochures and/or samples, or to give information on prices or availability of specific products.

When writing an inquiry, first, the writer tells the recipient who he is and how he learned of the recipient's name, for example, through an introduction by the chamber of commerce, or from an advertisement in a newspaper or magazine. Next, the writer states what he wants to know or what to need and/or for what purpose they are required, if necessary. The writer then introduces himself by explaining his background, experience, scale of operation, and area of specialization. Sometimes a bank or trade reference is given so that the recipient can make the necessary credit check.

Once business relations have been established, of course, requests are simply stated by facsimile or e-mail.

Upon receiving an inquiry, the recipient understands exactly what is being requested and should respond to the requests without delay. It is a kind of honor to receive an inquiry, because it shows interest in products or services of the company. So the recipient should try to induce new orders by stimulating its interest.

When replying to the inquiry, the writer should, therefore, begin by expressing thanks and give full information asked for. And he may sometimes add any other information that may be of great help.

When the receiver needs to have much more time to prepare the offer, he should inform the customer of when it will be ready. And also in case that the receiver is unable to meet the requests, he has to give a reason or an alternative, because a simple inquiry may lead to a big business.

2. Credit Inquiry

The exporter or the importer may need to check the credit standing of his counterpart before going into actual negotiations. The purpose of this check is to prevent occurrence of such risks as non-payment by the importer or non-delivery by the exporter, though this is an extreme case.

The investigator generally wants to check the "3 C's" of credit—capital, capacity, and character. Financial conditions like assets and liabilities are capital. Capacity is equal to business ability, e.g., annual sales, experience, and know-how. Character refers to the way of doing business including company's reputations and/or features such as honesty, fairness, aggressiveness, conservativeness, etc.

In a normal case, the investigator can get credit information, for free, from a bank reference, and sometimes from a trade reference. He should assure the references that any information

given will remain confidential and that they assume no responsibility for the consequences of his business decisions, because the credit information is obtainable thanks to their courtesies.

When more detailed or up-to-date credit information is needed, the investigator asks a credit or mercantile agency like Dun & Bradstreet Corporation (D & B) or International Research & Marketing, Inc. which has a worldwide network. D & B credit reports, for example, cover general items including the 3 C's of credit as mentioned above and also detailed data concerning financial analysis, management's history and experience, relations with banks, etc., as well*. In such a case, the investigator needs to bear higher cost. But it is worth a try, because "The harder it is to get credit information in a particular country, the more a report will cost you." (Weiss, p. 93)

On the basis of the credit information received, the exporter or the importer decides whether or not to enter into a business relationship with the other party.

*内崎以佐味『英文実務 海外信用調査』東洋経済新報社, 1971年, 148-167 ページ

3. Offer

Either the seller or the buyer can make an offer, but in international trade it is usually the exporter who does this. An offer sent by the buyer is usually called a "bid". An offer is a kind of proposal for certain products including such details as prices, qualities, quantities, delivery date, terms of payment, and so on. If the offer is accepted by the recipient, a contract comes into force.

In actual businesses, it is very rare that the initial offer is accepted by the other party. There are exchanges of offers, asking to change or modify the conditions of the offer received in order to get better prices or payment terms, a shorter time of delivery, etc. Such an offer made by the other party is called a "counter-offer". This is a new and independent offer, which refuses to accept the original offer. As a result of negotiations, through exchange of counter-offers, both parties make mutual concessions and it is finally desirable that they will reach an agreement.

There are two kinds of offers, one is a "firm offer" and the other a "free offer". A firm offer has a due date or deadline, or the period of validity for the receipt of orders. In this case, the offerer can neither cancel nor change the terms and conditions of his offer without other party's consent until the date specified expires.

If the word "firm" is not used, the offer will be regarded as a "free offer". In such a case, since no time limit is stated in the offer, it puts the offerer in an unstable condition. It means that the buyer can accept the offer at any time until it is cancelled, resulting that the offerer may have unexpected damages at a disadvantageous time. In order to avoid such unexpected loss, the of-

ferer wants to make it conditional, for example, “offer subject to prior sale” or “offer subject to being unsold”, meaning that the first acceptance is valid ; later acceptance is invalid, in other words, goods are sold on a first-come and first-served basis, and “offer subject to final confirmation”, which becomes effective after the offerer gives a confirmation of acceptance.

4. Order and Acknowledgement

When the exporter’s offer is accepted by the importer, he may send a form called an “order sheet”, or a “purchase note”, that is necessary for the other party to sign and return. Whichever selected, it is essential that it clearly state the conditions of the agreement such as description of goods, quantity desired, unit and total prices, mode of transportation, method of payment, insurance conditions, etc. In international trade, such a written document or contract will bind both parties.

The exporter should express his thanks and acknowledge the order as soon as he receives it, as this is an excellent way of establishing goodwill. It should contain specific information such as

- 1) the date and number of the order,
- 2) the time and mode of shipment,
- 3) the method of payment,
- 4) the coverage and period of insurance, etc.

This information will help the other party know exactly what is being done about the other.

Thus, the importance of written confirmation cannot be overstressed. Even when negotiation is made verbally such as through a phone, it is absolutely necessary that the terms and conditions be confirmed in writing to avoid risks such as misunderstanding and discrepancies. In other words, a written agreement or contract gives both parties securities and reduces possibilities of future business conflicts.

5. Trade Terms

In order to assure a smooth transaction, it is important for the parties to eliminate potential sources of conflict by signing a contract which clearly states the conditions of the agreement. They need to have a clear understanding about each responsibility or obligation. To promote this,

some standard sets of conditions, which are called “trade terms”, have been developed, based on centuries-old customs and practices. Most international transactions now use the International Commercial Terms, better known as “INCOTERMS” of the International Chamber of Commerce (ICC), which have been revised, when necessary, to meet with changes of actual business. These terms help both the exporter and the importer easily understand who makes arrangements for shipping and insuring the goods, who has title to them at each point, and who assumes responsibility for loss or damage of them at any point.

The newest INCOTERMS, revised in 2000, in which 13 terms are as follows :

Group E, Departure

EXW Ex Works (named place)

Group F, Main Carriage Unpaid

FCA Free Carrier (named place)

FAS Free Alongside Ship (named port of shipment)

FOB Free On Board (named port of shipment)

Group C, Main Carriage Paid

CFR Cost and Freight (named port of destination)

CIF Cost, Insurance and Freight (named port of destination)

CPT Carriage Paid To (named port of destination)

CIP Carriage and Insurance Paid To (named port of destination)

Group D, Arrival

DAF Delivered At Frontier (named place)

DES Delivered Ex Ship (named port of destination)

DEQ Delivered Ex Quay (named port of destination)

DDU Delivered Duty Unpaid (named port of destination)

DDP Delivered Duty Paid (named port of destination)

Source : Kenneth D. Weiss, *Building an Import/Export Business*, 1991, p. 133

Now let us have a look at two of the most frequently used terms—FOB and CIF.

1) FOB (Free On Board)

In the case of an FOB contract, in which shipment is made by a conventional ship, the exporter transports the cargo from the production site to the place where shipment will be made and loads it onto a ship arranged by the importer. In this case, the exporter has no responsibility for insur-

ing the cargo, but needs to give the importer full information necessary for insurance coverage such as the details of the cargo and the departure date and/or the ocean route of the ship, etc.

The exporter's responsibility ends as soon as the cargo is placed on board. This means that the risk on the cargo is transferred to the importer at this point.

When shipment is made by a container ship, the exporter's responsibility ends soon after he delivers the cargo either to the container-yard operator in the case of FCL (full-container-load) cargo, or to the container-freight-station operator in the case of LCL (less-than-container-load) cargo, and a "Free Carrier (FCA)" term is appropriate instead of FOB.

2) CIF (Cost, Insurance and Freight)

On a CIF term, when shipment is made by a conventional ship, the exporter must make arrangements for marine insurance and shipment. In this case, he is legally requested to fulfill two obligations: shipment and delivery of the requisite documents. In order to meet the first one, he books space, pays a freight charge, arranges for insurance, pays a premium, and then loads the cargo onto the ship. The second obligation is met when he prepares or obtains the shipping documents and submits them to the importer through a bank.

Thus, the exporter is free of responsibility for the cargo once it is placed on board, that is, the risk on the cargo, just same as in FOB exports, is transferred to the importer upon shipment.

The shipping documents include a Bill of Lading (B/L), which serves as title to the cargo. Therefore, delivering the documents including the B/L to a third party is equal to handing over the cargo to that person. From this legal interpretation, delivery in CIF is called "symbolical delivery" by way of documents, as compared to "actual delivery" of the cargo required in other terms such as FOB and FAS.

When shipment is made by a container ship, the exporter's responsibility ends earlier than the case of shipment made by a conventional ship, and a "Carriage and Insurance Paid To (CIP)" term is applied instead of CIF.

To summarize the above comparison, whether the contract is on an FOB or CIF term, the risk on the cargo is transferred to the buyer at the time of loading. In an FOB contract, the exporter's responsibility ends at the time of loading. In other words, he has no need to bear the risk and the cost after shipment. In a CIF contract, however, the exporter has responsibility to bear the costs for insurance and shipment until the importing port where the ship arrives at, but the risk on the cargo is transferred to the importer at the point where it is loaded onto the ship in the exporting country.

Thus, one of the most important differences between FOB and CIF lies in cost coverage, not in risk transfer.

6. Shipment

After conclusion of a contract, the exporter manufactures the contracted goods at his factory or procures them from suppliers. Then, the goods are properly packed and marked after inspecting or certifying them for quality, quantity and/or weight in accordance with the conditions of the contract.

In a most usual case such as a CIF term, the cargo is transported to a bonded area, and the exporter files an export declaration (E/D) with customhouse. If there is no problem with both the cargo and the related documents he presented, a customs officer returns the E/D with a stamp of approval as an export permit to the exporter.

By the time when the goods are prepared for shipment, the exporter makes space-booking and insurance arrangement. He receives from a shipping company a shipping order (S/O) which allows the captain of the ship to load the cargo after he pays a freight charge. And he also gets an insurance policy from the insurance company after he pays its premium.

In the case of shipment made by a conventional ship, a mate's receipt (M/R) as a certificate is issued by a chief mate or officer, after the cargo has been loaded in a good order or without problems. Then, the M/R is presented to the shipping company, and a bill of lading (B/L) is subsequently issued.

The B/L is one of the most important shipping documents. It has three functions. Firstly, it is a document of title to the goods; only the proper bearer of the B/L can take delivery of the cargo in exchange for it at the destination. Secondly, it is a receipt of the cargo for shipment at the exporting port by the shipping company. Thirdly, it is an evidence of the shipping contract between the shipper (exporter) and the shipping company.

In case that a container ship is booked, a dock receipt (D/R) is issued instead of the M/R by each operator, after delivery of the cargo either to the container-yard or to the container-freight-station. Then, the exporter receives the B/L from the shipping company in exchange for the D/R.

For air shipment, an air waybill (AWB) is issued in place of a B/L. The functions of the AWB are different from those of the B/L. When the cargo is delivered to an airline, the AWB is issued by a carrier as a receipt of it and is also an evidence of the transportation contract between

the shipper or consignor and the air cargo carrier. But, unlike the B/L, it is not the document which serves as title to the cargo or embodies the right to claim it. The AWB is not negotiable. In other words, the consignee named in the AWB can only take delivery of the cargo. The other party, therefore, has no right to claim or demand and/or transfer it. This is one noticeable difference between an AWB and a B/L.

7. Payment

Since the exporter and the importer are located in different parts of the world, there is always a time lag between delivery of goods and payment for those goods. Of course, the exporter wants to receive payment before or soon after he ships the goods, while the importer wants to make payment after he receives the cargo.

In order to fill such a gap between them, the most suitable way of payment was devised. It is a payment method by means of a documentary bill of exchange (draft). It enables the exporter to receive payment in the form of credit immediately after shipment. The importer, on the other hand, is able to retain title to the goods through a bill of lading (B/L) as soon as payment is made.

After shipment, the exporter draws a draft (bill of exchange) and submits it to a bank along with the shipping documents. The draft is then negotiated or bought by the bank. In other words, he gets a credit for the same amount of the draft. This is equivalent to receiving payment, if the importer pays or accepts the draft against its presentation.

In order to ensure smooth negotiation of a draft, a kind of guarantee in the form of a letter of credit (L/C) from a bank, is required. If the L/C is issued and delivered to the exporter, he will be confident of receiving payment for the goods, because it states that the bank agrees to cash or accept a draft drawn by the exporter after he has met all the conditions of the L/C. The importer, on the other hand, can have assurance that the goods will be delivered, because it requests the exporter to submit the shipping documents certifying that the goods ordered have been shipped by the time and in the manner stated in the contract.

Thus, through a documentary draft with an L/C, banks make easier collection of payment for the exporter and receipt of the cargo for the importer.

The following is a typical flowchart of the system of payment in international trade :

- (1) At the request of the importer, an L/C is issued by a bank, which is called an “issuing

bank”, an “opening bank” or an “establishing bank”, and the exporter receives it through a bank, called a “notifying bank” or an “advising bank”.

(2) After shipment, the exporter, called a “beneficiary”, submits a draft (bill of exchange), together with the shipping documents such as a commercial invoice, a bill of lading (B/L), an insurance policy, etc., to a bank, called a “negotiating bank”, which can be the notifying bank. The negotiating bank then gives a credit to the exporter by paying the amount of the draft.

(3) The negotiating bank mails the draft and the shipping documents to the issuing bank, which in turn pays the amount of the draft to the negotiating bank after checking the shipping documents.

(4) The issuing bank charges the importer for the amount of the draft. Upon payment, the importer receives the shipping documents. Finally, the importer takes delivery of his cargo from the shipping company in exchange for the B/L.

8. Complaint and Adjustment

When a contract is concluded, it is in the belief that goods will be shipped as scheduled, that payment for the goods will be punctually made, and that quality and quantity of the goods will meet the requirements stated in the contract.

Business transactions, however, sometimes go wrong, though both the exporter and the importer try to do their best to prevent occurrence of unexpected accidents. Some of the most common problems are, for example, delay in shipment or in payment, deliveries of unordered items and/or damaged or inferior merchandise, a shortage of goods, and so on.

When such unexpected situations occur, either the importer or the exporter must inform the other party of the problem as soon as possible. In such a case, the writer needs to be calm and polite, and should not use emotional expressions. Needless to say, the writer should avoid a hostile or demanding tone.

When writing a complaint letter, the writer should be careful about the following :

1. a logical explanation of the problem, based on the facts,
2. clear and precise descriptions of the loss or inconvenience.

The recipient should respond to the complaint soon. He should completely understand what the writer wants to say, and investigate what the causes are. In case that the problem is due to his mistake or fault, he should try to propose a suitable adjustment or solution.

Both parties should always try to settle their conflicts amicably, depending on compromises

and concessions when necessary. It is not always possible, though, for them to find a satisfactory settlement by themselves. When this is the case, they have to rely on arbitration or lawsuits in order to settle claims. In international trade, arbitration is usually preferred to legal actions, because an arbitrator's award has the same legal effect as a decision of the court has, and also it takes less time and costs less money.

It is most common, from the above, that contractual disputes in international trade are settled by arbitration. Nevertheless, it should be kept in mind, as Weiss underlines the importance of cordial or amicable relations established between the two, that :

If, however, you choose your suppliers carefully and deal with them competently and honestly, you should be able to resolve any disputes with neither law suits nor arbitration. Ultimately, a long-term business arrangement will not benefit you if it does not benefit the other party. Throughout the world, business is fueled by profit, but it is oiled by friendship and trust. (1991, p. 58)

9. Follow-up

When one business transaction finishes, it does not mean that the relationship between the exporter and the importer will also end. The exporter must try to maintain a good relationship with customers. Having a good relationship with them will give new business opportunities. In other words, successful business will be the next step to the future business. Accordingly, he will from time to time give information about newly developed products, price revisions and post-sale services. Such post-transaction communication is called a "follow-up". The follow-up is not mandatory, but it is likely to promote future business dealings for the company and should not be overlooked, though it is difficult to assess its value.

When writing the follow-up, the writer should :

1. acknowledge the last transaction,
2. give new information,
3. refer to future business expectations.

おわりに

本稿の冒頭で述べたように、内容、表現に関して、いろいろ問題ありのご指摘があろう。そのような間違いの指摘を筆者は歓迎する。多くの博学な専門家のご指摘を参考に、さらに改良を重ねたい。また、初心者を対象とした入門書としての性格を考慮に入れ、もう少しやさしい表現に直すことも考えている。そして、可能ならば、当該科目の入門書として世に問いたい。

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