



Yulia Stukalina

PROFESSIONAL ENGLISH FOR STUDENTS OF LOGISTICS

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This textbook is intended for students of Logistics. The aim of the textbook is to enlarge students’ knowledge of special terms, to enhance their skills of comprehension, writing and reading, and to develop their communication abilities in professional aspects. The textbook contains ten units (Themes), each dealing with a key logistics concept, a Glossary of Logistics Terms, and some reference materials. The textbook comprises texts from the authentic sources; the texts are adapted to suit the educational needs. The reading passages are followed by an assortment of comprehension-checking tasks to ensure that students have understood the most important ideas contained in each text. Thematically linked to the topic of each unit are a variety of exercises designed to focus on professional lexis and difficult points of grammar.

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THEME I

INTRODUCTION TO LOGISTICS

TEXT I

LOGISTICS

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: goods, flow, resources, consumer, consumption, user, product, producer, storage, retailer, inventory, warehouse, destination, re-engineering, customs, taxes, duties, logistician

Verbs: to consume, to handle, to include, to require, to comprise, to produce, to manufacture, to manage, to purchase, to sell, to implement, to perform, to ensure, to increase, to decrease, to pack

Logistics can be defined as the management of the flow of goods, information and other resources, energy and people between the point of origin and the point of consumption in order to meet the requirements of consumers. Logistics involves the integration of information, transportation, inventory, warehousing, material-handling, packaging and security. Logistics may have an internal focus (inbound logistics), or external focus (outbound logistics).

If the company manufactures a product from parts purchased from suppliers, and those products are then sold to customers, one can speak about a *supply chain*. *Supply Chain* can be defined as a network of facilities and distribution options that performs the function of procurement of materials, transformation of these materials into intermediate and finished products, and the distribution of these finished products to customers.

Logistics management is part of supply chain management. Logistics management plans, implements, and controls the efficient flow and storage of goods, services and related information between

the point of origin and the point of consumption in order to meet customers' requirements.

Successful supply chain operators work in close partnerships with their customers; they jointly explore the opportunities for increasing efficiency of the supply chain and improving service levels by using the latest systems and techniques. This approach is also referred to as *logistics re-engineering*. The re-engineering process considers the following factors: the nature of the product, the optimal or preferred location of source or manufacture, freight and transport costs and the destination market, seasonal trends, import and export regulations, customs duties and taxes, etc.

A professional working in the field of logistics management is called a *logistician*. The main functions of a qualified logistician include, among other things, inventory management, purchasing, transportation, warehousing, consultation and organizing and planning of these activities. Logisticians are responsible for the life cycle and supply chain operations of a variety of products. They are also responsible for customs documentation. They regularly work with other departments to ensure that the customers' needs and requirements are met.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What does the term "logistics" imply?
2. What does the term "supply chain" imply?
3. What is logistics management?
4. What do service providers do in order to increase efficiency of the supply chain?
5. What process is called "logistics re-engineering"?
6. What factors does this process consider?
7. What are the main functions of a qualified logistician?
8. What are professional logisticians responsible for?

2. Decide whether the following statements are true or false.

1. Logistics can be defined as the management of the flow of goods between the point of origin and the point of consumption.
2. Logistics involves the integration of information, transportation, inventory, warehousing, etc.
3. Usually, logistics does not involve the management of the flow of energy and people.
4. Logistics always has an external focus.
5. All supply chains are very simple.
6. The complexity of the supply chain will vary with the size of the business.
7. Logistics management is part of supply chain management.
8. Logistics management plans, implements, and controls the efficient flow and storage of goods, services and related information.
9. Successful supply chain operators work in close partnerships with their customers.
10. The re-engineering process does not consider the nature of the product.
11. A professional working in the field of logistics management is called an academician.
12. The main functions of a qualified logistician include, inventory management, purchasing, transportation, warehousing, etc.
13. Logisticians are responsible for the life cycle and supply chain operations of a variety of products.
14. Logisticians normally do not work with other departments of the company.

3. Match the parts you find under A with the parts under B to make meaningful sentences.

A	B
1) Supply chain	a) work in close partnerships with their customers
2) Successful supply chain operators	b) inventory management, purchasing, transportation, and warehousing
3) Service providers	c) the integration of information, transportation, inventory, warehousing, material-handling, and packaging, and security
4) The re-engineering process considers	d) is the ability to ensure that the right products are sourced, made available at the right place and at the right time
5) Logistics involves	e) to ensure customer needs and requirements are met
6) The main functions of a qualified logistician include	f) the nature of the product, the optimal or preferred location of source or manufacture, the projected volumes freight, etc.
7) Logisticians work with other departments	g) use the latest systems and techniques to re-engineer the process

TEXT II

THE IMPORTANCE OF LOGISTICS IN BUSINESS

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: prerequisite, environment, speed, precision, origin, transportation, network, production, competition, inventory, freight, solutions, costs, order, demand, customer, benefit, performance, market, retailer

Verbs: to succeed, to lower, to gain, to move, to grow, to operate, to execute, to schedule, to compete, to centralize, to broaden, to improve, to distribute, to fulfil, to rely on

Today, efficient logistics and transportation system are important prerequisites of the development of any economy. In modern competitive environment, it is not enough to offer a product that meet customers' requirements. The way of its delivery is also very important. The art and science of delivering goods with speed and precision can help businesses operate more efficiently, lower costs and gain new customers.

Logistics has evolved throughout centuries to become an integral part of every business. Logistics has been performed since the beginning of civilization. Raw materials and finished products had always to be moved, though on a small scale. Gradually, people began moving from rural to urban areas; the geographical distance between the point of production and the point of consumption increased considerably.

There was a time when companies used to develop a product range, plan their distribution channels, schedule marketing campaigns and deliver the finished product to their retailers themselves. However, since the early 1990's logistics operations have become much more complex. The global logistics market has grown radically over the years.

The major benefits of efficient logistics operations can be summarized as follows:

- Cost savings by centralizing inventory management.
- Faster order fulfilment by relying on a global transportation network.
- Improved cash flow.
- Flexibility to change distribution patterns for new products based on ever-changing customer demands.

The main customer groups (market segments) served by the logistics industry are the following:

- Parcel and documents express delivery services.
- Freight by air, ocean, road or rail.
- Warehousing and distribution.
- Supply chain solutions.

Logistics is one of the spheres, which still have potential as far as improving performance is concerned. There are large unused capacities in logistics processes in terms of costs reduction and quality of service.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. Are efficient logistics and transportation system important prerequisites of the development of any economy? Why?
2. Why have logistics operations become much more complex recently?
3. How has technology changed transportation?
4. What are the major benefits of efficient logistics operations?
5. What are the main customer groups served by the logistics industry?
6. What potential does logistics have?

2. Number the following ideas on the order they appear in the text.

- There was a time when companies used to develop a product range, plan their distribution channels, deliver the finished product to their retailers themselves.
- Logistics is one of the spheres, which still have potential as far as improving performance is concerned.
- Raw materials and finished products had always to be moved, though on a small scale.
- The global logistics market has grown radically over the years.
- The main customer groups served by the logistics industry are parcel and documents express delivery services, warehousing and distribution, etc.
- Efficient logistics and transportation system are important prerequisites of the development of any economy.
- There are large, unused capacities in logistics processes in terms of costs reduction and quality of service.
- Gradually, people began moving from rural to urban areas.
- The art and science of delivering goods with speed and precision can help businesses operate more efficiently, lower costs and gain new customers.
- Logistics has been performed since the beginning of civilization.
- The geographical distance between the point of production and the point of consumption increased considerably.
- Logistics has evolved throughout centuries to become an integral part of every business.

EXERCISES

Exercise 1

Translate the following terms.

Supply chain, supply chain management, flow of goods, storage of goods, point of origin, point of consumption, consumer, supplier, customer, provider, huge network, procurement, transformation, warehousing and distribution, intermediate product, finished product, to meet customers' requirements, re-engineering, freight and transport costs, destination market, seasonal trends, import and export regulations, customs duties and taxes, various activities, inventory management, delivery services, order fulfilment.

Exercise 2

Which of the following words are nouns?

Internal, management, procure, distribute, information, involve, manufacturer, produce, consume, manage, consumption, requirement, develop, consumers, production, integration, transportation, manufacture, purchaser, suppliers, option, sell, distribution, internal, efficiently, consumer, partnership, efficiency, improvement, consider, location, fast, regulation, include, activity, responsible, quickly, radically, performance, systematically, development, worker, operator.

Exercise 3

Find in the texts synonyms for the following verbs.

To improve, to manufacture, to include, to work, to require, to control, to increase, to operate, to obtain, to produce, to advance, to purchase, to buy, to grow, to manage, to need, to involve, to get.

Exercise 4

Match each word from a with one from b to make word combinations.

a) Internal, finished, qualified, service, optimal, logistics, seasonal, destination, life, customs.

b) Provider, documentation, location, cycle, focus, logistician, trends, market, re-engineering, product.

Exercise 5

For nouns in column B find suitable attributes in column A.

A	B
1. customer	a) management
2. order	b) logistician
3. product	c) channel
4. cost	d) flow
5. inventory	e) fulfilment
6. experienced	f) regulations
7. export	g) network
8. cash	h) savings
9. express	i) range
10. customs	j) services
11. supply	k) process
12. transportation	l) duties
13. distribution	m) chain
14. re-engineering	n) group

Exercise 6

Complete the passage below with the prepositions: in (2), at, of (2), through, with (2), for, to.

The term “*production logistics*” is used 1) _____ describing logistic processes within an industry. The purpose 2) _____ production logistics is to ensure that each machine is being fed 3) _____ the right product in the right quantity and quality 4) _____ the right point in time. The issue is not the transportation itself, but to control the flow 5) _____ the value adding processes and to eliminate non-value adding ones. Production logistics can be applied 6) _____ existing as well as new plants. Manufacturing 7) _____ an existing plant is a constantly changing process. Machines are exchanged and new ones are added, which gives the opportunity to improve the production logistics system accordingly. Production logistics is getting more and more important 8) _____ the decreasing batch sizes. Track and tracing are an essential part 9) _____ production logistics – due 10) _____ product safety and product reliability issues.

Exercise 7

Complete the passage below with the words from the box below.

<i>service</i>	<i>chain</i>	<i>origin</i>	<i>activities</i>
<i>technology</i>	<i>outbound</i>	<i>operational</i>	

Logistics management is that part of supply 1) _____ management that plans, implements, and controls the effective forward and reverse flow and storage of goods, services and information between the point of 2) _____ and the point of consumption.

Logistics management activities usually include inbound and 3) _____ transportation management, fleet management, warehousing, materials handling, order fulfilment, logistics network design, inventory management, supply/demand planning, etc. The logistics function also includes sourcing and procurement, production planning and scheduling, packaging and assembly, and customer 4) _____. It is involved in all levels of planning and execution – strategic, 5) _____ and tactical. Logistics management is an integrating function, which coordinates all logistics 6) _____, as well as integrating logistics activities with other functions including marketing, sales manufacturing, finance, and information 7) _____.

Exercise 8

Read the passage below. Translate it into your mother tongue. Use the dictionary if necessary.

In business, *Third-Party Logistics* (3PL) has a broad meaning that can be applied to any service contract that involves storing or shipping goods. A 3PL service may be a single service such as transportation or warehouse storage or it can be a system-wide bundle of services capable of managing the entire supply chain. Third-Party Logistics is the function, by which the owner of goods (The Client Company) outsources various elements of the supply chain to one 3PL company. Third-party logistics providers usually specialize in warehousing and transportation services that can be customized to customers' needs based on market conditions and delivery service requirements for their products and materials. Often, these services go beyond logistics and include value-added services related to the production or procurement of goods, for example, services that integrate parts of the supply chain. Then the provider is called *third-party supply chain management provider* (3PSCM) or *supply chain management service provider* (SCMSP).

Exercise 9

a) Read the sentences given below and identify the tense form used in each of them. Translate the sentences.

1. Last year, the U.S. business logistics industry continued to grow at an unprecedented rate.
2. Global competition began to spread in the 1970s and accelerated in the 1990s.
3. Logistics has evolved throughout centuries to become an integral part of every business.
4. Globalization is still moving forward today.
5. Since 2000, the rail freight industry has undergone a remarkable transformation.
6. Logistics has been playing a fundamental role in global development for almost 5,000 years.
7. Since the construction of the pyramids in ancient Egypt, logistics has made a remarkable progress.
8. Recently, innovations have become vital to meet customer expectations.
9. Now, the company is working on a new project.
10. Usually, freight forwarders organize shipping of various goods.
11. Now, the ABC Company is expanding its production facilities to include a new product line.

b) Complete the sentences with the correct alternative.

1. Logistics as a business concept *evolved/has evolved* in the 1950s.
2. Production logistics *gets/is getting* more and more important now.
3. At present, supply chain *operators use/are using* the latest systems and techniques.
4. Trucking costs *increased/has increased* by \$52 billion in 2013.

5. The invention of the sea container in 1956 *changed/has changed* production conditions for nearly all industries around the world.
6. Since the early 1990's, the business scene *changed/has changed*, and logistics operations *became/have become* much more complex.
7. The global logistics market *grew/has grown* radically in the last ten years.
8. *We worked/have been working* on this project for two years.
9. Typically, procurement logistics *includes/is including* various activities such as market research, requirements planning, etc.
10. Now, students *study/are studying* Fundamentals of Logistics.

Exercise 10

Complete the sentences with “used to”, “to be used to”, “to get used to” in the appropriate form.

1. There was a time when companies _____ plan their distribution channels and deliver the final packaged items to their retailers themselves.
2. This mobile phone _____ be popular in Japan in 2011.
3. I _____ working late at night.
4. Today, suppliers must _____ new market conditions.
5. A year ago, our experts _____ test new devices every month.
6. Now, my brother _____ studying hard.
7. I _____ to work with a desktop PC, but now I prefer my new laptop computer.
8. Last year we _____ have three lectures per day.
9. Students _____ getting up early.
10. I _____ drinking green tea.

THEME II

INBOUND AND OUTBOUND LOGISTICS

TEXT I

INBOUND LOGISTICS

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: activity, service, materials, operation, production, opportunities, system, agility, storage, inventory, shipment, freight, cargo, area, quality, facility, delay, compliance, procedure, visibility, efficiency

Verbs: to receive, to store, to affect, to distribute, to manufacture, to bring, to arrive, to maintain, to take place, to set back, to cost, to reduce, to supply, to eliminate, to ship, to pick, to trace, to consolidate, to collect, to analyze, to provide

Inbound Logistics involves the activities of receiving, storing, and distributing raw materials for use in production. It is an integral element of business operations for a manufacturing firm. Inbound logistics services cover all activities required to bring goods from a sourcing location to a warehouse or production plant, such as transportation, inventory, warehousing and materials handling.

Receiving and storing raw materials is a big responsibility for manufacturers. Big companies may have separate facilities for storing raw materials. Smaller companies often maintain receiving areas within the plant, in which the manufacturing process takes place. The organizational element of the materials receiving process is important because it significantly affects the efficiency, with which staff can distribute materials. Delays in this process can set back production and cost the company money or opportunities.

Inbound Logistics is an outsourced service, which offers customers the following *benefits*: identification and reduction of inbound costs; lower inventory levels of both packaging and ingredients; increase supply chain agility so that new products or promotions can be brought to market faster, etc.

The advantages of the effective inbound logistics service are as follows:

- Consolidation of goods prior to shipping that helps eliminate costly part shipments.
- Local representation to affect customs compliance procedures in the country of origin.
- Product picking and packing prior to export.
- Temporary storage prior to shipping.
- Product quality control.
- Mapping the supply chain and analyzing the cost elements on a comparable basis.
- Managing the transport and freight forwarding of inbound materials and finished product.
- Use of state-of-the-art IT systems to provide full visibility of transit throughout the supply chain.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What does the term Inbound Logistics imply?
2. Is Inbound Logistics an outsourced service?
3. What activities does Inbound Logistics involve?
4. What benefits does Inbound Logistics offer to customers?
5. Is receiving and storing raw materials a big responsibility for manufacturers? Why?
6. What facilities do big companies have for storing raw materials?
7. What may significantly affect the efficiency, with which staff can distribute raw materials?

2. Decide whether the following statements are true or false.

1. Inbound Logistics involves the activities of manufacturing finished products.
2. Inbound logistics services cover all activities required to bring goods from a sourcing location to a warehouse or production plant.
3. Receiving and storing raw materials is a big responsibility only for large manufacturers.
4. Delays in this process can set back production and cost the company money or opportunities
5. Small companies usually have separate facilities for storing raw materials.
6. Huge companies typically maintain receiving areas within the same plant, in which manufacturing takes place.
7. The organizational element of the materials receiving process is important because it significantly affects the efficiency, with which staff can distribute materials.
8. Inbound Logistics is an outsourced service.
9. Inbound Logistics offers customers many benefits.
10. These benefits includes, among other things, identification and reduction of inbound costs as well as lower inventory levels of both packaging and ingredients.
11. The advantages of the effective inbound logistics service include consolidation of goods prior to shipping, product picking and packing prior to export, etc.
12. Consolidation of goods prior to shipping helps logisticians eliminate costly part shipments.

TEXT II

OUTBOUND LOGISTICS

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: recipient, carrier, ingredient, delivery, warehousing, inspection, customs clearance, documentation, provision, transparency, value, stocks, merchandise, order, receipt, acknowledgement, Letter of Credit

Verbs: to carry, to move, to trace, to inspect, to complete, to import, to export, to ship, to change, to demand, to handle, to deal with, to undertake, to supply, to monitor, to communicate, to receive

Outbound Logistics is the process related to the storage and movement of the final product and the related information flows from the end of the production line to the end user. Outbound logistics focuses on distribution. Shipping, freight and warehousing are all key functions that fall under this category. This also includes communication with recipients and carriers.

Inbound and outbound systems share some common activities (e.g. transportation, inventory, warehousing, materials handling). Nevertheless, like inbound systems, outbound systems have some activities that are unique in nature.

The *cargo handling services* may include:

- Cargo collection and consolidation.
- Cargo forwarding.
- Transit warehousing.
- Product completion and inspection.
- Cargo tracing.
- Documentation and import handling.
- Customs clearance, etc.

Recently, IT developments have forced a change to the *overall service provision* as customers now demand and receive online cargo tracking and complete transparency of operations through the integration of systems.

Value in Outbound Logistics is obtained through reducing transit time, eliminating unnecessary or excessive stocks, providing customers with additional benefits.

The additional *benefits* for customers are the following:

- First line of quality control (monitoring the specification, quality and condition of merchandise supplied by a manufacturer prior to collection or shipment).
- Receipt and acknowledgement of orders (dealing with export documentation and Letters of Credit requirements, instructions to transport operations, completion of pre-shipment inspection, etc.).

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What does the term Outbound Logistics imply?
2. What does Outbound Logistics focus on?
3. Do inbound and outbound systems share common activities?
4. Do outbound systems have any activities that are unique in nature?
5. What operations do the cargo handling services include?
6. How is value obtained?
7. What additional benefits does Outbound Logistics offer?
8. What does quality control involve?

2. Decide whether the following statements are true or false.

1. Outbound Logistics is the process related to the storage and movement of the final product and the related information flows from the end of the production line to the end user.
2. Outbound Logistics focuses on manufacturing.
3. Shipping, freight and warehousing are all key functions of Outbound Logistics.
4. Inbound and outbound systems do not have anything in common.
5. Outbound systems have some activities that are unique or deserve special emphasis.
7. The cargo handling services may include cargo collection and consolidation and cargo forwarding.
8. The cargo handling services do not usually include documentation and import handling.
9. Recently, IT developments have forced a change to the overall service provision.
10. Modern customers demand online cargo tracking and complete transparency of logistics operations.
13. Value in Outbound Logistics is obtained through increasing transit time.
14. The additional benefits for customers include first line of quality control as well as receipt and acknowledgement of orders.
15. Dealing with export documentation is important in Outbound Logistics.
16. Receipt and acknowledgement of orders include dealing with export documentation and Letters of Credit requirements.

3. Match the parts you find under A with the parts under B to make meaningful sentences.

A	B
1) Outbound Logistics is	a) monitoring the specification, quality and condition of merchandise supplied by a manufacturer prior to collection or shipment
2) Inbound Logistics is	b) online cargo tracking and complete transparency of operations through the integration of systems
3) The cargo handling services include	c) the flow, or management, of goods into a production unit or warehouse
4) First line of quality control includes	d) lower inventory levels of both packaging and ingredients
5) Logistics is a service, which offers customers	e) some common activities, such as transportation, inventory, warehousing, materials handling
6) Customers now demand	f) the process related to the storage and movement of the final product and the related information flows from the end of the production line to the end user
7) Inbound and outbound systems share	g) customs clearance and services through to onward and final delivery

EXERCISES

Exercise 1

Translate the following phrases.

Raw materials, cargo collection and consolidation, cargo forwarding, transit warehousing, cargo tracing, materials handling, cargo handling operations, customs clearance, customs compliance procedures, overall service provision, excessive stocks, storage of goods, point of origin, point of consumption, to meet customers' requirements.

Exercise 2

Make up sentences using the following phrases.

To be responsible for, to consider some factors, to focus on, to provide customers with additional benefits, to increase efficiency, to obtain value, to distribute materials, to deserve special emphasis, to reduce transit time, to meet customers' requirements, to control the efficient flow of goods, receipt and acknowledgement of orders, prior to shipping.

Exercise 3

Make nouns from the following verbs.

To provide, to supply, to move, to carry, to deliver, to ship, to collect, to require, to pack, to complete, to receive, to acknowledge, to consolidate, to distribute, to maintain, to consume, to serve, to develop, to integrate, to contain, to inspect, to operate, to procure, to clear, to reduce, to produce, to add, to inform, to add, to respond, to locate.

Exercise 4

Match each word from a with one from b to make word combinations as they occur in Text 1.

a) Inbound, outsourced, temporary, customs, raw, cost, full, service, supply chain.

b) Service, materials, visibility, storage, provision, elements, clearance, agility, logistics.

Exercise 5

For nouns in column B find suitable attributes in column A.

A	B
1. outbound	a) time
2. unique	b) transparency
3. shipping	c) activities
4. cargo	d) user
5. transit	e) forwarding
6. export	f) department
7. excessive	g) logistics
8. complete	h) documentation
9. manufacturing	i) customer
10. final	j) product
11. end	k) firm
12. loyal	l) stocks

Exercise 6

Fill in the gaps using suitable word combinations from the box below.

<i>cargo forwarding</i>	<i>Letter of Credit</i>
<i>cost elements</i>	<i>online cargo tracking</i>
<i>supply chain agility</i>	<i>additional benefits</i>
<i>consolidation of goods</i>	<i>service provision</i>
	<i>service levels</i>

1. Value is obtained through providing customers with _____ .
2. The cargo handling services include cargo collection and consolidation, as well as _____ .
3. Recently, IT developments have forced a change to the overall _____ as customers now demand complete transparency of operations through the integration of systems.
4. Receipt and acknowledgement of orders presuppose dealing with export documentation and _____ requirements, etc.
5. Inbound logistics increases _____ so that new products or promotions can be brought to market faster.
6. We must provide _____ prior to shipping, so eliminating costly part shipments.
7. It is essential to map the supply chain and analyze the _____ on a comparable basis.
8. Customers and service providers must jointly explore the opportunities for increasing efficiency and improving _____ .
9. Customers require and receive _____ and complete transparency of operations through the integration of systems.

Exercise 7

Complete the passage below with the words from the box below.

<i>service</i>	<i>chain</i>	<i>origin</i>	<i>activities</i>
<i>technology</i>	<i>outbound</i>	<i>operational</i>	

Logistics management is that part of supply 1) _____ management that plans, implements, and controls the effective forward and reverse flow and storage of goods, services and information between the point of 2) _____ and the point of consumption. Logistics management activities usually include inbound and 3) _____ transportation management, fleet management, warehousing, materials handling, order fulfilment, logistics network design, inventory management, supply/demand planning, etc. The logistics function also includes sourcing and procurement, production planning and scheduling, packaging and assembly, and customer 4) _____. It is involved in all levels of planning and execution – strategic, 5) _____ and tactical. Logistics management is an integrating function, the task of which is to coordinate all logistics 6) _____, as well as integrating logistics activities with other functions including marketing, sales manufacturing, finance, and information 7) _____.

Exercise 8

Read the passage below. Translate it into your mother tongue.

In modern complex economy, businessmen search for the best possible business opportunities, and one of the fastest growing areas is the field of *Reverse Logistics (RL)*. This field incorporates most aspects of a company's support after the product or service has been sold to the client. The term "reverse logistics" is used to describe all operations related to the reuse of products and materials. It is the process of planning, implementing, and controlling the efficient, cost effective flow of raw materials, in-process inventory, finished goods and related information from the point of consumption to the point of origin for the purpose of recapturing value or proper disposal. Remanufacturing activities

may be included in the definition of reverse logistics too. The reverse supply chain is also a term used in the industry. The activities related to reverse logistics include warehousing, repair, refurbishment, recycling, aftermarket call centre support, field service and many others.

Exercise 9

Match the following terms with their definitions.

<i>Logistics</i>	a) A network of facilities that performs the function of procurement of materials, transformation of these materials into finished products, and the distribution of these products to customers
<i>Supply chain</i>	b) all operations related to the reuse of products and materials
<i>Logistics management</i>	c) goods carried by a ship, aircraft, or other vehicle
<i>Customs clearance</i>	d) the management of the flow of goods, information and other resources, between the point of origin and the point of consumption
<i>Cargo</i>	e) someone whose business is to supply a particular service or commodity
<i>Logistician</i>	f) that part of supply chain management, which plans, implements, and controls the flow and storage of goods between the point of origin and the point of consumption
<i>Provider</i>	g) a specialist in logistics
<i>Reverse Logistics</i>	h) the act of passing goods through customs so that they can enter or leave the country

Exercise 10

Underline the gerunds or gerund phrases in the following sentences. Translate the sentences

1. Inbound Logistics involves the activities of receiving, storing, and distributing raw materials for use in production.
2. Receiving and storing raw materials is a big responsibility for large manufacturers.
3. Reverse logistics is the process of planning, implementing, and controlling the efficient, cost effective flow of raw materials, in-process inventory, finished goods and related information from the point of consumption to the point of origin.
4. The additional benefits for customers include monitoring the specification, quality and condition of merchandise, dealing with export documentation and Letters of Credit requirements, etc.).
5. The main functions of a qualified logistician include other purchasing and warehousing.
6. Logisticians are responsible for delivering cargo to the end customer.
7. The main tasks may include tracking inventory, receiving inventory stock from the manufacturer, managing projects, collecting relevant information via telephone, mail services, email and websites.
8. Value in Outbound Logistics is obtained through decreasing transit time.
9. Outbound Logistics is the process related to storing the final product and moving it from the end of the production line to the end user.
10. Inbound Logistics focuses on manufacturing.
11. Our customers request online cargo tracking and complete transparency of all logistics operations.

THEME III

LOGISTICS SERVICES

TEXT I

CUSTOMS AND WAREHOUSING SERVICES

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: challenge, pallet, label, stamp, container, transportation, representation, surveyor, waybill

Verbs: to process, to complete, to represent, to administer, to weigh, to lash, to palletize, load, to reload, to sort, to stick, to label, to wrap, to mark, to pack, to repack, to secure

The main challenge for logistics companies is to offer various services at a competitive price. Logistics companies usually provide various services including the following.

1. Customs services

- Processing of documents required for customs procedures.
- Completion of CMR (road transport waybill) and TIR Carnet.
- Administering of documents required for sanitary border inspection and presentation of goods for control.
- Presentation of documents and procedure execution in the customs.
- Consultation of customs duties and tariff issues.
- Representation of the client interests in the customs.
- Processing of sanitary border documents.
- Provision of convoy services.

- Information on freight transportation.
- Freight weighing, inspection and other services in accordance with the customs requirements.

2. Warehousing services

- Long-term and short-term storage in warehouses.
- Storing of special and non-standard cargoes and containers.
- Reloading, weighing of cargo and containers.
- Cargo lashing and securing within containers.
- Palletisation / depalletisation, wrapping, marking.
- Cargo sorting, damage and quantity inspection.
- Repacking of cargo content, pre-packing, labelling or sticking stamps.
- Cargo consolidation.
- Photo and video monitoring documentation upon the customer's request.
- Surveyor services.

UNDERSTANDING THE MAIN POINTS

1. Complete the following statements.

1. Logistics company may provide various ...
2. Customs services include processing of documents required for customs ...
3. Special documents are required for sanitary border ...
4. The company provides information on freight ...
5. The company offers consultation concerning customs ... and tariff ...
6. The company is responsible for provision of convoy ...

7. Customs services incorporate freight weighing and inspection in accordance with the ...
8. The company is also responsible for reloading, weighing of cargoes and complete ...
9. Photo and video monitoring documentation is performed upon the ...
10. Warehousing services include long-term and short-term storage in ...
11. They also include storing of special and non-standard cargoes and ...

2. Decide whether the following statements are true or false.

1. Customs services include processing of documents required for customs procedures.
2. Logistics companies may be responsible for cargo palletisation and wrapping.
3. Customs services include repacking of cargo content, pre-packing and labelling.
4. Warehousing services involve cargo transportation.
5. Customs services include processing of sanitary border documents.
6. Customs services may involve cargo consolidation.
7. Customs services incorporate cargo lashing and securing within containers.
8. Warehousing services include freight weighting in accordance with the customs requirements.
9. Any logistics company must provide information on freight transportation.

TEXT II

TRANSPORT AND TERMINAL SERVICES

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: rail, railway, port, terminal, vessel, container, trailer, carrier, stevedore, load, gauge, authorities, freight car, tank, mode, partnership, Cross-dock, charter

Verbs: to contain, to deliver, to operate, to process, to repair, to ship, to shift, to handle

Logistics companies may also provide the following services.

1. Transport services

a) Railway transportation

- Cargo transportation and transit by rail.
- Railway line for simultaneous processing of a certain number of rail freight cars.
- Processing of documents necessary for rail transportation and customs authorities.

b) Sea transportation

- Regular cargo shipments of less than container (LCL) and full container loads (FCL) in partnership with all shipping lines operating in the port.
- Door to door cargo delivery.
- Dangerous and valuable cargo transportation.
- Special (out-of-gauge) cargo transportation through the port.

c) Road transportation

- Cargo transportation on trailers and container carriers.
- Special (out-of-gauge) freight forwarding.
- Local delivery.

d) Air transportation

- International express deliveries.
- Charters and special project cargo handling services (large equipment, refrigerated goods, animals, etc.).
- Small package shipping.
- Aircraft maintenance and other support services.

2. Terminal services

- Vessel stevedoring.
- Full / empty container storage and handling.
- Container “Cross-dock” operations (cargo from one mode of transport is shifted to another mode of transport).
- A full range repair services for the customer’s container.
- Tank container repair.
- Storage of dangerous goods.

UNDERSTANDING THE MAIN POINTS

1. Complete the following statements.

1. Railway transportation services include container “Cross-dock” ...
2. Sea transportation services involve vessel ...
3. Sea transportation services also involve special cargo transportation through ...
4. A special railway line can be used for simultaneous processing of a certain number of
5. Transport services include processing of documents necessary for rail transportation and ...
6. Road transportation services include full / empty container storage and ...

7. Terminal services may include regular cargo shipments of less than container load and full...
8. Transport services involve dangerous and valuable cargo ...
9. Skilled mechanics can provide a full range repair services for the ...
10. Transport services may include international express ...
11. Logistics companies provide door to door ...

2. Decide whether the following statements are true or false.

1. Transport services involve cargo transportation by rail only.
2. Logistics companies never process documents necessary for rail transportation and customs authorities.
3. LCL stands for *less than container load*.
4. FCL stands for *full container load*.
5. CMR stands for *rail transport waybill*.
6. Transport services normally include tank container repair.
7. Terminal services do not involve vessel stevedoring.
8. Container “cross-dock” operations involve shifting cargo from one mode of transport to another mode of transport.
9. Some logistics companies may offer a full range repair services for the customer’s container.
10. Regular cargo shipments of less than container (LCL) and full container loads (FCL) can be performed in partnership with all shipping lines operating in the port.
11. Charters and special project cargo handling services include shipping large equipment and refrigerated goods.

EXERCISES

Exercise 1

Translate the following terms.

Simultaneous processing, rail freight cars, customs authorities, less than container load, full container load, door to door cargo delivery, out-of-gauge cargo transportation, freight forwarding, vessel stevedoring, container storage and handling, “Cross-dock” operations, storage of dangerous goods, international express deliveries, full range of services, small package shipping, aircraft maintenance.

Exercise 2

Match each word from a with one from b to make word combinations as they occur in Text 1 and Text 2.

a) Cargo, photo, customs, sea, convoy, full, sanitary, express, non-standard, TIR, tank, aircraft, cross-dock, refrigerated, certified, fast.

b) Monitoring, Carnet, lashing, logistician, transportation, operations, range, port, services, inspection, cargo, goods, procedures, maintenance, deliveries, container.

Exercise 3

Make up words with the same stem.

To contain, to inspect, to secure, to compete, to provide, to complete, to present, to consult, to weigh, to store, to pack, to authorize, to palletize, to include, to maintain, to operate, to equip, to process, to carry, to employ, to organize, to know, to reduce, to certify, to authorize.

Exercise 4

For nouns in column B find suitable attributes in column A.

A	B
1. container 2. customs 3. vessel 4. cargo 5. repair 6. video 7. freight 8. quantity 9. sea 10. railway	a) shipments b) services c) transportation d) forwarding e) inspection f) monitoring g) stevedoring h) authorities i) line j) load

Exercise 5

Complete the passage below with the words from the box below.

<i>services</i>	<i>money</i>	<i>vessels</i>	<i>systems</i>
<i>vehicle</i>	<i>clearance</i>	<i>cargo</i>	<i>costs</i>

Customers can take advantage of a wide range of terminal services, which help optimize the movement of 1) _____ through the port to its final destination. Depending on the terminal, these services can include customs 2) _____, pre-delivery

inspection, storage, re-forwarding and inland transport. Some terminals also have 3) _____ processing centres that offer additional services such as upgrades, repair and accessory installation. Communication and information 4) _____ within the terminals are linked to the customized information technology solutions. This means that we know the exact location of cargo while at our terminals or on board any of our 5) _____. This knowledge allows customers to control their cargo. By simplifying and reducing administration and handling 6) _____, logistics companies help customers save time, energy and 7) _____. Modern companies focus on their customers' needs and continually provide creative new 8) _____ to add flexibility, reliability and efficiency to their businesses.

Exercise 6

Complete the passage below with the prepositions: with (2), for, of, by, to, without, from.

ABC Logistics offers professional freight terminal services. On the international level the services are known as Cross-dock services. Cross-dock is a process 1) _____ distribution of goods 2) _____ placing them in a warehouse or a storage area. Instead, the goods are prepared 3) _____ shipping to consignees or other warehouses. Cross-dock service is relevant 4) _____ freight carrier companies that seek to reduce transportation costs. *ABC Logistics* freight terminal service is certified 5) _____ the System Alliance Europe (SAE) certificate. Private European logistics companies established Alliance to unite the freight flows and to control the quality of services provided 6) _____ each partner. Organizational and IT requirements set among SAE members ensure freight transport that is compliant 7) _____ high standards, transparency and reliability. Currently, SAE consists of 54 companies 8) _____ 27 countries, and 187 branches.

Exercise 7

Read the passage below. Translate it into your mother tongue. Use the dictionary if necessary.

Tank Service Inc. and its three partner companies provide an increasingly diverse range of services. They serve customers with a variety of logistics services including satellite tracking of tank containers. *Tank Service Inc.* is a quality supplier of new portable tanks and used portable tanks for bulk liquid transportation, and for storage and process applications. Extensive tank container modification and customization are offered. Tank container repair capabilities include the ability to refinish tank interiors. The partner companies also distribute a broad range of parts and components. Tank containers handled by *Tank Service* range in capacity from 14,000 to 25,000 litres. Tank container logistics management is one of the newer *Tank Service* offerings. Tank Service also can help keep track of the tank containers wherever they might be going. The company offers *SataTrack*, a GPS system for worldwide intermodal asset tracking and security applications. Customers can monitor tank container status in real time online. While *Tank Service* offers a broad range of products and services, it does so with a relatively small staff. Since 1988 *Tank Service Inc.* has been providing quality products and services for the petroleum, chemical, water and waste treatment, utility, heavy industry and governmental agencies.

Exercise 8

Ask ten questions to the text from Exercise 7 (three general, three special, two disjunctive and two alternative questions). Retell the text.

THEME IV

SUPPLY CHAIN

TEXT I

INTRODUCTION TO SUPPLY CHAIN

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: chain, goal, responsiveness, channel, quality, quantity, accuracy, department, item, invoice, supplier, method, area, sales order, link, date, site, inventory

Verbs: to assemble, to purchase, to move, to involve, to transform, to deliver, to respond to, to plan, to decide, to complete, to test, to fulfil, to send, to combine, to select, to determine, to test, to require, to link, to specify

A *supply chain* can be defined as a system of organizations, people, technology, activities, information and resources involved in moving a product or service from supplier to customer. Supply chain activities transform natural resources, raw materials and components into a finished product that is delivered to the end customer. The supply chain goal is to reduce the total cost, whereas providing the desired level of responsiveness to customers. The supply chain segment involved with getting the finished product from the manufacturer to the consumer is known as the *distribution channel*.

For most companies, the supply chain is an essential component of success. The supply chain is a key determinant of a company's responsiveness to emerging opportunities. The supply chain is an important link with the company's customers.

A simple supply chain links a company that manufactures or assembles a product with its suppliers and distributors and customers. It should be noted that every supply chain starts and

ends with the customer. A typical supply chain is made up of a number of elements that are connected by the movement of goods along it.

- *Customer.* The supply chain begins with the customers and their need for a particular product. The customer contacts the Sales Department of the company, which enters the sales order for a specific quantity to be delivered on a specific date. The sales order includes specific requirements that have to be fulfilled by the production facility.
- *Planning.* The requirements activated by the customer's sales order are combined with other orders. The Planning Department creates a production plan to make the products to complete the customer's orders. To manufacture the products the company has to purchase some raw materials.
- *Purchasing.* The Purchasing Department receives a list of raw materials and services required by the Production Department to fulfil the customer's orders. The Purchasing Department sends purchase orders to selected suppliers asking for the necessary raw materials to be delivered to the manufacturing site.
- *Inventory.* The raw materials are received from the suppliers; then they are checked for quality and accuracy and moved into the warehouse. The supplier will then send an invoice to the company for the delivered items.
- *Production.* The finished products ordered by the customer are manufactured using the raw materials purchased from suppliers. The items are tested and then they are stored in the warehouse prior to delivery to the customer.
- *Transportation.* The Shipping Department determines the most efficient method to ship the products to the customer so that they are delivered on time. When the goods are received by the customer, the company will send an invoice for the delivered products.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What does the term “supply chain” refer to?
2. What is the goal of any supply chain?
3. What does the term “*distribution channel*” imply?
4. Why is the supply chain regarded as an essential component of success for most companies?
5. Is the supply chain an important link with the company’s customers?
6. What elements is a simple supply chain made up of?
7. What is the function of the Sales Department?
8. What is the function of the Planning Department?
9. What is the function of the Purchasing Department?
10. What is the function of the Production Department?
11. What is the function of the Shipping Department?

2. Decide whether the following statements are true or false.

1. A supply chain is a system of organizations, people, technology involved in moving a product or service from customer to provider.
2. Supply chain activities transform natural resources, raw materials and components into a finished product that is delivered to the end customer.
3. The supply chain starts and ends with the provider.
4. A simple supply chain links a company that manufactures or assembles a product with its suppliers and distributors and customers.

5. The customer contacts the Shipping Department of the company, which enters the sales order for a specific quantity to be delivered on a specific date.
6. The requirements activated by the customer's sales order are combined with other orders.
7. The Sales Department will create a production plan to produce the products to fulfil the customer's orders.
8. The Purchasing Department receives a list of finished products required by the production department to complete the customer's orders.
9. The Purchasing Department sends purchase orders to selected suppliers to deliver the necessary raw materials to the manufacturing site on the required date.
10. The raw materials are received from the customers, checked for quality and accuracy and moved into the warehouse.
11. The raw materials are stored until they are required by the production department.
12. The finished products ordered by the customer are manufactured using the raw materials purchased from suppliers.
13. After the items have been completed and tested, they are stored in the main office prior to delivery to the customer.
14. When the finished product arrives in the warehouse, the Sales Department determines the most efficient method to ship the products.
15. When the goods are received by the customer, the company will send the customer an invitation to a business meeting.

TEXT II

ROLE OF TRANSPORTATION IN THE SUPPLY CHAIN

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: costs, opportunities, party, mode, level, responsiveness, network

Verbs: to transport, to amount, to lower, to exchange, to respond to, to invest, to create, to take place, to suit, to evaluate, to consider, to decrease, to increase, to communicate, to allow, to own

The term “transportation” refers to the movement of product from one point to another as it moves from the beginning of a supply chain to the customer. In the United States, for example, freight transportation costs amount to about 6% of the GDP (Gross Domestic Product).

Any supply chain’s success is closely linked to the appropriate use of transportation. Logistics companies effectively use responsive transportation systems to lower overall costs. They employ “*Cross-docking*” – a process, in which product is exchanged between trucks so that each truck going to a retail store has products from different suppliers. Today, the growth in shipments to and from China is creating both problems and opportunities for logistics companies. Many large corporations have already invested in buying offices in China and India.

There are two key players in any transportation that takes place within a supply chain. *The shipper* is that party that requires the movement of the product between the point of origin and the point of consumption. *The carrier* is the party that moves or transports the product.

The modes of transportation include water, rail, intermodal, truck, air, pipeline and package carriers. Water is typically

the least expensive mode, but is also the slowest, whereas air and package carriers the most expensive and the fastest.

Rail and water are best suited for low-value and large shipments that do not need to be moved in a hurry. Air and package carriers are best suited for small, high-value, emergency shipments. Intermodal carriers are faster than rail and water, but more expensive.

Logistics firms should take into consideration a combination of a) transportation costs; b) inventory costs; c) the level of responsiveness to the customers' requirements. Managers should consider an appropriate combination of company-owned and outsourced transportation to meet their needs. Managers must also use the information technology available to help decrease cost and improve responsiveness in their transportation networks. For example, satellite-based communication systems allow carriers to communicate with each other.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What does the term "transportation" imply?
2. What do logistics companies use to decrease overall costs?
3. What are two key players in any transportation that takes place within a supply chain?
4. What modes of transportation are used in Logistics?
5. What is the least expensive mode of transportation?
6. What is the fastest mode of transportation?
7. What is the information technology utilized for?
8. What do satellite-based communication systems allow carriers to do?

2. Decide whether the following statements are true or false.

1. Freight transportation costs in the United States amount to about 5% of the GDP.
2. Any supply chain's success is closely linked to the appropriate use of transportation.
3. Cross-docking is a process, in which product is exchanged between trucks so that each truck going to a retail store has products from different suppliers.
4. There are three key players in any transportation that takes place within a supply chain.
5. The carrier is that party that requires the movement of the product between two points in the supply chain.
6. The modes of transportation include water, rail, intermodal, truck, air, pipeline and package carriers.
7. Water is typically the most expensive mode.
8. Rail and water are best suited for high-value shipments.
9. Air and package carriers are best suited for emergency shipments.
10. Intermodal carriers are faster than rail and water and less expensive.
11. Firms should evaluate the transportation function based on a combination of transportation costs and other costs.
12. Managers should consider an appropriate combination of company-owned and outsourced transportation to meet their needs.
13. The use of information technology would help decrease cost and improve responsiveness in transportation networks.

EXERCISES

Exercise 1

Translate the following word combinations.

Raw materials, finished product, distribution capacity, supply and demand, retail store, modes of transportation, large shipments, intermodal carrier, huge warehouse, communication systems, satellite-based systems.

Exercise 2

Make up words with the same stem.

To optimize, to implement, to maintain, to locate, to improve, to pack, to carry, to prepare, to communicate, to receive, to pay, to respond, to store, to operate, to agree, to transport, to decide, to determine.

Exercise 3

Match the following synonyms.

1. include	a) enlarge
2. maximize	b) contain
3. eliminate	c) transfer
4. need	d) produce
5. transport	e) advance
6. improve	f) require
7. manufacture	g) put into operation
8. implement	h) avoid

Exercise 4

For nouns in column B find suitable attributes in column A.

A	B
1. raw 2. finished 3. responsive 4. manufacturing 5. purchasing 6. primary 7. high 8. loyal 9. outsourced	a) transportation b) agreement c) sites d) customer e) materials f) objective g) network h) product i) level

Exercise 5

Complete the passage below using suitable words from the box below.

<i>excellence</i> <i>safety</i>	<i>responsiveness</i> <i>management</i>	<i>categories</i> <i>costs</i>	<i>inventory</i> <i>sites</i>
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The inventory, along with transportation, the location of the manufacturing 1) _____ and warehouses represent an important factor that influences the performance of the supply chain. 2) _____ contains the raw materials, the work in process and all the finished products of a supply chain. The changes of the inventory policies can lead to a dramatic change of the supply chain's efficiency and 3) _____. Logisticians have to identify the main 4) _____ of inventory and the way that they can be controlled. In every company we can identify

cycle inventory, 5) _____ inventory and seasonal inventory. Traditionally, in the management of supply chain processes, inventory 6) _____ is challenging because it directly impacts both costs and service. Effective inventory management is at the core of supply chain management 7) _____. Inventory 8) _____ are the costs related to storing and maintaining its inventory over a certain period of time.

Exercise 6

Fill in the gaps using suitable word combinations from the box below.

*sales order natural resources production area production plan
 sales department production department shipping department
 movement of products raw materials*

1. Supply chain activities transform _____, raw materials and components into a finished product that is delivered to the end customer.
2. A simple supply chain is made up of several elements that are linked by the _____ along it.
3. The customer contacts the _____ of the company, which enters the sales order for a specific quantity to be delivered on a specific date.
4. The requirement activated by the customer's _____ will be combined with other orders.
5. The planning department will create a _____ to produce the products to fulfil the customer's orders.
6. The purchasing department receives a list of raw materials and services required by the _____ to complete the customer's orders.
7. The purchasing department sends purchase orders to selected suppliers to deliver the necessary _____ to the manufacturing site on the required date.

8. Based on a production plan, the raw materials are moved to the _____.
9. When the finished product arrives in the warehouse, the _____ determines the most efficient method to ship the products.

Exercise 7

Read the text below and write a short summary of the text in your mother tongue.

The Impact of Globalization on the Supply Chain

Today, manufacturing in developing countries is considerably cheaper than in the United States due to the low cost of labour. For instance, the hourly wage for China's manufacturing and production workers is less than one dollar per hour. But foreign manufacturing brings with it many challenges. It isn't as easy to set up real-time data sharing with a factory in China as it is with a factory in the United States. The total distance that overseas goods need to travel to reach the U.S. increases the chance that they will get delayed. Foreign manufacturing also brings with it a lot of the uncertainty that supply chain systems were designed to eliminate. However, the technology capable of tracking shipments throughout the world is improving. But a lot of this technology is still pretty expensive; some of the places a company would want to deploy it don't have the necessary infrastructure in place. Furthermore, labour costs in some places are so low that IT automation and monitoring projects may add more to costs than they save in productivity. Consequently, some low-tech products may not be worth monitoring. Meanwhile, the best way for companies is to use whatever systems they can to get as much visibility into the global supply chain as possible. By applying technology and by choosing the supply chain partners who have the capability to share data, a company can get many of the benefits of the "just in time" technique.

Exercise 8

Match the following terms with their definitions.

<i>Transportation</i>	commercial or industrial property such as a building, plant, or structure, built, established, or installed for the performance of one or more specific activities or functions
<i>Supply Chain Management</i>	The party that requires the movement of the product between two points in the supply chain
<i>Shipper</i>	Facility designed for temporary storage
<i>Inventory costs</i>	Activities employed in maintaining the optimum number or amount of each inventory item
<i>Warehouse</i>	Merchandise or other item of common or daily use, ordinarily bought by individuals or households for private consumption
<i>Inventory</i>	The management of materials, information, and finances as they move in a process from supplier to consumer
<i>Consumer product</i>	The raw materials, work-in-process goods and completely finished goods, which are ready for sale.
<i>Facility</i>	The costs related to storing and maintaining its inventory over a certain period of time
<i>Inventory Management</i>	The movement of product from one location to another as it makes its way from the beginning of a supply chain to the customer's handle

Exercise 9

Find in the sentences the verbs in the Passive Voice and underline them. Translate the sentences.

1. Any supply chain's success is closely linked to the appropriate use of transportation.
2. The sales order includes specific requirements that have to be fulfilled by the production facility.
3. The requirements activated by the customer's sales order are combined with other orders.
4. The final products are manufactured using the raw materials.
5. The raw materials were received from the suppliers and checked for quality and accuracy.
6. The list of raw materials was received by the Purchasing Department last Monday.
7. These goods will be delivered in two weeks.
8. The cargo has not been shipped yet.
9. All necessary documents have already been received.
10. Professional logisticians are often certified by professional associations.
11. The Chartered Institute of Logistics & Transport (CILT) was established in the United Kingdom in 1919.
12. These items are being tested now.
13. In the receiving area of a warehouse, all documentation is checked and recorded.
14. Later goods will be unpacked or repacked.
15. In the back-up storage area of a warehouse, most of the warehouse inventory is stored.
16. In the order picking area, the goods are selected in the quantities that are required by the customer.
17. The goods are now being exchanged between trucks.

Exercise 10

Rewrite the sentences below in the Passive Voice.

1. Transportation involves the movement of products from one location to another.
2. Logistics companies use responsive transportation systems to lower overall costs.
3. Logistics companies employ Cross-docking.
4. People utilize rail transportation for low-value and large shipments.
5. The firm evaluated the transportation function based on a combination of transportation costs.
6. Logisticians should consider an appropriate combination of company-owned and outsourced transportation.
7. Managers used the available information effectively.
8. People transform natural resources, raw materials and components into a finished product.
9. The supply chain must provide the desired level of responsiveness to customers.
10. The Planning Department of our company has already created a production plan to fulfil the customer's orders.
11. The Manufacturing Department of the company will purchase the necessary raw materials.
12. Yesterday, the Purchasing Department received a list of raw materials required by the Production Department.
13. We will receive the raw materials from reliable suppliers.
14. The Shipping Department has determined the most efficient method to ship the products.
15. We are testing a new video monitoring system now.
16. Our managers have made the goods ready for dispatch.

THEME V

SUPPLY CHAIN MANAGEMENT

TEXT I

WHAT IS SUPPLY CHAIN MANAGEMENT?

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: objective, capacity, inventory, factory, plant, mix, metrics, invoice, decision, payment

Verbs: to eliminate, to optimize, to implement, to integrate, to seek, to test, to monitor, to improve, to prepare, to communicate, to source, to set up, to decide, to pay, to support

The term *Supply Chain Management (SCM)* was introduced in the 1980s. The primary objective of supply chain management is to fulfil customer's needs through the most efficient use of resources, including distribution capacity, inventory and labour.

Various aspects of optimizing the supply chain may include

- Communicating with suppliers to eliminate bottlenecks in the supply chain.
- Sourcing strategically to establish balance between the lowest material cost and transportation.
- Implementing JIT (Just-In-Time) techniques to optimize manufacturing flow.
- Maintaining the right mix and location of factories and warehouses to serve customer markets.
- Using location and distribution analysis, vehicle routing analysis, traditional logistics optimization methods to maximize the efficiency of the distribution.

The five basic components of SCM are the following:

- *Plan.* Logistics Companies must create a strategy for managing their resources in order to meet customer demand for their product or service. SCM planning includes developing a set of metrics to monitor the supply chain so that a) it is efficient, cost-effective; b) it delivers high quality and value to customers.
- *Source.* Logistics companies must choose suppliers to deliver the goods and services they need for creating their product. Therefore, supply chain managers must a) develop a set of pricing, delivery and payment processes with their suppliers; b) create metrics for monitoring and improving these relationships.
- *Make.* Supply chain managers must schedule the activities that are necessary for manufacturing, testing, packaging and preparation for delivery.
- *Deliver.* Logistics companies have to develop a network of warehouses, select carriers that will get products to customers and establish an invoicing system for receiving payments.
- *Return.* Supply chain planners have to create a responsive and flexible network for receiving defective or surplus (excess) products back from their customers. They must provide support to those customers who have problems with delivered products.

Supply chain managers make decisions at different levels.

- *Strategic level.* At this level, managers develop strategic decisions that affect the long-term performance of the company, such as the size and location of manufacturing sites, partnerships with suppliers, products to be manufactured and sales markets.
- *Tactical level.* Tactical decisions focus on taking measures that will produce cost benefits, such as using industry best practices, developing a purchasing strategy with preferred suppliers, working with logistics companies to develop cost-effective transportation and creating warehouse strategies to reduce the cost of storing inventory.

- *Operational level.* Decisions at this level are made each day. Such decisions are often administrative in nature. Operational decisions involve making schedule changes to production, purchasing agreements with suppliers, taking orders from customers and moving products in the warehouse.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. When was the term *Supply Chain Management* introduced?
2. What is the primary objective of supply chain management?
3. What do various aspects of optimizing the supply chain include?
4. What are the basic components of SCM?
5. What decisions are made at the strategic level?
6. What decisions are made by top managers?
7. What decisions are made at the operational level?

2. Decide whether the following statements are true or false.

1. Various aspects of optimizing the supply chain may include sourcing strategically to strike a balance between the lowest material cost and transportation and implementing JIT techniques to optimize manufacturing flow.
2. Logistics companies need a strategy for managing all the resources that is aimed at meeting customer demand for their product or service.
3. Logistics companies must choose suppliers to deliver the goods and services they need to create their product.

4. Supply chain managers schedule the activities necessary for production, testing, packaging and preparation for delivery.
5. Logistics companies develop a network of warehouses, select carriers to get products to customers and establish an invoicing system to receive payments.
6. At the tactical level, company management develop high level strategic decisions concerning the whole organization.
7. Strategic decisions focus on adopting measures that will produce cost benefits.
8. Operational decisions are made each day, and they are often administrative in nature.
9. Operational decisions involve making schedule changes to production, purchasing agreements with suppliers, etc.

TEXT II

GLOBAL SUPPLY CHAIN MANAGEMENT

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: issue, factor, costs, expenses, tariff, rate, labour, conditions, productivity, employer, employee, research,

Verbs: to involve, to consider, to address, to deal with, to vary, to impact, to affect, to expect, to face

With increased globalization, global supply chain management is becoming an important issue for many businesses. The main factors influencing global supply chain management are the following: a) reducing the costs of procurement; b) decreasing the risks related to purchasing activities.

It should be noted that global supply chain management involves a company's worldwide interests and suppliers rather than

simply a local or national orientation. Thus, it comes with a number of new issues. For example, companies have to consider the overall costs. Although local labour costs may be significantly lower, companies must also focus on the costs of space, tariffs, and other expenses that are related to doing business overseas. Additionally, companies need to consider the exchange rates.

Time is another big issue that should be addressed when dealing with global supply chain management. The productivity of the overseas employees and the extended shipping times can either positively or negatively affect business.

Besides, the weather conditions vary greatly in different parts of the globe; they can impact production and shipping too. Customs clearance time and other governmental red tape can add further delays that need to be planned.

Another issue that must be integrated into a global supply chain management strategy is supplier selection. This is one of the first decisions companies must make; such decisions must be based on research. Companies should make decisions about the number of suppliers. Fewer supplies may be easier to manage, but it could also lead to potential problems if one seller is unable to deliver goods as expected. Finally, companies, which choose to move their manufacturing overseas, may face some additional considerations: the number of plants that are needed, the locations for those plants, etc.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. Why is global supply chain management becoming an important issue for many businesses?
2. What are the main factors that influence global supply chain management?
3. What does global supply chain management involve?
4. What issues must global supply chain management consider?

5. How can the productivity of the overseas employees affect business?
6. Why should logistics companies consider the exchange rates?
7. Why should important decisions be based on research?
8. What problems may companies, which choose to move their manufacturing facilities overseas, face?

2. Decide whether the following statements are true or false.

1. The main factors influencing global supply chain management reducing the costs of procurement and decreasing the risks related to purchasing activities.
2. Because global supply chain management usually involves many countries, it comes with a number of new issues.
3. Time is another big issue that should be addressed when dealing with global supply chain management.
4. The productivity of the overseas employees usually does not affect business.
5. Customs clearance time can add further delays that need to be planned.
6. Supplier selection is not important for global supply chain management.
7. Logistics companies must make decisions about the number of suppliers.
8. Fewer supplies may be easier to manage, but could also lead to potential problems.
9. Companies that choose to move their manufacturing overseas also face some additional considerations, for example, the number of plants that are needed.
10. The weather conditions can impact both production and shipping.

EXERCISES

Exercise 1

Translate the following word combinations.

To fulfil customer demands, to match demand with supply, to eliminate bottlenecks, to optimize manufacturing flow, to maximize efficiency, to monitor the supply chain, to deliver the goods and services, to receive payments, to make decisions, to take orders from customers.

Exercise 2

For nouns in column B find suitable attributes in column A.

A	B
1. increased	a) plant
2. additional	b) efficiency
3. customs	c) activities
4. exchange	d) decisions
5. tactical	e) rate
6. purchasing	f) clearance
7. high	g) considerations
8. big	h) globalization

Exercise 3

Make up sentences with the word combinations from Exercise 1.

Exercise 4

Complete the passage below with the words from the box below.

<i>distribution</i>	<i>orders</i>	<i>information</i>	<i>flows</i>
<i>consumer</i>	<i>goods</i>	<i>schedules</i>	<i>organizations</i>

Supply chain management is the management of materials, information, and finances as they move in a process from supplier to a) _____. Supply chain management involves coordinating and integrating these b) _____. SCM attempts to centrally control or link the production, shipment and c) _____ of a product. SCM is based on the idea that nearly every product that comes to market results from the efforts of various d) _____ called the supply chain. Supply chain management flows can be divided into three main flows: the product flow, the e) _____ flow and the finances flow. The product flow includes the movement of f) _____ from a supplier to a customer, as well as any customer returns or service needs. The information flow involves transmitting g) _____ and updating the status of delivery. The financial flow consists of credit terms, payment h) _____, and consignment and title ownership arrangements.

Exercise 5

Complete the passage below with the words from the box below.

<i>red tape</i>	<i>overseas</i>	<i>shipping</i>	<i>decisions</i>
<i>issue</i>	<i>supply</i>	<i>supplier</i>	<i>employees</i>

Global 1) _____ chain management usually involves many countries. Time is an important 2) _____ that should be addressed when dealing with global supply chain management. The productivity of the overseas 3) _____ and the extended shipping times can also affect business. The weather conditions on one side of the world often vary greatly from those on the other; they influence production and 4) _____. Also, customs clearance time and other governmental 5) _____ can add further delays that need to be planned. Another issue that must be incorporated into a global supply chain management strategy is 6) _____ selection. Companies must make 7) _____ about the number of suppliers to use. Finally, companies that choose to ship their manufacturing 8) _____ may have to face some additional considerations, for instance, the number of plants that are needed.

Exercise 6

Complete the passage below with the following prepositions: from, between, of, through, with (2), for (2).

The primary objective 1) _____ supply chain management is to fulfil customer demands 2) _____ the most efficient use of resources, including distribution capacity, inventory and labor. In theory, a supply chain seeks to match demand 3) _____ supply. Various aspects of optimizing the supply chain include liaising 4) _____ suppliers to eliminate bottlenecks; sourcing strategically to strike a balance 5) _____ lowest material cost and transportation, etc. Companies need a strategy 6) _____ managing all the resources that go toward meeting customer demand for their product or service. Supply chain managers schedule the activities necessary for production, testing, packaging and preparation 7) _____ delivery. Supply chain planners have to create a responsive and flexible network for receiving defective and excess products back 8) _____ their customers and supporting customers who have problems with delivered products.

Exercise 7

Match the following terms with their definitions.

<i>Tactical decisions</i>	the management of materials, information, and finances as they move in a process from supplier to consumer
<i>Supply chain management</i>	the decisions that involve making schedule changes to production, purchasing agreements with suppliers, etc.
<i>Operational decisions</i>	the decisions that influence the future of the company
<i>Strategic decisions</i>	the decisions that focus on adopting measures that will produce cost benefits
<i>Top (or executive) managers</i>	managers that are responsible to manage the day-to-day activities of a group of workers
<i>Middle managers</i>	managers that are responsible for overseeing the whole organization and typically engage in more strategic and conceptual matters
<i>First-line managers</i>	managers that are in charge of a major function or department

Exercise 8

Fill in the gaps with the verbs in the appropriate form.

<i>manufacture</i>	<i>cover</i>	<i>create</i>	<i>achieve</i>	
<i>invest</i>	<i>divide into</i>	<i>pay</i>	<i>begin</i>	<i>run</i>

In an organization, if a product is 1) _____ using raw materials from various suppliers and if these products are sold to customers, a supply chain is created. Supply chain management flows can be 2) _____ three main flows: the product flow, the information flow, the finances flow. Supply chain management is the active management of supply chain activities to 3) _____ customer value and 4) _____ a sustainable competitive advantage. It represents a conscious effort by the supply chain firms to develop and 5) _____ supply chains in the most effective way. Supply chain activities 6) _____ everything from product development, sourcing, production and the information systems needed to coordinate these activities. In order to maximize benefits from the supply chain management process, organizations need to 7) _____ in technology. Supply chain management activities 8) _____ with a customer order and ends when the purchase is 9) _____ for.

Exercise 9

Write a short summary of Text 2 in your mother tongue.

Exercise 10

State whether the “-ing” form in each sentence is Participle I or the Gerund. Translate the sentences.

1. Like in traditional supply chain management, there are many factors influencing global supply chain management.
2. Time is another big issue that should be addressed when dealing with global supply chain management.
3. The productivity of the overseas employees and the extended shipping times are the main factors affecting business.

4. Various aspects of optimizing the supply chain may include communicating with suppliers to eliminate bottlenecks in the supply chain.
5. SCM planning includes developing a set of metrics to monitor the supply chain so that it is efficient, cost-effective and it delivers high quality and value to customers.
6. Choosing suppliers companies must consider a few important factors.
7. Supply chain managers must create metrics for monitoring and improving these relationships.
8. Logistics companies have to develop a network of warehouses and establish an invoicing system for receiving payments.
9. Supply chain planners have to create a responsive and flexible network for receiving defective or surplus products back from their customers.
10. Developing high level strategic decisions company management work in the frame of an overall action plan.
11. Tactical decisions focus on using industry best practices, developing a purchasing strategy with preferred suppliers, working with logistics companies to develop cost-effective transportation and creating warehouse strategies to reduce the cost of storing inventory.
12. Operational decisions involve taking orders from customers and moving products in the warehouse.
13. The manager has spent the whole morning preparing the required documentation.
14. A professional working in the field of logistics management is called a logistician.

THEME VI

JOBS IN LOGISTICS AND SUPPLY CHAIN

TEXT I

LOGISTICS AND SUPPLY CHAIN MANAGERS

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: merchandise, item, supplies, supplier, manufacturer, carrier, retailer, wholesaler, consumer, employer, intermediary, stock, quality, quantity, staff, solution, contract, performance, evaluation, improvement

Verbs: to organize, to plan, to direct, to monitor, to supervise, to influence, to allocate, to employ, to collaborate, to analyze, to gain, to resolve, to negotiate

Logistics (distribution) and supply chain managers organize the safe and efficient storage and distribution of goods (merchandise). They have to ensure that orders are fulfilled correctly. They plan and manage the movement of goods in the supply chain; their job is to ensure that the right products are delivered to the right place on time and in the most cost-efficient way. Logistics and supply chain managers deal with many parties including suppliers of raw materials, manufacturers, retailers and consumers.

Typical employers of logistics and supply chain managers are distribution companies, consultancies, manufacturers, major commercial organizations, retailers, etc. There could be a very significant international focus within the job, where knowledge of international commerce, finance and import/export laws are essential and fluency in a foreign language is recommended.

International logistics managers must have an extensive knowledge of different modes of transportation, since they manage the performance of international carriers and logistics intermediaries

Typical work activities of a logistics manager may include:

- Directing inbound or outbound logistics operations, such as transportation or warehouse activities, safety performance, etc.
- Monitoring the quality, quantity, cost and efficiency of the movement and storage of goods.
- Resolving problems concerning transportation, logistics systems, imports or exports, customer issues.
- Keeping an accurate record of all orders, production times, and transportation of supplies and manufactured items.
- Collaborating with other departments to integrate logistics with business systems or processes, such as customer sales, order management, accounting, or shipping.
- Supervising the work of logistics specialists, planners, or schedulers.
- Allocating and managing staff resources according to changing needs.
- Ordering and maintaining stock inventory necessary for production.
- Dealing with customers and suppliers, and negotiating transportation rates or services.
- Developing business by gaining new contracts, analyzing problems and producing new solutions.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What do logistics and supply chain managers organize?
2. What do they plan and manage?

3. What parties do they deal with?
4. What are typical employers of logistics and supply chain managers?
5. What skills must international logistics managers have?
6. What do international logistics managers control?
7. What are typical work activities of a logistics manager?

2. *Decide whether the following statements are true or false.*

1. Logistics (distribution) and supply chain managers the safe and efficient storage and distribution of goods.
2. Logistics and supply chain managers deal with many parties including suppliers of raw materials, manufacturers, retailers and consumers.
3. Typical employers of logistics and supply chain managers are universities and schools.
4. There could be a very significant international focus within the job, where fluency in a foreign language is recommended.
5. Logistics and supply chain managers mainly deal with retailers only.
6. International logistics managers usually do not an extensive knowledge of different modes of transportation.
7. For logistics managers, it is important to ensure that the right products are delivered to the right place on time and in the most cost-efficient way.
8. A distribution manager is often also called a sales manager.
9. Typical work activities of a logistics manager include monitoring the efficiency of the movement and storage of goods.
10. Logistics managers must also supervise the work of other logistics specialists.

TEXT II

JOB DESCRIPTION: RETAIL SUPPLY CHAIN MANAGER

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: transfer, responsibility, clerk, supervisor, shipment, database, depot, schedule, timetable, receipt, dispatch, contract, shift, emergencies

Verbs: to transfer, to establish, to track, to schedule, to supervise, to audit, to return, to provide

The retail supply chain involves the transfer of goods and materials from manufacturers and suppliers to retail outlets. Retail supply chain managers are responsible for planning and organising the entire process. They have to work in close collaboration with other professionals – purchasing officers, warehouse staff and transport clerks – to ensure that a) goods arrive at the depot as scheduled; b) goods are in good condition; c) goods are stored correctly; d) goods are dispatched to customers on time.

The main responsibilities of a retail supply chain manager include:

- Planning delivery timetables.
- Monitoring stock levels using computer databases and auditing inventory.
- Tracking the movement of goods through depots.
- Supervising the ordering and packaging process.
- Supervising the receipt, storage or dispatch of goods.
- Processing returned goods.
- Monitoring suppliers and establishing new suppliers.
- Negotiating and managing contracts.
- Providing customer service.

Hours and Environment

Usually, retail supply chain managers work 8 am to 6 pm, Monday to Friday. However, they may also be required to work evenings and weekends on a schedule basis. They may also be expected to be on-call to deal with emergencies. Distribution is a 24/7 business, and many firms now run 24-hour operations involving shift work. They are typically office based, commonly in a distribution warehouse or depot.

Skills and Interests

Retail supply chain managers need a variety of skills:

- Good planning skills.
- Good spoken and written communication skills.
- Good problem-solving skills.
- Excellent maths skills.
- Strong organizational skills.
- Good people skills.
- Good teamwork skills.
- Excellent computer skills: confidence in using such computer packages as spreadsheets and databases.
- Good geographical knowledge.
- Good language skills.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What does the retail supply chain involve?
2. What are retail supply chain managers responsible for?
3. Why do they work in close collaboration with other professionals?

4. What do the main responsibilities of a supply chain manager include?
5. Do retail supply chain managers work from 7 am to 5 pm?
6. Where do they usually work?
7. What skills must supply chain managers possess?

2. Decide whether the following statements are true or false.

1. The main responsibilities of a supply chain manager include planning delivery timetables and monitoring stock levels.
2. Supervising the receipt, storage or dispatch of goods is a very important duty of every supply chain manager.
3. A retail supply chain manager should find ways to improve the entire supply chain.
4. A supply chain manager must work closely with purchasing officers, warehouse staff and transport clerks.
5. A retail supply chain manager works from Monday to Wednesday.
6. Distribution is a 24/7 business, and many firms now run 24-hour operations involving shift work.
7. A retail supply chain manager is usually office based.
8. A retail supply chain manager may be required to work evenings and weekends on a schedule basis.
9. A supply chain manager may also be expected to be on-call to deal with emergencies.
10. For supply chain work good planning skills are necessary.
11. Logistics managers must speak at least one foreign language.

EXERCISES

Exercise 1

a) Translate the following verbs.

To monitor, to deal with, to coordinate, to analyze, to allocate, to develop, to plan, to improve, to use, to manage, to require, to work.

b) Use these verbs to make up meaningful expressions.

1. _____ the quality and quantity of goods.
2. _____ the order cycle and associated information systems.
3. _____ data to monitor performance and plan improvements and demand.
4. _____ staff resources according to changing needs.
5. _____ _____ customers and suppliers.
6. _____ business by gaining new contracts.
7. _____ warehouse or transport staff.
8. _____ delivery timetables.
9. _____ computer databases.
10. _____ shifts.
11. _____ the supply network.
12. _____ additional skills.

Exercise 2

For nouns in column B find suitable attributes in column A.

A	B
1. planning 2. schedule 3. computer 4. packaging 5. administrative 6. purchasing 7. job 8. geographical 9. stock 10. distribution	a) process b) staff c) opportunities d) knowledge e) officers f) databases g) manager h) skills i) basis j) control

Exercise 3

Fill in the gaps using suitable words from the box below.

<i>depots</i>	<i>schedule</i>	<i>network</i>
<i>companies</i>	<i>transport</i>	<i>staff</i>

As a supply chain manager works in the supply chain for a variety of organisations; he/she can specialise in shipping goods on behalf of other 1) _____. His/her main responsibilities will embrace tracking the movement of goods through 2) _____, overseeing the ordering and packaging process ready for dispatch and the arrival of shipments.

A supply chain manager is expected to monitor performance and make sure targets are met, and look at ways to improve the supply 3) _____. He/she is also responsible for managing clerical, administrative and warehouse distribution 4) _____. He/she works closely with purchasing officers, warehouse staff and 5) _____ clerks to make sure goods and materials arrive at the depot as scheduled. A supply chain manager may be required to work evenings and weekends on a 6) _____ basis.

Exercise 4

Complete the passage below with the words from the box below.

<i>safety</i>	<i>profession</i>	<i>goods</i>	<i>overtime</i>
<i>managers</i>	<i>skills</i>	<i>duties</i>	<i>office</i>

Warehouse Logistics Manager

A warehouse manager has many 1) _____. He/she is responsible for the following operations:

- Processing orders
- Organizing the dispatch and delivery of 2) _____
- Ensuring goods are stored safely
- Keeping staff fully trained
- Maintaining health and 3) _____ standards
- Keeping accurate records
- Managing timesheets, etc.

Warehouses are often open 24 hours a day, seven days a week so shift work is very common in this 4) _____ and managers may work some weekends and evenings. Hours are usually 37 hours per week but there's often the opportunity for 5) _____.

Managers will spend some of their time in the 6) _____ and some of their time out on the shop floor overseeing staff. They must be in touch with other 7) _____ in the production chain to ensure the management of goods is well coordinated. They manage a team of people, so good communication and leadership 8) _____ are necessary for this job.

Exercise 5

Fill in the gaps in the text below. Use the word combinations from the box.

<i>geographical areas</i>	<i>shipping lines</i>	<i>handling costs</i>
<i>freight forwarding</i>	<i>by air</i>	<i>transportation of goods</i>
<i>appropriate route</i>	<i>payment of freight</i>	

Freight Forwarder

A freight forwarder is an intermediary who acts on behalf of importers, exporters or other companies or persons, organizing the safe, efficient and cost-effective 1) _____. Taking into account the type of goods and the customers' delivery requirements, freight forwarders arrange the best means of transport, using the services of 2) _____, airlines and road and rail freight operators. In some cases, the 3) _____ company itself provides the service. Companies vary in size and type, from those operating on a national and international basis to smaller, more specialized firms, who deal with particular types of goods or operate within particular 4) _____.

- Typical work activities of a freight forwarder include:
- investigating and planning the most 5) _____ for a shipment;
 - arranging appropriate packing, taking account of climate, weight, nature of goods and cost, and the delivery and warehousing of goods at their final destination;

- negotiating contracts, transportation and 6) _____;
- preparing documentation to meet customs and insurance requirements, packing specifications, and compliance with overseas countries' regulations;
- offering consolidation services 7) _____, sea and road;
- liaising with third parties to move goods;
- arranging insurance and assisting the client in the event of a claim;
- offering tailored IT solutions and electronic data interchange (EDI) connections;
- arranging 8) _____ and other charges or collection of payment on behalf of the client;
- utilizing e-commerce, internet technology and satellite systems to enable real-time tracking of goods, etc.

Exercise 6

a) Read the text below. Write a short summary of the text in your mother tongue.

What Does a Logistician Do?

Logisticians work in nearly every industry. Most logisticians work for either large shipping firms or international distribution companies. They are responsible for organizing, scheduling, and managing the distribution of materials. This career experienced a rapid growth in the mid-1980s as manufacturing firms shifted to just in time delivery. As a result of this change, it was necessary to schedule and manage the movement of large volumes of materials all over the world. This career has continued to grow, with the enhancement of computer technology that allows more firms to take advantage of this cost-reduction measure. Managing the supply chain is the top priority for a logistician. The supply chain refers to every step in the process from the procurement of materials to the production and shipment of those materials to different locations.

The timing, costs, and efficiency of this process is the responsibility of the logistician. Making transportation arrangements involves coordinating the efforts of the shipper from the supply firm, the selection and scheduling of the transportation company, and the completion of the customs documentation, if required. It is important to note that these shipments are typically very large and may require specialized containers, unique transportation solutions or include hazardous materials.

b) Ask ten questions to the text.

Exercise 7

Read and translate the texts below.

1. My name is Walter Grey. I come from Rotterdam. I work for a big international logistics company – *Maersk*. I am a logistics specialist. Over 80 percent of the world's goods are transported by sea, and *Maersk* is one of the largest players in the container shipping market. I run the Transportation Department. I am a transportation manager; seven people work under me. Our Department deals with providing various transportation services. I perform the activities related to dispatching, routing, and tracking transportation vehicles. I am responsible for preparing transportation schedules and shipping goods.
2. I'm Samantha Rose. I am from Dublin. I work for an international logistics company. I'm a warehouse assistant. The position location is Dunga oilfield, Mangistau region. I must provide assistance with the everyday operations of a warehouse. I am responsible for loading and unloading products at the storage area. I also control consumption of materials and spare parts and provide support to the warehouse supervisors in arrangement of logistics related activities in the field. Every day I perform various activities to ensure that the warehouse runs

efficiently. My job involves working with a computer. My job requires using bar code scanners and keeping inventory reports up-to-date.

Exercise 8

Discuss the following questions with your classmates. Use information from Exercise 7.

- What is your job? /What do you do?
- What does your work involve?
- What are your main duties?
- What are you responsible for?
- What kind of job do you find interesting?
- What is your dream job?
- What does your ideal work environment look like?

Exercise 9

a) Read the job advertisement below.

- *Job Title: Supply Chain & Materials Manager*
- *Job Type: Permanent*
- *Job Requirements:*
 - 1) You should have a minimum of 10 years' experience in SCM/Materials Management within a relevant product manufacturing environment, at least 4 years of which will be in a management role.
 - 2) Your experience should include a strong mix of Inventory Management, Supply Chain Management, Sourcing and Production Planning in a management role.
 - 3) You will also have experience with international manufacturing.

☺ *Main responsibilities:*

- provide continuous improvement, optimising inventories at reduced cost whilst meeting customer expectations of quality and on-time delivery;
- manage diverse teams covering Sourcing, Purchasing, Inventory Control and Production Planning;
- provide motivational management; coaching training and developing the team to deliver improved performance;
- maximize quality and customer service;
- negotiate changes to or new agreements where appropriate;
- oversee and optimize material flow to/between manufacturing sites and warehouse;
- optimize freight cost efficiency and service levels;
- minimize production waste and lost time.

b) Answer the following questions.

1. Are you the best person for this job? Why?
2. What interests you about this job?
3. Do you think you will get bored of this job easily?
4. Is the job challenging enough to keep you stimulated?
5. How would you define “success” for this position?
6. What are the pros and cons of being a manager?
7. How long do you expect to work for this company?
8. What training and development opportunities will be available?
9. What are your salary requirements?
10. What are you looking for in terms of career development?

Exercise 10

Complete the sentences using Modal Verbs and their equivalents.

1. I _____ speak three languages.
2. Customers _____ be given more information about our services.
3. Logisticians _____ work hard to maximize efficiency of the supply chain.
4. Soon our customers _____ to employ such services as online cargo tracking and tracing.
5. Logistics companies _____ offer various services at a competitive price.
6. Next week we _____ to use this laboratory for testing the product.
7. If you want to be hale and hearty, you _____ give up smoking.
8. Logisticians _____ provide consolidation of goods prior to shipping, so eliminating costly part shipments.
9. _____ I ask you a question?
10. Tomorrow our supervisor _____ make a presentation at the seminar.
11. Something was wrong with my mobile phone, I _____ not hear anything.
12. A supply chain manager _____ be required to work evenings and weekends on a schedule basis.
13. In the past, raw material and finished products also _____ to be moved, though on a small scale.

THEME VII

TRANSPORTATION

TEXT I

MODES OF TRANSPORTATION IN LOGISTICS

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: mode, infrastructure, type, vehicle, consigner, consignee, consignment, route, container train, tonnage, rail, conveyance, distance, crane, trans-shipment

Verbs: to refer to, transport, to transfer, to move, to carry, to compare, to recognize, to power, to deliver, to load, to unload, to haul

Logistics refers to the transportation of merchandise – raw materials or finished products – from the point of production to the point of final consumption. Different modes of transportation – road, rail, water and air – can be used for the effective management of merchandise. Every mode of transportation requires a different set of infrastructure, type of vehicles, technological solutions and regulations. All modes of transportation have different costs, service and transit times.

There are the following types of cargo (freight): a) *general cargo* (goods packed in boxes); b) *bulk cargo* (large quantities of cargo, e.g. sand); c) *bulky cargo* (large individual items, e.g. cars). A *consigner* (someone who ships goods) chooses how to send the *consignment* (these goods) to *the consignee* (someone who receives these goods) by water, road, railway, air.

1) Road

Road transportation is one of the most basic and historical means of transportation. Road transport is the principal means of transport in the European Union for both passengers and goods. Today, the European Union has almost one vehicle for every two residents, and road freight traffic represents more than two thirds of the total tonnage. There are many different types of vehicles, although trucks are typically used for carrying or delivering freight. Road transportation offers a relatively lower cost compared to other logistic forms and has a widely recognizable and flexible route. However, transportation by road takes a relatively longer period of time than other means of transportation. Besides, it offers a limited capacity. Road transport is most often used for comparatively inexpensive, non-perishable items or for shorter distances.

2) Rail

Rail transport is a means of conveyance of passengers and goods by way of wheeled vehicles running on rails. It is also commonly referred to as train transport. Rail transport uses freight trains for the delivery of merchandise.

Freight trains are usually powered by diesel, electricity and steam. A freight train hauls cargo using *freight cars* specialized for the type of goods. Freight trains are very efficient, with economy of scale and high energy efficiency. However, their use can be reduced by lack of flexibility, if there is need of trans-shipment at both ends of the trip due to lack of tracks to the points of pick-up and delivery. *Container trains* have become the dominant type in the US for non-bulk haulage. Containers can easily be trans-shipped to other modes, such as ships and trucks, using cranes.

Passenger trains are part of public transport; they can perform a variety of functions including long distance intercity travel and local urban transit services.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What modes of transportation can be used for the effective management of merchandise?
2. What does every mode of transportation require?
3. What types of cargo do you know?
4. What is one of the most basic and historical means of transportation from one place to another?
5. What are the main advantages of road transportation?
6. What vehicles are normally used for carrying or delivering freight?
7. What capacity does road transport offer?
8. What is road transport most often used for?
9. What does rail transport use for the delivery of merchandise?
10. What trains have become the dominant types in the US for non-bulk haulage? Why?
11. What functions can passenger trains perform?

2. Decide whether the following statements are true or false

1. There are four types of cargo (freight).
2. Goods packed in boxes are called bulky cargo.
3. Large quantities of cargo are called general cargo.
4. Large individual items are called bulk cargo.
5. A consigner chooses how to send the goods to the consignee.

6. The consignee can receive the goods either by air or by railway.
7. Different modes of transportation like road, rail, water and air can be used for the effective management of merchandise.
8. All modes of transportation require the same set of infrastructure, type of vehicles, technological solutions and regulations.
9. All modes of transportation have similar costs, service and transit times.
10. Rail transportation is one of the most basic and historical means of transportation from one place to another.
11. Vans are typically used for carrying or delivering freight.
12. Road transportation offers a relatively higher cost than other logistic forms.
13. Transportation by road takes a relatively shorter period of time than other possible means of transportation.
14. Road transport offers an unlimited capacity.
15. Rail transport is most often used for relatively inexpensive, non-perishable items or for shorter distances.
16. Freight trains are usually powered by steam.
17. A freight train hauls cargo using freight cars specialized for the type of goods.
18. Freight trains are very inefficient.
19. Containers can easily be trans-shipped to other modes, such as ships and trucks.
20. Passenger trains can perform a variety of functions including long distance intercity travel and local urban transit services.

TEXT II

MODES OF TRANSPORTATION IN LOGISTICS: CONTINUED

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: vessel, compartment, pipeline, advantage, disadvantage, airline, aircraft, harbour, gas, oil, fluid, refinery, pipeline

Verbs: to link, to connect, to lay, to correspond to, to vary, to categorize

3) Water (maritime transportation)

Sea transport has been the largest carrier of freight throughout recorded history. Main maritime routes include oceans, coasts, seas, lakes, rivers and channels. Water transport uses ships and large commercial vessels that carry billions of tons of cargo every year. Sea, lake or river transport is particularly effective for significantly large quantities of goods that are non-perishable in nature and for cities or states that have water access. Moreover, transport via water is considerably less expensive than other logistics methods, which makes it one of the most widely used choices of transport for merchandise.

4) Air transportation

An airline is a company that provides air transport services for travelling passengers and freight. Airlines vary from those with a single aircraft carrying mail or cargo, to full-service international airlines operating hundreds of aircraft. Airline services can be categorized as being intercontinental, intra-continental, domestic, regional, or international, and may be operated as scheduled services or charters. Air routes are practically unlimited. Merchandise is carried in cargo compartments on passenger airplanes, or by means of aircraft designed to carry freight.

Although air transport is more expensive than all other means of transportation, it is definitely most time-efficient. Perishable merchandise like fruits and vegetables are generally sent by air. More recently, air transportation has been accommodating growing quantities of high value freight and is playing a growing role in global (international) logistics.

5) Pipelines

Pipeline transport is the transportation of goods (liquids, gases, chemically stable substances) through a pipe. Pipeline routes are also practically unlimited as they can be laid on land or under water. The longest gas pipeline links Alberta to Sarnia (Canada); it is 2,911 km in length. The longest oil pipeline is the Trans-Siberian, extending over 9,344 km from the Russian arctic oilfields in eastern Siberia to Western Europe. Pipeline construction costs differ according to the diameter, and increase proportionally with the distance and with the viscosity of fluids. Pipeline terminals are very important, since they correspond to refineries and harbours.

6) Intermodal and multimodal transportation

Intermodal transportation concerns a variety of modes used in combination so that the respective advantages of each mode are better exploited. It involves the movements of passengers or freight from one mode of transport to another.

Multimodal transportation (also known as combined transport) is the transportation of goods under a single contract, but performed with at least two different means of transport; the carrier is liable for the entire carriage, even though it is performed by several different modes of transport (by rail, sea and road, for example). The carrier does not have to possess all the means of transport; the carriage is often performed by sub-carriers (actual carriers). The carrier responsible for the entire carriage is referred to as a multimodal transport operator, or MTO.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What are main maritime routes composed of?
2. What do ships and large commercial vessels carry?
3. What is sea transport mainly effective for?
4. Is transport via water considerably less expensive than other logistics methods?
5. Are air routes practically unlimited?
6. Is air transport more expensive than all other means of transportation?
7. How can airline services be categorized?
8. Are perishable merchandise sent by water?
9. What does pipeline transportation involve?
10. What is the longest gas pipeline?
11. What does intermodal transportation concern and what does it involve?
12. What does multimodal transportation involve?
13. What does MTO stand for?

2. Decide whether the following statements are true or false.

1. Main maritime routes are composed of oceans, coasts, seas, lakes, rivers and channels.
2. Water transport uses ships and large commercial vessels that carry billions of tons of cargo every year.
3. Sea, lake or river transport is particularly effective for small quantities of goods.
4. Transport via water is considerably more expensive than other logistics methods.

5. Air routes are limited.
6. Air transport is indisputably most time-efficient.
7. Perishable merchandise like fruits and vegetables are mostly sent by road.
8. More recently, air transportation has been accommodating growing quantities of high value freight.
9. An airline is a company that provides air transport services for traveling passengers and freight.
10. Airlines vary from those with a single aircraft carrying mail or cargo, to full-service international airlines operating hundreds of aircraft.
11. Airline services may be operated as scheduled services or charters.
12. Pipeline routes are virtually unlimited.
13. The longest oil pipeline is the Trans-Siberian.
14. Pipeline construction costs increase proportionally with the distance and with the viscosity of fluids.
15. Pipeline terminals are very important since they correspond to refineries and harbours.
16. Intermodal transportation presupposes that the respective advantages of each mode are better exploited.
17. Intermodal transportation is also known as combined transport.
18. Multimodal transportation is performed with one means of transport.
19. In intermodal transportation, the carriage is often performed by sub-carriers.
20. Sub-carriers are also called “actual carriers”.

EXERCISES

Exercise 1

a) Translate the following verbs.

To use, to require, to carry, to incur, to send, to concern, to involve, to lay, to exploit, to offer, to provide, to build.

b) Use these verbs to make up meaningful expressions.

1. _____ an additional trans-shipment cost.
2. _____ different modes of transportation.
3. _____ a different set of infrastructure.
4. _____ perishable merchandise by air.
5. _____ pipeline routes.
6. _____ a variety of modes.
7. _____ an unlimited capacity.
8. _____ the movements of passengers or freight from one mode to another.
9. _____ refineries.
10. _____ connections between a set of origins and destinations.
11. _____ the advantages of each mode.
12. _____ air transport services for traveling passengers and freight.

Exercise 2

For nouns in column B find suitable attributes in column A.

A	B
1. perishable	a) distance
2. pipeline	b) route
3. road	c) services
4. short	d) destination
5. bulky	e) transportation
6. commercial	f) merchandise
7. final	g) cargo
8. large	h) terminal
9. maritime	i) quantities
10. airline	j) vessel

Exercise 3

Match the two parts of sentences.

I.

1. Main maritime routes are composed of ...
2. Sea, lake or river transport is particularly effective ...
3. Merchandise is carried on passenger airplanes and/or ...
4. Perishable merchandise (fruits/vegetables) are mostly ...
5. Road transportation offers a lower cost than other ...
6. Rail transport uses freight trains for ...

II.

- a) ... via aircraft designed to carry freight.
- b) ... for significantly large quantities of goods that are non-perishable in nature.
- c) ... sent by air.
- d) ... oceans, coasts, seas, lakes, rivers and channels.
- e) ... the delivery of merchandise.
- f) ... logistic forms.

Exercise 4

Fill in the gaps using suitable words from the box below.

<i>trucks</i>	<i>costs</i>	<i>vehicles</i>	<i>distribution</i>	<i>means</i>	<i>forms</i>	<i>freight</i>
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Road transportation has an average operational flexibility as 1) _____ can serve several purposes, but are rarely able to move outside roads. Road transport systems have high maintenance 2) _____ for the vehicles and infrastructures. They are mainly linked to light industries where rapid movements of 3) _____ in small batches are the norm. Yet, with containerization, road transportation has become an important link in freight 4) _____. Road transportation is one of the most basic and historical 5) _____ of transportation from one place to another. There are many different types of automobiles found on roads, although 6) _____ typically are used for carrying or delivering freight. Road transportation offers a relatively lower cost than other logistic 7) _____.

Exercise 5

Complete the passage with the words from the box below.

<i>infrastructures</i>	<i>facilities</i>	<i>mode</i>
<i>circulation</i>	<i>transportation</i>	<i>systems</i>

Maritime transportation is the most effective 1) _____ to move large quantities of cargo over long distances. However, due to the location of economic activities maritime 2) _____ takes place on specific parts of the maritime space, particularly over the North Atlantic and the North Pacific. Comprehensive inland waterway 3) _____ include Western Europe, the Volga/Don system, St. Lawrence/Great Lakes system, the Mississippi and its tributaries,

the Amazon, the Panama/Paraguay and the interior of China. Maritime transportation has high terminal costs, since port 4) _____ are among the most expensive to build, maintain and improve. High inventory costs also characterize maritime 5) _____. More than any other mode, maritime transportation is linked to heavy industries, such as steel and petrochemical 6) _____.

Exercise 6

Fill in the gaps in the text below. Use the words from the box.

functions transport check-up cargo warehouses terminals

Commercial sea ports perform different economic and administrative 1) _____. Sea ports are responsible for loading and unloading operations, servicing of inbound/outbound ships transportation, forwarding and warehousing operations, transshipment of cargo to the marine transport from other modes of 2) _____, etc. To carry out these functions sea ports have water areas, land territories, warehouses and open storage facilities, cargo handling facilities, passenger 3) _____, ways for railway and motor transport, and an adequate personnel. Sea ports are also responsible for providing safe navigation and proper organization of various activities: supervision for observance to shipping regulations, issue and 4) _____ of ship's papers, clearance of vessels inwards and outwards, etc. Port top management includes controlling the following operations: commerce, shipping, planning, labour and wages, mechanization, technology, personnel, accounts, etc. Middle managers control 5) _____ handling complexes and other production units of the port. First-line management is engaged in a direct control of cargo handling operations on the dock and in 6) _____.

Exercise 7

Read and translate the text below.

A train station or railway station (also called a railroad station, rail station, or depot) is a facility, at which passengers can get on and off trains and goods may be loaded or unloaded. Railway stations provide services for passengers and loading facilities for cargo; stations often have locomotive and rolling stock depots that normally have facilities for storing and refuelling locomotives and rolling stock and performing minor repair jobs. Cargo production unit is intended for dealing with cargo operations and comprises loading / unloading tracks, terminals, warehouses, etc. To improve and facilitate charging / discharging operations in sea ports a great deal of train tracks are built and employed. Contemporary merchant sea ports are fully equipped with railway depots and stations, and they may also be called interchange stations where facilities for handling and storing cargoes are installed.

Exercise 8

a) Read and title the text below.

Seaports are important interfaces in the supply chain between sea and land transportation. Seaports are points of convergence of inland and coastal transportation systems. Some seaports are primarily focused on cargo and commercial trade, while others cater to passenger boats like cruise ships; many seaports provide facilities for a mix of uses. Seaports are responsible for ensuring safe navigation and proper operation within the port including registration of vessels issue and check-up of ship's papers, clearance of vessels, organization of pilotage and towage service, environmental control, etc.

A typical seaport includes equipment and facilities for handling and storing cargo: water areas, land territories, warehouses and open storage facilities, passenger terminals, cranes, approach ways for railway and motor transport. Ship building and repair

companies are typically located near ports for the convenience of their clients.

Seaport management controls various port operations such as embarking, disembarking and transferring of passengers and crew, loading/unloading and trans-shipment of cargo to and from the vessels, storage and warehousing of merchandise on land and stevedoring to and from vessels, etc.

The main production units of the seaport are cargo handling complexes, where all loading and unloading operations are carried out. The complexes specialize in handling specific types of cargoes: general cargo, timber, coal, containers, etc.). Each cargo handling complex comprises terminals, stevedore gangs, traffic control service, warehouse and open storage personnel. To facilitate and improve seaport management ports are provided with information computing centres that are equipped with up-to-date sophisticated computers. As a result, a lot of problems are solved by computers.

b) Answer the following questions.

1. What functions do seaports perform?
2. What are seaports responsible for?
3. What operations are called intermodal cargo handling operations?
4. What special facilities do sea ports have?
5. What operations does seaport management control?
6. What production units are there in the port?
7. What does the cargo handling complex comprise?
8. What are information computing centres equipped with?

c) Write a short summary of the text in your mother tongue.

Exercise 9

Choose the correct alternative in the following sentences.

1. Nowadays many young people are _____ in business logistics (*interesting/interested*).
2. Some employers are _____ in encouraging their employees into e-learning (*interesting/interested*).
3. Ann is very _____ with her progress in studying Logistics, but she is a little _____ about her last exam (*pleasing/pleased; worrying/worried*).
4. I was _____ that our new video monitoring system didn't work well (*disappointing/disappointed*).
5. We tried to do our best, but the result was _____ (*disappointing/disappointed*).
6. We were very _____ to hear that online education on the job is available to all employees of our company (*surprising/surprised*).
7. Shopping online can become so _____ (*exciting/excited*)!
8. I tried to concentrate on my task, but the noise became _____ (*annoyed/annoying*).
9. The quality of these goods is (*surprising/surprised*).
10. I am so (*exciting/excited*) about the trip to New-York!

Exercise 10

Put the verbs in brackets in the correct tenses: Present Simple, Present Perfect, or Past Simple.

1. Since the day the Wright Brother invented the first airplane in the world, our lives (to change) so much.

2. As human settlements increased in size, the need for improving the circulation of goods and people (to become) more important.
3. Sea transport (to be) the largest carrier of freight throughout recorded history.
4. Transportation greatly (to improve) during the 20th century.
5. Main maritime routes (to include) oceans, coasts, seas, lakes, rivers and channels.
6. John Loudon McAdam (to design) the first modern highways.
7. The modern history of road transport (to involve) the development of new vehicles such as new models of bicycles, motor cars, motor trucks and electric vehicles.
8. Modern rail transport systems first (to appear) in England in the 1820s.
9. An airline is a company that (to provide) air transport services for traveling passengers and freight.
10. In the 1960s a new innovation – containers – radically (to change) the way cargo was transported. Shippers (to begin) to pack goods of all kinds in standardized steel boxes.
11. Railway stations (to provide) services for passengers and loading facilities for cargo.
12. Once we already (to send) the items, we are unable to change the delivery address.
13. Water (to enable) more efficient travel compared to going over land.

THEME VIII

INCOTERMS

TEXT I

INTERNATIONAL COMMERCIAL TERMS

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: terms, transaction, agreement, interpretation, liability, trade, item, invoice, sales

Verbs: to publish, to accept, to define, to refer to, to arise from, to deal with, to determine, to specify, to vary, to revise, to keep up with, to update, to occur

The Incoterms (*International Commercial Terms*) are pre-defined commercial terms published by the International Chamber of Commerce (ICC). Three-letter standard trade terms (e.g. FOB, CFR, CIF) are commonly used in international commercial transactions for the sale of goods. The Incoterms rules are intended to communicate the respective obligations, tasks, costs, and risks that are associated with the transportation and delivery of goods. They define the trade contract liabilities between the buyer and the seller (the supplier and the consumer). Each Incoterm refers to a particular type of agreement for the purchase and shipping of goods internationally.

The Incoterms rules are accepted by governments, legal authorities, and practitioners worldwide. They are intended to reduce or eliminate uncertainties that arise from different interpretations of the rules in different countries.

The Incoterms also deal with the documentation required for global trade; they specify which parties are responsible for which documents, since requirements vary much between countries.

Two items, however, are standard: the Commercial Invoice and Packing List. Their purpose is to divide transaction costs and responsibilities between buyer and seller.

The Incoterms were first published in 1936; they are reviewed periodically to keep up with changes in the international trade needs. The Incoterms were revised in 1953, 1967, 1976, 1980, 1990, 2000, bringing some changes to a few terms. The latest version of Incoterms, Incoterms® 2010, was launched in September 2010. The Incoterms are most frequently classified by category. The Incoterms beginning with *F* refer to shipments where the primary cost of shipping is not paid for by the seller. The Incoterms beginning with *C* deal with shipments where the seller pays for shipping. *E-terms* occur when a seller's responsibilities are fulfilled when goods are ready to depart from their facilities. *D-terms* cover shipments where the shipper/seller's responsibility ends when the goods arrive at some specific point.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What does the term "Incoterms" imply?
2. What are the Incoterms commonly used for?
3. What do they define?
4. What does each Incoterm refer to?
5. What is the purpose of the Commercial Invoice and Packing List?
6. What does *ICC* stand for?
7. How can the Incoterms be categorized?
8. What does the Incoterms beginning with *F* refer to?
9. What do the Incoterms beginning with *C* deal with?
10. What do *D-terms* cover?

2. Number the following ideas on the order they appear in the text.

1. The Incoterms were first published in 1936.
2. Each Incoterm refers to a type of agreement for the purchase and shipping of goods internationally.
3. Three-letter standard trade terms are commonly used in international commercial transactions for the sale of goods.
4. The Incoterms are revised periodically to keep up with changes in the international trade needs.
5. The Incoterms rules are accepted by governments, legal authorities, and practitioners worldwide.
6. The Incoterms rules are intended to communicate the respective obligations tasks, costs, and risks that are associated with the transportation and delivery of goods.
7. The Incoterms define the trade contract liabilities between the buyer and the seller.
8. The Incoterms are intended to reduce or eliminate uncertainties that arise from different interpretation of the rules in different countries.
9. The Incoterms also deal with the documentation required for global trade.
10. The Incoterms are most frequently classified by category.
11. The Incoterms beginning with *F* refer to shipments where the primary cost of shipping is not paid for by the seller.
12. Two items are standard: the Commercial Invoice and Packing List.

TEXT II

CALASSIFICATION OF INCOTERMS

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: premises, insurance, quay, duties, taxes, costs, risks, loss, damage, arrangement, voyage, frontier, courier

Verbs: to bring, to arrive, to pay, to export, to import, to place, to clear, to pass, to cause, to insure, to engage, to shift, to undertake

1) Group E – Departure

EXW – Ex Works (followed by a named place, for instance, EXW Seattle) places the minimum responsibility on the seller with greater responsibility on the buyer. *Ex* means “*from*”; *Works* means “*factory, mill or warehouse*”. The buyer is responsible for loading the goods on truck or container at the seller’s premises, and for the subsequent costs and risks.

2) Group F – Main Carriage Unpaid (by the seller)

FCA – Free Carrier (followed by the named place of departure). The seller delivers the goods, which are cleared for export, to the carrier nominated by the buyer at the named place. The buyer’s responsibility for insurance and transportation begins at the same moment.

FAS – Free alongside Ship (followed by a named port of shipment). The seller is responsible for the cost of transporting and delivering goods alongside a vessel in a port in his country. FAS should be used only for ocean shipments, since risk and responsibility shift from the seller to the buyer, when the goods are placed within the reach of the ship’s crane.

FOB – Free on Board (followed by the named port of shipment). The goods are placed on board the ship by the seller at a port

of shipment named in the sales agreement. The risk of loss of or damage to the goods is transferred to the buyer, when the goods pass the ship's rail. The seller pays the cost of loading the goods. The buyer is responsible for the cargo insurance and other costs and risks. The term FOB is used for ocean freight only, but in practice, many importers and exporters still use the term FOB in the air freight.

3) Group C – Main Carriage Paid (by the seller)

CFR – Cost and Freight (followed by the name port of destination). CFR requires the seller to pay the costs and freight necessary to bring the goods to the named destination, but the risk of loss or damage to the goods (as well as any cost increases) are transferred from the seller to the buyer, when the goods pass the ship's rail in the port of shipment. Insurance is the buyer's responsibility. The term CFR is used for ocean freight only, but in practice, the term CFR is still commonly used in the air freight.

CIF – Cost, Insurance and Freight (followed by the name port of destination). It is similar to CFR, but instead of the buyer insuring the goods for the maritime period of the voyage, the shipper/seller will insure the merchandise. The seller must pay the costs and freight necessary to bring the goods to the named port of destination, but the risk of loss of or damage to the goods, and additional costs are transferred from the seller to the buyer. This term can be used only for sea and inland waterway transport.

CPT – Carriage Paid To (followed by a named place of destination). The seller must pay the freight for the carriage of the merchandise to the named destination. The risk of loss or damage to the goods and any cost increases are transferred from the seller to the buyer, at the point where the goods are taken in charge by a carrier.

CIP – Carriage and Insurance Paid To (followed by a named place of destination). CIP is similar to CPT, but in addition, the seller pays for the insurance against loss or damage. The buyer undertakes the import customs clearance, payment of customs duties and taxes, and other costs and risks. This term is primarily used for multimodal transport.

4) Group D – Arrival

DAF – Delivered at Frontier (followed by a named place). The seller's responsibility (import customs clearance, payment of customs duties and taxes, and other costs and risks) is complete, when the goods have arrived at the frontier. The buyer is responsible for the cost of the goods to clear customs. This term can be used when the goods are transported by rail and road.

DES – Delivered Ex Ship (followed by a named port of destination). The seller's responsibility is to get the goods to the port of destination or to engage the forwarder to move cargo to the port of destination.

DEQ – Delivered Ex Quay /ki:/ (followed by a named port of destination). The buyer is responsible for duties and charges and the seller is responsible for delivering the goods to port of destination. The buyer must also arrange for customs clearance. The buyer undertakes the cargo insurance and other costs and risks.

DDP – Delivered Duty Paid (followed by a name of destination). The shipper/seller is responsible for dealing with all the tasks involved in moving goods from the manufacturing plant to the buyer's door. The shipper/seller's responsibility is to insure the goods and cover all costs and risks including the payment of duty and fees. The buyer pays the duty and any additional costs, which are caused by the failure to clear the goods for import in time. DDP terms tend to be used in intermodal or courier-type shipments.

DDU – Delivered Duty Unpaid (followed by a named place of destination). This arrangement is basically the same as with DDP, except for the fact that the buyer is responsible for the duty, fees and taxes. The seller has to bear the costs and risks involved in bringing the merchandise in the country of destination. The buyer pays the duty and any additional costs caused by its failure to clear the goods for import in time. This term may be used irrespective of the mode of transport.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What groups are the Incoterms divided into?
2. What Incoterms place the minimum responsibility on the seller?
3. What Incoterms can be used for ocean freight?
4. What Incoterms can be used for air freight?
5. What Incoterms can be used in intermodal or courier-type shipments?
6. What Incoterms can be used irrespective of the mode of transport?
7. What Incoterms can be used when the goods are transported by rail and road?
8. What Incoterms can be used only for sea and inland waterway transport?
9. What Incoterms can be used for multimodal transport?

2. Decide if the following statements are true or false.

1. The Incoterms are divided into 3 groups.
2. EXW places the maximum responsibility on the seller.
3. *Ex* means “from”; *Works* means “factory, mill or warehouse”.
4. *FCA* means that the seller delivers the goods, which are cleared for export, to the carrier nominated by the buyer at the named place.
5. *FAS* means that the buyer is responsible for the cost of transporting and delivering goods alongside a vessel in a port in his country.

6. The term *FOB* is used for air freight only.
7. In practice, many importers and exporters use the term *FAS* in the ocean freight.
8. The term *CFR* stands for *Cost and Freight*.
9. *CFR* requires the buyer to pay the costs and freight necessary to bring the goods to the named destination
10. The term *CFR* is still commonly used in the ocean freight.
11. *CIF* stands for *Cost, Inventory and Freight*.
12. *CIF* is similar to *CFR*.
13. The term *CIF* can be used only for sea and inland waterway transport.
14. *CIP* has the same meaning as *CPT*, but in addition, the seller pays for the insurance against loss or damage.
15. *DAF* means that the seller's responsibility is complete, when the goods have arrived at the frontier.
16. *DAF* stands for *Delivered at Factory*.
17. *DES* means that the seller's responsibility is to get the goods to the port of destination or to engage the forwarder to move cargo to the port of destination.
18. *DEQ* means that the buyer must arrange for customs clearance.
19. *DEQ* also means that the buyer undertakes the cargo insurance and other costs and risks.
20. *DDP* terms tend to be used in intermodal or courier-type shipments.
21. *DDU* arrangement is basically the same as with *DES*.
22. The term *DEQ* may be used irrespective of the mode of transport.

EXERCISES

Exercise 1

Translate the following word combinations.

To define the trade contract responsibilities and liabilities, to agree on a commercial term, to be used in international commercial transactions, to be responsible for the freight and cargo insurance, to be used throughout the world, to make international trade easier, to deal with various documentation, to vary much between countries, to keep up with.

Exercise 2

Make up sentences with the word combinations from Exercise 1.

Exercise 3

For nouns in column B find suitable attributes in column A.

A	B
1. courier-type	a) invoice
2. international	b) insurance
3. commercial	c) list
4. packing	d) costs
5. additional	e) freight
6. ocean	f) responsibilities
7. main	g) trade
8. cargo	h) shipments

Exercise 4

Write full terms for the following abbreviations.

A	B
<i>FCA</i>	
<i>CIF</i>	
<i>FOB</i>	
<i>CRF</i>	
<i>DES</i>	
<i>DEQ</i>	
<i>DDP</i>	
<i>CIP</i>	
<i>FSA</i>	
<i>EXW</i>	
<i>DAF</i>	
<i>CPT</i>	

Exercise 5

Complete the passage below with the words from the box below.

<i>standard version terms risks rules contracts sale</i>
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The Incoterms® rules are an internationally recognized standard and are used worldwide in international and domestic contracts for the 1) _____ of goods. First published in 1936, Incoterms® rules provide internationally accepted definitions and rules of interpretation for most common commercial 2) _____. The rules have been developed and maintained by experts and practitioners brought together by ICC and have become the 3) _____ in international business rules setting. They help traders avoid costly misunderstandings by clarifying the tasks, costs and 4) _____ involved in the delivery of goods from sellers to buyers. All 5) _____ made under Incoterms ® 2000 remain valid even after 2011. Moreover, although experts recommend using Incoterms® 2010 after 2011, parties to a contract for the sale of goods can agree to choose any version of the Incoterms 6) _____ after 2011. It is important however to clearly specify the chosen version Incoterms ® 2010, Incoterms ® 2000 or any earlier 7) _____.

Exercise 6

Read and translate the text below. Retell the text.

Main features of the Incoterms ® 2010 rules

Two new Incoterms rules – DAT and DAP – have replaced the Incoterms 2000 rules DAF, DES, DEQ and DDU.

The number of Incoterms ® rules has been reduced from 13 to 11. This has been achieved by substituting two new rules that may be used irrespective of the agreed mode of transport – DAT, Delivered at Terminal, and DAP, Delivered at Place – for the Incoterms® 2000 rules DAF, DES, DEQ and DDU. Under both new rules, delivery occurs at a named destination: in DAT, at the buyer's disposal unloaded from the arriving vehicle (as under the former DEQ rule); in DAP, likewise at the buyer's disposal, but ready for unloading (as under the former DAF, DES and DDU rules).

The new rules make the Incoterms® 2000 rules DES and DEQ superfluous. The named terminal in DAT may well be in a port, and DAT can therefore safely be used in cases where the Incoterms® 2000 rule DEQ once was. Similarly, the arriving “vehicle” under DAP may well be a ship, and the named place of destination may well be a port. Consequently, DAP can safely be used in cases where the Incoterms® 2000 rule DES once was used. These new rules, like their predecessors, are “delivered”, with the seller bearing all the costs (other than those related to import clearance, where applicable) and risks involved in bringing the goods to the named place of destination.

Exercise 7

Complete the passage below with the following prepositions: with, by, on, in (2), of (2), from, to, for.

The new Incoterms® 2010 became effective 1) _____ the 1st of January, 2011. Incoterms® – which is an abbreviation 2) _____ International Commercial terms – are a series of sales terms. They are published 3) _____ the International Chamber of Commerce (ICC) and are widely used 4) _____ commercial transactions. In addition to providing a set 5) _____ rules for the interpretation of commonly used trade terms, Incoterms® 2010 accomplish the following: (a) significantly revises Group D listed in Incoterms® 2000; (b) reduce Incoterms 6) _____ four groups to two groups, allowing trade experts to choose the most suitable rule related to the mode of transport; and (c) reduce the absolute number of Incoterms® from 13 7) _____ 11. Moreover, Incoterms® 2010 offer additional guidance, which assists users 8) _____ selecting the most appropriate Incoterm for each transaction. The revised terms also spell out rules regarding the use 9) _____ electronic procedures; detail information on security-related clearances for shipments; and offer advice 10) _____ respect to domestic trade.

Exercise 8

Match the parts you find under A with the parts under B to make meaningful sentences.

A	B
1) <i>FAS means that</i>	a) the seller pays for transportation of the goods to the port of shipment, loading costs, freight and insurance; the buyer pays for unloading and transportation of the goods from the point of destination to his warehouse
2) <i>CIF means that</i>	b) the seller pays for transportation of the goods to the port of shipment, loading costs freight, insurance and unloading; the buyer pays for transportation of the goods from the point of destination to his warehouse
3) <i>FOB means that</i>	c) the seller pays for transportation of the goods to the port of shipment; the buyer pays for everything else
4) <i>CRF means that</i>	d) the seller and the buyer share the costs as described under CIF
5) <i>DES means that</i>	e) the seller pays for transportation of the goods to the port of shipment and the loading costs; the buyer pays for everything else
6) <i>DEQ means that</i>	f) the seller pays for transportation of the goods to the port of shipment, loading costs and freight; the buyer pays for everything else

Exercise 9

Fill in the gaps with the words “few”, “a few”, “little”, “a little”.

1. The Incoterms were revised in 1953, 1967, 1976, 1980, 1990, 2000, bringing some changes to _____ terms.
2. Supply chain managers can avoid serious problems if they follow _____ simple rules of communication.
3. _____ managers have the talent to achieve excellence.
4. The best managers have _____ things in common.
5. I don't think Thomas would be a good manager. He's got _____ patience.
6. If your plan is well thought out, its implementation will require _____ rework.
7. The entire shipping operation may only take _____ minutes.
8. It can be difficult to write a good resume when you have _____ work experience.
9. It's late, but _____ logisticians are still working in the office.
10. I'm very busy today, but tomorrow I'll spare _____ time for discussing the problem.
11. _____ customers are content with their services.
12. Unfortunately, we have _____ control over the process.
13. We still have _____ vacancies in our firm.
14. There is only _____ oil in the tank.
15. I admit I made _____ mistakes.

Exercise 10

Find in the sentences the verbs in the Passive Voice and underline them. Translate the sentences.

1. The Incoterms rules are published by the International Chamber of Commerce.
2. The Incoterms are used in international commercial transactions or procurement processes.
3. The Incoterms rules are intended primarily to communicate the tasks, costs, and risks associated with the transportation and delivery of goods.
4. The Incoterms rules are accepted by governments, legal authorities, and practitioners worldwide.
5. The Incoterms deal with the documentation that is required for global trade.
6. The first Incoterms were published in 1936.
7. The Incoterms are reviewed periodically to keep up with changes in the international trade needs.
8. The Incoterms were revised in 1953, 1967, 1976.
9. The latest version of Incoterms, Incoterms® 2010, was launched in September 2010.
10. The Incoterms can be listed by category.
11. The number of Incoterms rules has been reduced from 13 to 11. This has been achieved by substituting two new rules that may be used irrespective of the agreed mode of transport.
12. Now, different Incoterms are being used in international trade.
13. This type of Incoterms will not be used any more.

THEME IX

TERMS OF PAYMENT

TEXT I

METHODS OF PAYMENT IN DOMESTIC TRADE

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: terms, trade, sale, discount, wholesale, retail, dealer, order, purchase, account, lessor, lessee, instalment, rent

Verbs: to cover, to undertake, to sell, to purchase, to avoid, to describe, to remain

Terms of payment are defined as conditions of payment agreed between a buyer and a seller for goods sold or services rendered. They cover any conditions on the payment and any discounts the buyer will receive.

Domestic trade is the exchange of goods, services, or both within a country. It is subdivided into two categories: wholesale and retail. *Wholesale trade* is concerned with buying goods from manufacturers or dealers or producers in large quantities and selling them in smaller quantities to others who may be retailers or even consumers. *Retail trade* is concerned with the sale of goods in small quantities to consumers. In practice, manufacturers and wholesalers may also undertake retail distribution of goods to avoid the intermediary retailer.

The following terms of payment are commonly used in domestic trade.

- *Cash with Order (CWO):* the buyer sends payment with his order.

- *Cash on Delivery (COD)*: the buyer pays the company, which delivers the goods/the carrier.
- *Payment on invoice*: the buyer receives an invoice on or after delivery, which describes the goods delivered, the sum to be paid, the period within which the invoice must be paid.
- *Hire Purchase (HP)*: the customer makes a down payment (e.g. 10% of the total price) and gets the goods; later he pays the balance/the remaining sum in instalments.
- *Open-account terms*: the buyer doesn't pay for every delivery, but receives a statement of account every month or quarter; which states the sum he owes the seller.
- *Leasing*: the leaseholder pays rent to the lessor; the lessor gives the lessee permission to use the object for a fixed period of time.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What does the term “terms of payment” imply?
2. What do they cover?
3. What terms of payment are commonly used in domestic trade?
4. What does *COW* stand for?
5. What does *COD* stand for?
6. What does *HP* stand for?
7. What does the term “payment on invoice” mean?
8. What does the term “leasing” imply?

2. Decide whether the following statements are true or false.

1. Terms of payment are defined as conditions of payment agreed between a buyer and a seller for goods or services.
2. Terms of payment cover any discounts the seller will receive.
3. Domestic trade is the exchange of goods, services, or both within a country.
4. Domestic trade is subdivided into three categories.
5. Retail trade is concerned with buying goods from manufacturers or dealers or producers in large quantities and selling them in smaller quantities to others who may be retailers or even consumers.
6. Wholesale trade is concerned with the sale of goods in small quantities to consumers.
7. *Cash on Delivery* is used when the buyer sends payment with his order.
8. *Hire Purchase* is used when the buyer pays the company, which delivers the goods/the carrier.
9. *Payment on invoice* is used when the buyer receives an invoice on or after delivery, which describes the goods delivered, the sum to be paid, the period within which the invoice must be paid.
10. *Cash with Order* is used when the customer makes a down payment and gets the goods; later he pays the balance/the remaining sum in instalments.
11. *Leasing* is used when the buyer doesn't pay for every delivery, but receives a statement of account every month or quarter; which states the sum he owes the seller.
12. *Open-account* terms are used when the leaseholder pays rent to the lessor.

TEXT II

TERMS OF PAYMENT IN INTERNATIONAL TRADE

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: capital, marketplace, transaction, tool, creditworthiness, obligation, draft, beneficiary

Verbs: to receive, to minimize, to utilize, to employ, to eliminate, to issue, to credit, to promise, to obtain, to protect, to cancel, to entrust

Trade that includes exchange of capital, goods, and services across nations is called *International Trade*. To be successful in modern global marketplace, exporters have to offer their customers attractive sales terms supported by appropriate payment methods. A suitable payment method must be chosen carefully to minimize the payment risk. Some terms of payment that are commonly used in international trade are listed below.

1. Cash-in-Advance (Pre-Payment)

Cash-in-Advance is a pre-payment method utilized for paying for goods for export. With cash-in-advance payment terms, the exporter can eliminate credit risk, since payment is received before the ownership of the goods is transferred. Wire transfers and credit cards are the most frequently employed cash-in-advance options available to exporters. Cash-in-advance method of payment creates many risk factors for the importers. Nevertheless, this method of payment is inexpensive, because it involves direct importer – exporter interaction without commercial bank involvement.

2. Open Account

This is the least secure method of trading for the exporter, but the most attractive for buyers. Goods are shipped, and documents are sent directly to the buyer, with a request for payment at

the appropriate time. This option is the most advantageous choice for the importer in terms of cash flow and cost, but it is the highest risk option for an exporter. An exporter has little or no control over the process. Open Account trading should only be considered, when an exporter is sufficiently confident that payment will be received.

3. Letter of Credit

Letters of Credit are among the most secure tools available to international traders. The Letter of Credit (LC) is a document issued by a financial institution, or a similar party. This is a promise made by the buyer's bank (*the opening bank*) to send a certain sum of money to the seller's bank (*the advising bank*) to be credited to the seller (*beneficiary*). The buyer pays its bank for rendering this service. A LC is useful when reliable credit information about a foreign buyer is difficult to obtain, but you are satisfied with the creditworthiness of your buyer's foreign bank. A LC also protects the buyer, since no payment obligation arises until the goods have been shipped or delivered as promised.

A revocable LC can be cancelled or changed without the seller's agreement. *An irrevocable LC* can be cancelled or changed with the agreement of all parties of the contract.

4. Documentary Collection

Documentary Collection is an important bank payment method, when the sale transaction is performed by the bank through an exchange of documents. The exporter entrusts the collection of a payment to the remitting bank (exporter's bank), which sends documents to a collecting bank (importer's bank), along with instructions for payment.

Documentary Collection involves using a draft, which requires the importer to pay the face amount either at sight (document against payment) or on a specified date (document against acceptance). Documentary Collections facilitate import-export operations, but they do not provide the same level of protection as the Letter of Credit.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What terms of payment are commonly used in international trade?
2. What is the most attractive payment method for buyers?
3. What is the least secure method of trading for the exporter?
4. What is Cash-in-advance payment method utilized for?
5. What are the most frequently employed cash-in-advance options available to exporters?
6. What is Open Account payment method used for?
7. What does the term “Letter of Credit” imply?
8. What does the term “revocable Letter of Credit” imply?
9. What does the term “irrevocable Letter of Credit” imply?
10. What Documentary Collection payment method used for?
11. What does Documentary Collection involve?
12. What level of protection does Documentary Collection provide?

2. Decide whether the following statements are true or false.

1. With cash-in-advance payment terms, the exporter can eliminate credit risk, since payment is received before the ownership of the goods is transferred.
2. Wire transfers and credit cards are the most frequently employed Documentary Collection options available to exporters.
3. Open Account method of payment creates many risk factors for the importers.

4. Documentary Collection method of payment is rather inexpensive.
5. Letter of Credit is the most advantageous choice for the importer in terms of cash flow and cost.
6. Letter of Credit is the least secure method of trading for the exporter, but the most attractive for buyers.
7. Open Account trading should only be considered, when an exporter is sufficiently confident that payment will be received.
8. The Letter of Credit is a document issued by a financial institution.
9. A LC is useful when reliable credit information about a foreign buyer is difficult to obtain, but you are satisfied with the creditworthiness of your buyer's foreign bank.
10. A LC protects the seller.
11. An irrevocable LC can be cancelled or changed without the seller's agreement.
12. A revocable LC can be cancelled or changed with the agreement of all parties of the contract.
13. Open Account is an important bank payment method, when the sale transaction is performed by the bank through an exchange of documents.
14. Documentary Collection involves using a draft, which requires the importer to pay the face amount either at sight (document against payment) or on a specified date (document against acceptance).
15. Documentary Collections do not provide the same level of protection as the Letter of Credit.
16. Documentary Collections facilitate import-export operations.

EXERCISES

Exercise 1

Translate the following words and word combinations.

Domestic trade, wholesaler, retailer, terms of payment, Cash with Order, Cash on Delivery, transaction, Letter of Credit, advising bank, remitting bank, revocable Letter of Credit, irrevocable Letter of Credit, Documentary Collection, Open Account, Cash-in-Advance, draft.

Exercise 2

Make up sentences with the words and word combinations from Exercise 1.

Exercise 3

For nouns in column B find suitable attributes in column A.

A	B
1. Documentary	a) option
2. secure	b) factor
3. Open	c) documents
4. domestic	d) Collection
5. risk	e) marketplace
6. remitting	f) Letter of Credit
7. revocable	g) bank
8. important	h) Account
9. global	i) method
10. available	g) trade

Exercise 4

Match the terms with their definitions.

Term	Definition
<i>1) Cash with Order</i>	a) a payment method, when the sale transaction is performed by the bank through an exchange of documents
<i>2) Hire Purchase</i>	b) the buyer doesn't pay for every delivery, but receives a statement of account every month or quarter; which states the sum he owes the seller
<i>3) Cash on Delivery</i>	c) the leaseholder pays rent to the lessor; the lessor gives the lessee permission to use the object for a fixed period of time
<i>4) Open-account terms</i>	d) the customer makes a down payment (e.g. 10% of the total price) and gets the goods; later he pays the balance/ the remaining sum in instalments
<i>5) Leasing</i>	e) a pre-payment method utilized for paying for goods for export
<i>6) Payment on invoice</i>	f) the buyer sends payment with his order
<i>7) Cash-in-Advance</i>	g) the buyer receives an invoice on or after delivery, which describes the goods delivered, the sum to be paid, the period within which the invoice must be paid
<i>8) Documentary Collection</i>	h) the buyer pays the company, which delivers the goods/the carrier

Exercise 5

Complete the passage below with the words from the box below.

<i>credit</i>	<i>types</i>	<i>beneficiary</i>	<i>importers</i>
<i>documents</i>	<i>payment</i>	<i>goods</i>	<i>buyer</i>

A Letter of Credit guarantees 1) _____ of a specified sum in a specified currency. The seller must meet precisely-defined conditions and submit the prescribed 2) _____ within a fixed timeframe. These documents almost always include a clean bill of lading, commercial invoice, and certificate of origin. To establish a letter of credit in favour of the seller or exporter called the 3) _____, the buyer either pays the specified sum (plus service charges). A letter of credit substitutes the creditworthiness of a bank for the creditworthiness of the 4) _____. The international banking system acts as an intermediary between exporters and 5) _____. However, the banking system does not take on any responsibility for the quality of 6) _____, genuineness of documents, or any other provision in the contract of sale. Unlike a bill of exchange, a letter of 7) _____ is a non-negotiable instrument but may be transferable. Although letters of credit come in numerous 8) _____, the two most basic ones are revocable letter of credit and irrevocable letter of credit (confirmed irrevocable letter of credit or not-confirmed irrevocable letter of credit).

Exercise 6

Complete the passage below with the following prepositions: without, from, by, of, in (2), before, with.

Credit letters are the commercial documents, which are issued generally 1) _____ financial institution. This type of letter is primarily used 2) _____ trade finance. The origin of the term comes 3) _____ the word “accreditation” – a derivative of

the Latin word “accreditivus”, which means “trust”. Almost all of the credit letters are irrevocable: that means they cannot be cancelled 4) _____ prior agreement of the beneficiary. The language 5) _____ the letter should be very clear. L/C is used in international transaction to eliminate the risk of unfamiliarity 6) _____ a foreign country, customs or political instability. You should be very careful 7) _____ selection of words. Do not use flowery language. Read and reread the letter 8) _____ sending or issuing it.

Exercise 7

Read and translate the text below. Ask seven questions to the text.

A bank promises to pay on behalf of a customer, but where does the money come from? The bank will issue a Letter of Credit if they know the buyer will pay. Some buyers have to deposit (or already have) enough money to cover the Letter of Credit and some customers use a line of credit with the bank. Sellers must trust that the bank issuing the letter of credit is legitimate. A seller only gets paid after performing specific actions that the buyer and seller agree to. For example, the seller may have to deliver merchandise to a shipyard in order to satisfy requirements for the Letter of Credit. Once the merchandise is delivered, the seller receives documentation proving that he made delivery. The Letter of Credit now must be paid even if something happens to the merchandise. If a crane falls on the merchandise or the ship sinks, it's not the seller's problem. To pay on a Letter of Credit, banks simply review documents proving that a seller performed his required actions. They do not worry about the quality of goods or other items that may be important to the buyer and seller. Letters of credit make it possible to do business worldwide. They are important and helpful tools.

Exercise 8

Write a short summary of the text from Exercise 7 in your mother tongue.

Exercise 9

Put the verbs in brackets into the correct passive form.

1. Trade that includes exchange of capital, goods, and services across nations (to call) International Trade.
2. To be successful in modern global marketplace, exporters have to offer their customers attractive sales terms that (to support) by appropriate payment methods.
3. A suitable payment method must (to choose) carefully to minimize the payment risk.
4. These terms of payment (to use) in international trade for a long time.
5. Last year this payment method (to utilize) for paying for goods for export.
6. Payment (to receive) before the ownership of the goods (to transfer).
7. Goods already (to ship), and documents (to send) to the buyer.
8. The Letter of Credit is a document that (to issue) by a financial institution, or a similar party.
9. A revocable LC can (to cancel) without the seller's agreement.
10. An irrevocable LC can (to change) with the agreement of all parties of the contract.
11. Documentary Collection is an important bank payment method, when the sale transaction (to perform) by the bank through an exchange of documents.
12. The merchandise just (to deliver).
13. The Letter of Credit must (to pay) even if something happens to the merchandise.

Exercise 10

Rewrite the sentences in the Passive Voice.

1. Importers and exporters regularly use letters of credit to protect themselves.
2. The bank will issue a Letter of Credit if the bank is confident that the buyer will pay.
3. Buyers have to deposit enough money to cover the Letter of Credit.
4. Businessmen must choose a suitable payment method.
5. Exporters utilize cash-in-advance method utilized for paying for goods for export.
6. With cash-in-advance payment terms, the exporter can eliminate credit risk.
7. We will use credit cards as the payment method.
8. Yesterday the company sent goods directly to the buyer with a request for payment at the appropriate time.
9. The remitting bank has already sent the documents to the importer's bank (collecting bank).
10. To collect payment from a foreign buyer using Documentary Collection, the seller sends a draft to the buyer's bank.
11. Frequently, trading partners employ a combination of payment methods.
12. Some banks offer buyers special lines of credit.
13. We have already made payment by wire transfer.
14. Now we are negotiating the details of the contract.
15. It is obvious that exporters have to offer attractive sales terms to their customers.

THEME X

EXPORT DOCUMENTS

TEXT I

EXPORT DOCUMENTS

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: invoice, Bill of Lading, consignment, consignee, consigner, owner, embarkation, request, license, embarkation

Verbs: to issue, to specify, to itemize, to load, to own, to contain, to match, to arrange, to embark, to match with

In exporting, different Export Documents are typically used: common export-related documents, certificates of origin, other certificates for shipments of specific goods, export licenses, temporary shipment documents.

Common Export Documents include Bill of Lading, Commercial Invoice, Export Packing List.

1) Bill of Lading is a shipping document that is issued by the carrier to the shipper for receipt of the goods. It is a contract between the owner of the goods and the carrier to deliver the goods, which gives details of a consignment, its destination and the consignee.

- *Inland Bill of Lading* is issued by the trucking company and/or the railroad line for taking the goods from the exporter's facility to the port of embarkation or consolidation facility.
- The *Ocean Bill of Lading (OBL)* is a document required for the transportation of goods overseas. The document specifies the details of the goods that have to be transported, such as quantity, type and destination.

- The *On-board” Bill of Lading* is issued for goods, which have been loaded onto the ship.
- The *Through Bill of Lading* is issued when the goods are to be transported by more than one carrier.
- The *Container Bill of Lading* is issued for the transportation of containerized goods).
- The *Groupage Bill of Lading* is issued for grouped consignments.
- *Air Waybill (AWB)* is issued when goods are sent by air. AWBs are non-negotiable, mainly because of the short amount of time that the goods are in transit.

2) Invoices

An invoice is a document that contains specific information regarding the goods shipped.

- *Commercial invoice* is the seller’s formal request for payment. It is prepared by the seller/exporter and addressed to the buyer/importer. The invoice identifies the buyer and seller, describes the goods sold and all terms of sale, including Incoterms, payment terms, relevant bank information, shipping details, etc.
- *Pro-forma invoice* is an invoice sent to the buyer before the actual shipment. It gives the buyer a chance to review the sale terms (quantity of goods, value, specifications) and get an import license if required. It also allows the buyer to work with their bank to arrange any financial process for payment. For example, to open a Documentary Credit (Letter of Credit), the buyer’s bank will use the pro-forma invoice as a source of information.
- *Customs invoice* is a special kind of invoice for the customs authorities of the importing country. It contains additional information such as domestic value and export price of the goods.
- *Consular invoice* is the evidence that the goods, which are imported, are not over-priced.

Export Packing List is a formal document that itemizes a number of details about the cargo such as seller, buyer, shipper, invoice number, date of shipment, mode of transport, carrier, description, the type of package (a box, crate, drum, or carton), the quantity of packages, total net and gross weight (in kilograms), package marks, etc. The details on the Packing List match exactly with what is specified on the commercial invoice and Bill of Lading. But pricing information is not required on the Packing List.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What are Export Documents used for?
2. What do Common Export Documents include?
3. What does the term “Bill of Lading” imply?
4. What types of Bill of Lading are widely used in international trade?
5. When is AWB issued?
6. What does the Ocean Bill of Lading specify?
7. When is the Through Bill of Lading issued?
8. When is the Container Bill of Lading issued?
9. What does the term “invoice” imply?
10. What types of invoices are widely used in international trade?
11. What is a pro-forma invoice?
12. What does Export Packing List specify?
13. Is pricing information required on the Packing List?

2. Complete the following sentences.

1. Common Export Documents include Bill of Lading, Commercial Invoice, ...
2. *Bill of Lading* is a shipping document that is issued by the carrier to the shipper ...
3. *Inland Bill of Lading* is issued by the trucking company and/or the railroad line for ...
4. *Ocean Bill of Lading* is a document required for ...
5. The *On-board* *Bill of Lading* is issued for goods, which have been
6. The *Through Bill of Lading* is issued when the goods are to be transported ...
7. *Air Waybill* is issued when goods are ...
8. An invoice is a list of goods that ...
9. *Commercial invoice* is the seller's formal request for ...
10. *Pro-forma invoice* is an invoice sent to the buyer before the actual shipment, giving the buyer a chance ...
11. *Customs invoice* contains additional information such as ...
12. *Consular invoice* is the evidence that the goods, which are imported, are not ...
13. *Export Packing List* is a formal document that itemises a number of details about the cargo such as seller, buyer, shipper, invoice number, ...
14. The details on the *Packing List* match exactly with what is specified on the commercial invoice and ...
15. Pricing information is not required on ...

TEXT II

EXPORT DOCUMENTS: CONTINUED

Before reading the text check the meaning of the Key Words in the dictionary.

Nouns: certificate, commodities, admission, authority

Verbs: to declare, to regard, to assess on, to determine, to permit, to simplify, to authenticate, to approve, to guarantee, to authorize, to certify, to submit

1) ***Certificate of Origin (CO)*** is a document that declares, in which country goods were manufactured. It is required by some countries for all or only certain products. Practically every country in the world considers the origin of imported goods, when determining what duty will be assessed on the goods or whether the goods may be legally imported at all. The number of required copies and language may vary from country to country.

2) ***ATA CARNET (temporary shipment certificate)***. Carnets (“Merchandise Passports”) are international customs documents that simplify customs procedures for the temporary import of various types of goods. ATA CARNET is an international customs document that permits the tax-free and duty-free temporary export and import of goods for up to one year. The acronym ATA is a combination of French and English phrases “Admission Temporaire / Temporary Admission”.

3) ***Certificate of Analysis*** is an authenticated document issued by an appropriate authority that certifies the quality and purity of pharmaceuticals, animal and plant products being exported. It is required for seeds, grain, health foods, dietary supplements, fruits and vegetables, and pharmaceutical products.

4) Certificate of Free Sale is a document required in certain countries or for certain commodities (biologics, food, drugs, medical devices and veterinary medicine). It certifies that the specified imported goods are normally and freely sold in the exporting country's open markets and are approved for export.

5) Dangerous Goods Certificate. Exports submitted for handling by air carriers and air freight forwarders classified as dangerous goods need to be accompanied by the Shipper's Declaration for Dangerous Goods required by the International Air Transport Association (IATA).

6) Health Certificate is required for shipment of live animals and animal products (processed foodstuffs, poultry, meat, fish seafood, dairy products, and eggs and egg products).

7) Insurance Certificate is used to guarantee the consignee that insurance will cover the loss of or damage to the cargo during transit.

8) Export License is a government document that authorizes the export of specific goods in specific quantities to a particular destination. It is issued by the appropriate licensing agency after a careful review of the facts surrounding the given export transaction. It is up to the exporter to determine whether the product requires a license.

UNDERSTANDING THE MAIN POINTS

1. Review questions.

1. What does *Certificate of Origin* declare?
2. What do carnets simplify?
3. What is ATA CARNET?
4. What is *Certificate of Analysis* required for?
5. What does *Certificate of Free Sale* certify?
6. What is *Health Certificate* required for?
7. What is *Insurance Certificate* used for?
8. What does *Export License* authorize?

2. Decide whether the following sentences are true or false.

1. *Certificate of Origin* is typically required for all products.
2. *Certificate of Analysis* is a document that declares, in which country goods were manufactured.
3. Carnets are international customs documents that simplify customs procedures for the temporary import of various types of goods.
4. ATA CARNET permits the tax-free and duty-free temporary export and import of goods for up to ten years.
5. *Certificate of Analysis* is required for seeds, grain, health foods, dietary supplements, fruits and vegetables, and pharmaceutical products.
6. *Insurance Certificate* confirms that the specified imported goods are normally and freely sold in the exporting country's open markets and are approved for export.
7. Exports submitted for handling by air carriers and air freight forwarders classified as dangerous goods need to be accompanied by the Shipper's Declaration for Dangerous Goods.
8. *Health Certificate* is required for shipment of live animals and animal products.
9. *Health Certificate* is used to guarantee the consignee that insurance will cover the loss of or damage to the cargo during transit.
10. *Export License* is a government document that authorizes the export of specific goods in specific quantities to a particular destination.
11. It is up to the importer to determine whether the product requires a license.

EXERCISES

Exercise 1

Use the following verbs to make up meaningful expressions: permit, take, cover, issue, specify, contain, simplify, ship, authorize, identify, vary, itemize, consider.

1. _____ different certificates.
2. _____ the tax-free and duty-free temporary export and import of goods.
3. _____ additional information about cargo.
4. _____ the export of specific goods in specific quantities to a particular destination.
5. _____ the buyer and seller.
6. _____ the origin of imported goods.
7. _____ the loss of or damage to the cargo during transit.
8. _____ customs procedures.
9. _____ from country to country.
10. _____ goods.
11. _____ the details of the goods being transported.
12. _____ a number of details.
13. _____ the goods from the exporter's facility to the port of embarkation.

Exercise 2

For nouns in column B find suitable attributes in column A.

A	B
1. customs 2. dangerous 3. licensing 4. merchant 5. commercial 6. packing 7. export 8. merchandise 9. temporary 10. pharmaceutical	a) invoice b) agency c) goods d) export e) procedures f) admission g) list h) documents i) vessel j) passport

Exercise 3

Supply the missing prepositions: on, between, by (2), of (2), from, to.

A Bill of Lading is a document issued 1) ____ a carrier to a shipper, acknowledging that specified goods have been received 2) ____ board as cargo for conveyance to a named place for delivery to the consignee, who is usually identified. The term derives from the verb “to lade”, which means to load a cargo onto a ship or other form 3) ____ transportation. Bill of Lading is a shipping document that gives details 4) ____ a consignment, its destination and the consignee. This document is signed 5) ____ the captain of the ship or his deputy detailing the transfer of goods ____ a supplier ____ a buyer. B/L is evidence that a valid contract of carriage exists, and it may incorporate the full terms of the contract 6) ____ the consigner and the carrier by reference.

Exercise 4

Match the terms with their definitions.

Term	Definition
<i>ATA CARNET</i>	a shipping document that gives details of a consignment, its destination and the consignee; this document is signed by the captain
<i>Certificate of Analysis</i>	a document that is issued for biologics, food, drugs, medical devices and veterinary medicine
<i>Certificate of Free Sale</i>	a document that facilitates the temporary importation of products into foreign countries by eliminating tariffs and value-added taxes
<i>Dangerous Goods Certificate</i>	a document that is required for seeds, grain, health foods, dietary supplements, fruits and vegetables, and pharmaceutical products
<i>Invoice</i>	a document that is issued for transporting dangerous goods
<i>Insurance Certificate</i>	a document that is required for shipment of live animals and animal products
<i>Bill of Lading</i>	a document that is used to assure the consignee that insurance will cover the loss of or damage to the cargo during transit.
<i>Export license</i>	a list of goods that have been shipped or sent, or of services rendered
<i>Health Certificate</i>	a government document that authorizes the export of specific goods in specific quantities to a particular destination

Exercise 5

Fill in the gaps in the text with the words from the box below.

<i>goods</i>	<i>vessel</i>	<i>shipper</i>
<i>shipment</i>	<i>locations</i>	<i>document</i>

A Bill of Lading is a type of document that is used to acknowledge the receipt of a 1) _____ of goods. A transportation company or carrier typically issues this document to a 2) _____. In addition to acknowledging the receipt of goods, the document indicates the particular 3) _____, on which the goods have been placed, their intended destination and the terms for transporting the shipment to its final destination. It also includes a description of the 4) _____ that are being shipped, their weight and the other shipping details. Inland, ocean, through and air waybill are the names given to bills of lading. An inland bill of lading is a 5) _____ that establishes an agreement between a shipper and a transportation company for the transportation of goods over land. Ocean bills of lading specify the terms between exporters and international carriers for the shipment of goods to overseas 6) _____.

Exercise 6

Complete the passage below with the correct form of a suitable verb from the box.

<i>have</i>	<i>require</i>	<i>serve</i>	<i>establish</i>	<i>cover</i>	<i>provide</i>
-------------	----------------	--------------	------------------	--------------	----------------

An Air Waybill is a Bill of Lading that 1) _____ the terms of flights for the transportation of goods. This document also 2) _____ as a receipt for the shipper proving the carrier's acceptance of the shipper's goods and the agreement to carry those goods to a specific airport. An Air Waybill is a type of through bill of lading because it might 3) _____ both international and domestic transportation of goods. By contrast,

many ocean shipments 4) _____ both inland and ocean bills of lading. Inland bills of lading are necessary for the domestic transportation of goods. Ocean bills of lading are necessary for the overseas carriage of goods. Inland and ocean bills of lading might be negotiable or non-negotiable. If the bill of lading is non-negotiable, the transportation carrier is required to 5) _____ delivery only to the consignee named in the document. If the Bill of Lading is negotiable, the person who has ownership of the Bill of Lading 6) _____ the right of ownership of the goods and the right to re-route the shipment. This is sometimes called a bearer Bill of Lading.

Exercise 7

Fill in the gaps in the text with the words from the box below.

<i>tariff</i>	<i>goods</i>	<i>product</i>	<i>duty</i>
<i>trade</i>	<i>credit</i>	<i>exporter</i>	<i>country</i>

The Certificate of Origin verifies the 1) _____, in which the goods were manufactured. Some nations restrict imports from certain countries; many countries limit the quantity of 2) _____ that are allowed to be imported. Millions of COs are issued every year facilitating 3) _____ around the world. Almost every country in the world considers the origin of imported goods when determining the 4) _____ that will be applied to the goods or if the goods may be legally imported at all. In addition, COs may be needed to comply with letters of 5) _____, foreign customs requirements or a buyer's request. Determining the origin of a product is important because it is essential for applying import tariffs. The main CO is the 'non-preferential type,' which certifies that the country a particular 6) _____ originates from does not qualify for any preferential treatment. A 'preferential' certificate enables products to benefit from 7) _____ reductions, when they are exported to countries that extend these privileges. The Certificate of Origin is completed by the 8) _____ or its agent and certified by a chamber of commerce, trade organization, and/or consular office.

Exercise 8

a) Read the text below and write a short summary of the text in your mother tongue.

The commercial invoice is required by both the exporter (to obtain the necessary export documents to enable the consignment to be exported, to prove ownership and to enable payment) and the importer (who requires the commercial invoice to facilitate the import of the goods into the country in question). In exporting, the commercial invoice is considered a very important document as it serves as the starting or initiating document that underpins the rest of the export transaction.

The commercial invoice is essentially a bill from the seller (the exporter) to the buyer (the importer) describing the parties to the agreement, the goods to be sold, and the terms involved, as agreed between the exporter and importer. As such, the commercial invoice is the final bill exchanged between the seller and the buyer. The commercial invoice will normally be presented on the exporter's letterhead and will be addressed to the importer. It should contain full details of the consignment, including price and other related costs, in order to facilitate customs clearance. It must also be signed and dated.

Freight and insurance, when included in the selling price, should be itemized separately as these charges; they are not subject to duty in certain countries. It is important that the commercial invoice clearly differentiates between the dutiable component of the order (the market value of the order), any other typically non-dutiable charges such as freight and insurance, and the total invoice value of the order.

b) Ask ten questions to the text (three general, three special, two disjunctive and two alternative questions).

c) Retell the text.

Exercise 9

Complete the sentences with the correct verb forms.

1. It is worth *to spend/spending* money on these new trucks.
2. I think there is no point in *use/using* this video system in the warehouse.
3. It would be nice **to** *test/testing* our new equipment on Monday.
4. The customer is interested in *receive/receiving* the cargo as soon as possible.
5. I am getting used to *study/studying* hard.
6. We are looking forward to *buy/buying* a new accounting program.
7. It's time **to** *upgrade/upgrading* this network.
8. It is necessary *to reduce/reducing* transit time.
9. My friend is good at *play/playing* football.
10. We enjoy *to read/reading* books.
11. I hate *to get up/getting up* early in the morning.
12. We are used **to** *work/working* with a laptop PC.

Exercise 10

Match the names of the verb forms with the underlined structures in the sentences below.

Present Simple Active, Present Simple Passive, Present Perfect Active, Past Simple Active, Past Simple Passive, Present Perfect Passive, Present Continuous Active, Present Continuous Passive

1. UPS, the world's largest package delivery company, was founded in 1907.
2. Since 1999 *UPS* has expanded the scope of its capabilities primarily through the acquisition of more than 40 companies.
3. As a result, *UPS*'s relationships with many of its customers have deepened to include much more than basic transportation services.
4. Now, logistics companies are looking for the right products at the right time.
5. Over the next 45 years, *ABC Logistics* continued to expand, establishing terminals throughout Louisiana.
6. Supply chain management continuously evolves with the ever changing supply and demand.
7. Rome developed a highly efficient logistic system to supply its legions.
8. *ABC Logistics* has been a part of the history of logistics for over 20 years.
9. In the mid 1950's, commodity manager agencies were established to buy and store supplies.
10. The commercial invoice is required by both the exporter and importer.
11. A Bill of Lading is a document issued by a carrier to a shipper, acknowledging that specified goods have been received.
12. At present, pharmaceuticals, animal and plant products are being exported on a global scale.
13. Shipping documents are the key to international trade, and they have been used for thousands of years.
14. These documents are prepared by the exporter and then are processed by a Freight Forwarder.

APPENDIX I

DISCUSSION

Agree or disagree with the following statements using the following speaking clichés:

That's wrong

In my opinion

That's right

To my mind

I totally agree

As far as I am concerned

I couldn't agree more

I am sure that ...

I'm not entirely sure about that

I think

That's quite true, but ...

It seems to me that ...

I'm afraid I disagree

From my point of view

I totally disagree

I believe

1. Today, no marketing, manufacturing or project execution can succeed without logistics support.
2. Efficient logistics and transportation system are important prerequisites of the development of and economy.
3. Effective logistics revolves around five key issues: movement of product, movement of information, time/service, cost and integration.
4. As the world becomes more interconnected and employees more mobile, logistics has become one of the most important career fields in the world.
5. The reduction of trade barriers internationally has led to rapid growth in the logistics market.
6. As world trade grows, so do challenges for the transportation and logistics industry.
7. Over the next few years the global logistics market will see the growth in demand away from traditional Western economies to the emerging markets of China, India, the Middle East and Latin America.

8. Shipping containers is currently the major way of global trading.
9. In the retail industry, logistics is now recognized as a strategic tool for creating customer value and loyalty.
10. Both inbound and outbound systems have some activities that are unique or deserve special emphasis.
11. The main challenge for logistics companies is to offer various services at a competitive price.
12. The supply chain starts and ends with the supplier.
13. For most companies, the supply chain is an essential component of success.
14. The supply chain is an important link with the company's customers; it can be either a competitive strength or a weakness.
15. Working synergistically, warehouse management systems (WMS) and warehouse control systems (WCS) can maximize efficiency for logistics companies.
16. The equipment and supplies usually cannot go directly from their source to the end user, and they often must be held as inventory at one or more intermediate points along the way.
17. It is not reasonable to ship single bottles of pills across the ocean, or to deliver child health kits to a clinic daily.
18. Shipments should be made in batches of a size and frequency dictated by the transportation system.
19. Because actual demand usually cannot be predicted very accurately, facilities must maintain safety stocks to ensure that they do not run out in times of high demand or late resupply.
20. Since global supply chain management usually involves many countries, it comes with a number of new issues.
21. In logistics, the decision maker must use proper assumptions about how demand varies over time.

22. Instant communication between sellers and customers is vital for management of the supply chain.
23. Investment in information technology (IT) is not an alternative anymore; it is a requirement for logistics and corporate effectiveness.
24. Navigating language barriers and cultural differences can be challenging for even the most globally minded logistics companies.
25. Supply chain managers must have an awareness of external influences, such as legislation, fuel costs, etc.
26. If your logistics company cannot properly respond, your customers will look for those who can.
27. Any supply chain's success is closely linked to the appropriate use of transportation.
28. Today, the growth in shipments to and from China is creating both problems and opportunities for logistics companies.
29. The dominant principle of logistics system design is the following: the system must be simple; its purpose is to move supplies, not to create paperwork.
30. If a logistics company expects to achieve benefits from their supply chain management process, they will require some level of investment in technology.
31. The complexity of the supply chain will vary with the size of the business and the complexity and numbers of items that are manufactured.
32. All modes of transportation require the same set of infrastructure, type of vehicles, and technological solutions.
33. You may need a high degree of education to get a well-paid logistics job.
34. The working conditions depend on the size of the company: for small companies, you would be involved in work at the office and the warehouse; in larger companies, you would be in the office all the time.

APPENDIX II

TELEPHONE CONVERSATIONS

A

- *ABC Logistics* office. Good morning.
- Hello! I'd like to speak to Mr. Robertson.
- Just a moment. Hold on the line, please. I'll put you through
- Robertson speaking.
- Hello! This is Terry Smith from *Beta Ltd.* I am calling about your freight offer for mortar sand dated 10 March.
- Yes, what about it?
- Would you please quote us your most favourable freight rates for the transport of 100 tonnes of mortar sand from Rotterdam to Riga?
- Certainly. Could you give me your email address, please?
..... Right. You'll have our freight rates by 11.30.
- Thank you. Good-bye.
- Good-bye.

B

- Good morning. Could I speak to Mr. Steel, please?
- I'm afraid he's not here at the moment. Can I take a message?
- Yes, please. Would you ask him to call me when he's back? My phone number is +3717222333.
- Certainly.
- Thank you. Good-bye.
- Good-bye.

C

- *Johnson Ltd.* Can I help you?
- Hello. This is Richards from *Gamma Industries Ltd.* I'd like to have an appointment with Mr. Hill.
- Oh, yes, Mr. Richards. When would you like to come?
- On Wednesday, if possible.
- Let me consult Mr. Hill's schedule. Yes, I think it'll be all right. What time do you suggest?
- Suppose we make it 14 p.m. Will it suit you?
- Yes, that's perfect. Thank you. Good-bye.

D

- Hello! Can I speak to somebody from the Logistics Department, please?
- Secretary's speaking.
- This is Wilkins from *Eastwood ltd.* I'd like to know if Mr. Laurence has received an invitation to our annual meeting on December 12th?
- Yes, we have received your invitation. Thank you.
- Thank you. Good-bye.
- Good-bye.

E

- Hello. This is Edward Black speaking. May I have a word with Mrs. Andrews, please?
- I'm afraid she's not here at the moment.
- Well, perhaps I could leave a message for her?
- Yes, certainly.

- Could you tell her that I won't be able to keep the appointment on 15 April? She can call me back if there's a problem. I'm on 26445577.
- Yes, I've got that.
- OK. Thank you. Bye.
- Good-bye.

F

- *Horizon International*, John Pattinson. How can I help you?
- Hello, this is Robert Harrison from *Gamma ltd*. I need a quotation for air freight to Latvia.
- Could you please describe the freight details? What goods do you want to ship?
- 5 tonnes of apples. They are going to Riga.
- OK, when should delivery be made?
- It's very important that our customer receives the apples on June 10th. Would that be a problem?
- I don't think so. Do you have any other special requirements?
- No.
- OK, I'll get back to you within the next three hours. Could you give me your email address, please?
- Yes, of course,
- Thank you. Good-bye.
- Thank you. I look forward to hearing from you again. Bye.

APPENDIX III

BUSINESS CORRESPONDENCE

1. Business Letter Layout

Contact Information

Your Name

Your Address

Your City, State, Zip Code

Your Phone Number

Your Email Address

(space)

Date

(space)

Contact Information

Name

Title

Company

Address

City, State, Zip Code

(space)

Salutation

(space)

Body of Business Letter

(space between paragraphs)

Closing

(space)

Signature

2. Letter of Enquiry

Dear Sirs,

With reference to your advertisement in this month's edition of ComputerWorld, would you please send us a catalogue of your hardware. Would you also indicate how much time should be allowed for delivery and include details of your export prices and quantity discounts.

We look forward to receiving your reply.

Yours faithfully

L. Brown

3. Solicited Offer

Attn. Mr. L. Brown

Dear Mr. Brown,

Many thanks for your enquiry of _____ regarding our new hardware. In reply to your enquiry we have pleasure in enclosing the catalogue requested and details of our export models.

Sincerely yours

M. Smith

4. Placing an Order: Covering Letter (sent with the Order Form)

Dear Mr. Smith,

Please find enclosed our order No 5577L. We have decided to accept the 10% trade discount you offered and your terms of payment. We would appreciate delivery within the next five weeks, and look forward to your acknowledgement.

Sincerely yours

L. Brown

5. Confirmation of Order

Dear Mr. Brown,

Thank you for your letter of _____

We hereby confirm your Purchase order No 5577L for 150 Intel Pentium processors, total price € 57500, FOB U.K., payment to be made by confirmed L/C.

Sincerely yours

W. Black

6. Complaint

Dear Sirs

Our Purchase Order No 5577L

We have received the documents and taken delivery of above order which arrived in Riga on the m.v. Rosemary. We regret to advise you that on checking the goods we found out that the spare parts in crate No 5 were in an unsatisfactory condition.

You will appreciate that we are unable to install the defective parts in our equipment. This, in turn, has caused delays in delivery for our customers. We therefore need 500 replacements in perfect condition immediately.

If there is any further repetition of this we will be forced to look for an alternative supplier.

Yours faithfully

G. Smith

7. Advice of Dispatch

Dear Sirs,

We are pleased to inform you that your order has been shipped on board m.v. "Astra" per above mentioned purchase order, and should reach you within next two weeks. Meanwhile our bank has forwarded the relevant documents and sight draft for € 57500 to the CityBank Birmingham.

We are sure that you will be pleased with the consignment and look forward to hearing from you.

Yours faithfully

M. Black

8. Enquiry about Freight Rates

Dear Sirs,

Please quote us your most favourable freight rates for the transport of 20 tonnes of fertilizers, net weight 0.5 tonne per unit, for shipment from Riga to Rotterdam.

Yours faithfully

T. Barlow

9. Freight Offer

Dear Mr Green

Your Freight Enquiry of

Thank you for your enquiry regarding the transport of 20 tonnes of fertilizers. Our offer is as follows: m.v. "Summer Wind" at € 70 per metric tonne or 10 cubic metres, with 5 lay days.

We look forward to hearing from you.

Sincerely yours

R. W. Red

10. Enquiry about Insurance Rates

Dear Sir or Madam,

Please let us have your quotation for insurance cover against all risks, warehouse to warehouse, for a consignment of:

100 crates of car spare parts (500 units per crate) from Liverpool to Riga on board of m.v. "Rising Sun" of the A&B Line.

Replacement value is €250,000.

Cover is required from August 10.

Yours faithfully

A. Sawyer

11. Insurance Claim

Dear Sirs

We have just taken delivery of a consignment of 2,000 spare parts for our equipment, which was insured by yourselves. The goods were shipped on m.v. "Rising Sun", which docked in Riga on 20 August. When our agents inspected the load they discovered that crate No 5 had been damaged, and the spare parts in crate No 5 were in an unsatisfactory condition.

We are therefore placing a claim for the damaged goods with you, the details of which are as follows:

Sea-damage 500 spare parts

€ 50 per unit

Total €25, 000

We trust you will be able to settle the matter swiftly.

Yours faithfully

M. O'Sullivan

Writing Business Letters: Useful vocabulary

We are writing to enquire about _____

With reference to your letter of 23 January, we _____

Having seen your advertisement in _____, we would like to _____

We would be interested in _____

We would like to place an order with your company for _____

We would like to cancel our order _____

Could you please send us your price list.

You will find enclosed our catalogue and price list.

Our terms of payment are as follows: _____

Enclosed is the information you requested.

Thank you for your letter of 25 May.

Thank you for your e-mail (letter) regarding _____

I am pleased to confirm receipt of your order *No 5577L*.

In reply to your request, _____

In reply to your letter of 15 April, _____

We would appreciate (be grateful) it if you would (could) _____

If you require any further information, feel free to contact me.

We would appreciate your immediate attention to this matter.

Unfortunately these items are no longer available.

I am writing to complain about _____

Please note that our order *No 5577L* has not yet arrived.

We would like to query the transport charges which seem unusually high.

Our records show that we have not yet received payment of _

I look forward to hearing from you.

APPENDIX IV LANGUAGE FOCUS

WORD FORMATION: PREFIXES

<i>PREFIX</i>	<i>MEANING</i>
un suitable im possible ir regular ine fficient	not
micro economics macro economics	very small large
semi conductor	half
mis use	wrong
dis integrate	opposite action
redo	again
inter connect	between

WORD FORMATION: SUFFIXES

<i>NOUN-FORMING SUFFIXES</i>	<i>ADJECTIVE-FORMING SUFFIXES</i>
export er /operator music ian activ ity develop ment accept ance convers ion act ion protect ionism relat ionship suit ability	economic econom ical regul ar poss ible use less use ful vari ous effect ive effici ent suit able

COMPARATIVE AND SUPERLATIVE FORMS

1. One-syllable adjectives and two-syllable adjectives ending in “y”.

ADJECTIVE	COMPARATIVE	SUPERLATIVE
small	smaller	the smallest
easy	easier	the easiest
friendly	friendlier	the friendliest

2. Other two-syllable adjectives and adjectives with three and more syllables.

ADJECTIVE	COMPARATIVE	SUPERLATIVE
useful	more useful	the most useful
efficient	more efficient	the most efficient

3. Adverbs.

ADVERB	COMPARATIVE	SUPERLATIVE
late	later	the latest
quickly	more quickly	most quickly
carefully	more carefully	most carefully

4. Irregular forms.

ADJECTIVE/ADVERB	COMPARATIVE	SUPERLATIVE
good	better	the best
bad	worse	the worst
far	further/farther	the furthest/farthest
many	more	the most
little	less	the least

► Comparisons may show *equivalence* and *non-equivalence*.

- a) *Logistics is **as** interesting **as** Computer Science.*
- b) *Prices in Britain are **much** higher **than** prices in Bulgaria.*

QUESTIONS

In questions, we put an auxiliary verb before the subject.

Supply chain operators explore the opportunities for increasing efficiency of their services.

Do supply chain operators explore the opportunities for increasing efficiency of their services?

TYPES OF QUESTIONS

1. GENERAL QUESTIONS

Do you speak English?

Will you leave for London tomorrow?

Are you a student?

Is Peter an engineer?

Have you ever been to Paris?

Can you play tennis?

2. SPECIAL QUESTIONS

What languages do you speak?

Where does Peter work?

When do you usually have breakfast?

What do you usually have for breakfast?

Why is Tom smiling?

3. ALTERNATIVE QUESTIONS

Do you like coffee or tea?

4. DISJUNCTIVE QUESTIONS

You like coffee, don't you?

You are a student, aren't you?

TENSES IN THE ACTIVE VOICE

PRESENT TENSES

► PRESENT SIMPLE

Positive form: *I/you/we/they work for a logistics company.*

He/she/it works for a logistics company.

Negative form: *I/you/we/they do not (don't) work a logistics company. He/she/it does not (doesn't) work a logistics company.*

Question form: *Do I/you/we/they work for a logistics company?
Does He/she/it work for a logistics company?*

We use the Present Simple for repeated actions and for permanent states and situations: *Bank customers use a lot of services every day.*

* Time adverbials with the Present Simple: *usually, always, sometimes, rarely, often, regularly, every day/week/month/year.*

► PRESENT CONTINUOUS

Positive form: *I am working for a logistics company now.*

You/we/they working for a logistics company now.

He/she/it is working for a logistics company now.

Negative form: *I am not working at the moment. You/we/they are not (aren't) working at the moment. He/she/it is not (isn't) working at the moment.*

Question form: *Am I working now? Are you/we/they working now?
Is he/she/it working now?*

1. We use the Present Continuous for actions in progress.

- *Scientists are conducting an important experiment at the moment.*
- *Tom is studying economics now.*

* Time adverbials with the Present Continuous: *now, at the moment, at present.*

2. We use the Present Continuous for planned future actions: *I am leaving for Bristol tonight.*

We can use either the Present Continuous or “going to”: *Students are going to play rugby on Sunday.*

► **PRESENT PERFECT SIMPLE**

Positive form: *I/you/we/they have worked for a logistics company since September.*

He/she/it has worked for a logistics company for two years.

Negative form: *I/you/we/they have not (haven't) worked for a logistics company since May.*

He/she/it has not (hasn't) worked for a logistics company for two months.

Question form: *Have I/you/we/they worked for a logistics company for two years?*

Has he/she/it worked for a logistics company since June?

1. We use the Present Perfect Simple for past actions and events with results or consequences in the present.

They have already sold a lot of cars.

Tom has not passed his exams yet.

I have just had my lunch.

* Time adverbials with this use of the Present Perfect Simple: *already/yet, just, ever/never, so far.*

2. We use the Present Perfect Simple for the action, which continues from the past to the present.

George has known Tom for many years.

We have been friends since I left school.

* Time adverbials with this use of the Present Perfect Simple: *since, for.*

► **PRESENT PERFECT CONTINUOUS**

Positive form: *I/you/we/they have been working for Maersk for a long time.*

He/she/it has been working for Maersk for a long time.

Negative form: *I/you/we/they have not (haven't) been working.*

He/she/it has not (hasn't) been working.

Question form: *Have I/you/we/they been working for Maersk for a long time?*

Has he/she/it been working for Maersk for a long time?

We use the Present Continuous for the action, which continues from the past to the present, if we want to emphasize that the action is long.

We have been studying at TTI since September.

My friend has been studying economics for two months.

* Time adverbials with the Present Perfect Continuous: *since, for.*

PAST TENSES

► PAST SIMPLE

Positive form: *I/you/we/they/he/she/it worked.*

Negative form: *I/you/we/they/he/she/it did not (didn't) work.*

Question form: *Did I/you/we/they/he/she/it work?*

We use the Past Simple for actions in the past when we know when they happened.

They sold a lot of cars last week.

Time adverbials with the Past Simple: *yesterday, the day before yesterday, last week/month/year, a week/month/year ago.*

► PAST CONTINUOUS

Positive form: *I was working. You/we/they were working. He/she/it was working.*

Negative form: *I was not working. You/we/they were not (weren't) working. He/she/it was not (wasn't) working.*

Question form: *Was I working? Were you/we/they working? Was he/she/it working?*

1. We use the Past Continuous for actions in progress at a time in the past.

Scientists were conducting an important experiment at 9 o'clock this morning.

Tom was reading his book from three to five o'clock.

2. Sometimes the Past Continuous action is interrupted.

I was watching TV when my brother came into the room.

3. We also use the Past Continuous for actions in progress during other actions or events.

I was watching TV while my brother was reading a newspaper.

It was raining as we were walking down the hill.

► **PAST PERFECT**

Positive form: *I/you/we/they/he/she/it had worked.*

Negative form: *I/you/we/they/he/she/it had not (hadn't) worked.*

Question form: *Had I/you/we/they/he/she/it worked?*

We use the Past Continuous for actions or events in the past, which happened before other past events.

When we came into the classroom, they had already finished their work.

FUTURE TENSES

► **FUTURE SIMPLE**

Positive form: *I/you/we/they/he/she/it will work.*

Negative form: *I/you/we/they/he/she/it will not (won't) work.*

Question form: *Will I/you/we/they/he/she/it work?*

We use the Future Simple for actions in the future.

Banks will offer many new services next year.

Time adverbials with the Future Simple: *tomorrow, the day after tomorrow, next week/month/year.*

► **FUTURE CONTINUOUS**

Positive form: *I/you/we/they/he/she/it will be working.*

Negative form: *I/you/we/they/he/she/it will not (won't) be working.*

Question form: *Will I/you/we/they/he/she/it be working?*

We use the Future Continuous for actions, which will be in progress at a certain time in the future.

At 2 p.m. on Monday, students will be analyzing an important document.

► **FUTURE PERFECT**

Positive form: *I/you/we/they/he/she/it will have worked.*

Negative form: *I/you/we/they/he/she/it will not (won't) have worked.*

Question form: *Will I/you/we/they/he/she/it have worked?*

We use the Future Perfect for actions, which will be completed before a certain time in the future.

By the end of the week, managers will have completed their research.

THE PASSIVE VOICE

To “*be*” + *Past Participle*

In passive sentences the subject of the passive verb corresponds to the object of the active verb.

Scientists conducted many experiments.

Many experiments were conducted by scientists.

<i>PRESENT SIMPLE</i>	<i>It is/isn't manufactured</i> <i>They are/aren't manufactured</i>
<i>PAST SIMPLE</i>	<i>It was/wasn't manufactured</i> <i>They were/weren't manufactured</i>
<i>FUTURE SIMPLE</i>	<i>It/they will be/won't be manufactured</i>
<i>PRESENT PERFECT</i>	<i>It has/hasn't been manufactured</i> <i>They have/haven't been manufactured</i>
<i>PRESENT CONTINUOUS</i>	<i>It is/isn't being manufactured</i> <i>They are/aren't manufactured</i>
<i>PAST CONTINUOUS</i>	<i>It was/wasn't being manufactured</i> <i>They were/weren't being manufactured</i>

THE GERUND

The Gerund is a non-finite verb form that can function as a noun. Gerunds may be used exactly as nouns are used. Their most common uses are as follows:

- The subject: *Transporting goods is the main activity of our company.*
- Part of the predicate: *The main activities of our company are transporting goods and processing the required documentation.*
- The object: *I like working with export documentation.*
- The Gerund must be used when a verb comes after a preposition: *I am good at playing football. We are fond of reading historical novels.*
- The Gerund must be used after certain verbs (like, hate, admit, imagine): *I hate getting up early.*

THE PRESENT PARTICIPLE (PARTICIPLE I)

The main functions of Participle I are the following:

- The attribute: *I'd like to speak to the managers supervising this work)*
- The adverbial modifier: *Reading this book I came across an interesting term.*

THE PAST PARTICIPLE (PARTICIPLE II)

Participle II is formed by adding “-ed” to the base form of regular verbs; for irregular verbs there are no rules. Past Participles are used for all perfect tense forms of a verb and in the Passive Voice:

- *We haven't received the goods yet.*
- *The cargo was shipped yesterday.*

Past Participles can also be used like an adjective in front of a noun:

- *Please prepare all of the required documents as soon as possible.*
- *The damaged goods have been replaced.*

MODAL VERBS

☺ We use modal verbs and their equivalents to talk about:

1) **Obligation or necessity.**

*Students **must** study hard.*

*We **have to** be very careful.*

*Yesterday Brian **had to** go to the doctor's.*

*Next week we'll **have to** conduct a few experiments.*

*I've **got to** go now.*

*I think you **should** give up smoking (mild obligation).*

*We **ought to** help him (mild obligation).*

2) **Lack of obligation.**

*You **don't have to** go there.*

*We **didn't have to** work on Sunday.*

3) **Permission and prohibition.**

*You **can** start now.*

***May** I come in?*

*Students **are not allowed to** smoke here.*

*Tomorrow we'll **be allowed to** use the laboratory.*

*I'm afraid you **can't** stay with us.*

4) **Abilities.**

*I **can** speak German.*

*They **can't** speak French.*

*Tom **can** swim well.*

*When I was a boy I **could** play football well.*

5) **Possibility.**

*I think I'll **be able to** help you tomorrow.*

*I **can't** help you. I'm very busy.*

*We **couldn't** see the ship; it was not in sight.*

☺ We also use modal verbs and their equivalents to make predictions or make a guess:

*It **may** snow today.*

*He **may** be late.*

*Poor James! He **must** be very tired.*

LIST OF ENGLISH IRREGULAR VERBS

Verb	Past Simple	Past Participle
be	was / were	been
beat	beat	beaten
become	became	become
begin	began	begun
bend	bent	bent
bite	bit	bitten
blow	blew	blown
break	broke	broken
bring	brought	brought
build	built	built
burn	burned / burnt	burned / burnt
burst	burst	burst
buy	bought	bought
can	could	been able
catch	caught	caught
choose	chose	chosen
come	came	come
cost	cost	cost
cut	cut	cut
dig	dug	dug
do	did	done
draw	drew	drawn
dream	dreamed / dreamt	dreamed / dreamt
drink	drank	drunk
drive	drove	driven
eat	ate	eaten
fall	fell	fallen
feed	fed	fed
feel	felt	felt
fight	fought	fought
find	found	found
fly	flew	flown
forget	forgot	forgotten

Verb	Past Simple	Past Participle
forgive	forgave	forgiven
freeze	froze	frozen
get	got	got
give	gave	given
go	went	gone / been
grow	grew	grown
hang	hung	hanged / hung
have	had	had
hear	heard	heard
hide	hid	hidden
hit	hit	hit
hold	held	held
hurt	hurt	hurt
keep	kept	kept
kneel	knelt	knelt
know	knew	known
lay	laid	laid
lead	led	led
learn	learned / learnt	learned / learnt
leave	left	left
lend	lent	lent
let	let	let
lie	lay	lain
light	lit	lit
lose	lost	lost
make	made	made
mean	meant	meant
meet	met	met
must	had to	had to
pay	paid	paid
put	put	put
read / ri:d /	read / red /	read / red /
ride	rode	ridden
ring	rang	rung
rise	rose	risen
run	ran	run

Verb	Past Simple	Past Participle
say	said	said
see	saw	seen
sell	sold	sold
send	sent	sent
set	set	set
shake	shook	shaken
shine	shone	shone
shoot	shot	shot
show	showed	shown
shut	shut	shut
sing	sang	sung
sink	sank	sunk
sit	sat	sat
sleep	slept	slept
slide	slid	slid
smell	smelled / smelt	smelled / smelt
speak	spoke	spoken
spend	spent	spent
spill	spilled /spilt	spilled /spilt
spoil	spoiled / spoilt	spoiled/spoilt
stand	stood	stood
steal	stole	stolen
stick	stuck	stuck
swim	swam	swum
take	took	taken
teach	taught	taught
tear	tore	torn
tell	told	told
think	thought	thought
throw	threw	thrown
understand	understood	understood
wake	woke	woken
wear	wore	worn
win	won	won
write	wrote	written

APPENDIX IV GLOSSARY OF LOGISTICS TERMS

ENGLISH – LATVIAN – RUSSIAN – ESTONIAN

A			
<i>Advice note (advice of shipment)</i>	paziņojums	уведомление об отгрузке	saabumisteade
<i>Account</i>	rēķins	счёт	arve
<i>Acknowledgement of receipt</i>	paziņojums par preču saņemšanu	уведомление о получении товара	kauba kāttesaamise kinnitus
<i>Act of God</i>	stihiska nelaime	стихийное бедствие	loodusõnnetus
<i>Advertisement</i>	reklāma	реклама	reklaam
<i>Agency</i>	aģentūra	агентство	agentuur
<i>Agent</i>	aģents, pārstāvis	агент, представитель	agent
<i>Agreement</i>	līgums	договор, соглашение	leping
<i>Air waybill (air consignment note)</i>	gaisa pārvadājumu pavadzīme	авиагрузовая накладная	lennuveokiri
<i>Arrival notice</i>	paziņojums par preču pienākšanu	уведомление о прибытии товара	saabumisteade
<i>Asset</i>	aktīvi, īpašums	активы, имущество	aktiva, varad

B			
<i>Batch</i>	preču partija	партия товара	kaubapartii
<i>Batch number</i>	partijas numurs	номер партии	partii number
<i>Batch quantity</i>	partijas apjoms	объём партии	partii suurus
<i>Bay</i>	konteineru telpa	помещение для контейнеров	konteinerala
<i>Bill</i>	rēķins apmaksai	счёт к оплате	kvititung
<i>Bill of exchange</i>	pārvedu vekselis	вексель	veksel
<i>Bill of lading</i>	kravas zīme, konosaments	транспортная накладная, коносамент	konossoment
<i>Bonded warehouse (customs warehouse)</i>	muitas noliktava	таможенный склад	tolliladu
<i>Bulk cargo</i> <i>Bulky cargo</i>	beztaras krava lielgabarīta krava	навалочный груз крупногабаритный груз	puisteveos, üldveos suuremõdtmeline veos
C			
<i>Cabotage</i>	kabotāža	каботажа	kabotaaž
<i>Cargo</i>	krava	груз	kaup, veos
<i>Carriage (transportation)</i>	pārvadāšana	перевозка	kaubavedu
<i>Carrier</i>	pārvadātājs	перевозчик	vedaja
<i>Cartage</i>	autopārvadājumi	автоперевозки	autokaubavedu
<i>Certificate of origin</i>	preču izcelsmes sertifikāts	свидетельство происхождения	pāritoluserifikaat

<i>Charge</i>	cena, maksa	оплата за услуги	hind, veoraha
<i>Charter party</i>	čarters	договор о фрахтовании	prahileping
<i>Claim</i>	prasība, pretenzija	требование, претензия	reklamatsioon
<i>Clearance</i>	kravas noformēšana muiņā	таможенная очистка	tollideklaratsioon
<i>Condition</i>	nosacījums, stāvoklis	условие, состояние	tingimused
<i>Consignee</i>	saņēmējs	грузополучатель	kauba saaja
<i>Consignment</i>	nosūtītās preces	груз, партия товаров	saadētis
<i>Consignor</i>	nosūtītājs	грузоотправитель	kauba saatja
<i>Consular invoice</i>	konsulārs rēķins	консульская фактура	faktuurarve
<i>Consumer</i>	patērētājs	потребитель	tarbija
<i>Container</i>	kontainers	контейнер	konteiner
<i>Container terminal</i>	konteineru terminālis	контейнерный терминал	konteinerterminal
<i>Cost and freight (C&F)</i>	izmaksas un transports	стоимость и фрахт	veoraha
<i>Customer</i>	klients	клиент	klient
<i>Custom-house (customs)</i>	muīta	таможня	toll
<i>Customs invoice</i>	muītas rēķins	таможенная накладная	tolliarve
<i>Customs duties</i>	muītas nodokļi	таможенные сборы	tollmaksud

<i>Customs value</i>	mitas vērtība	таможенная стоимость	tolliväärtus
D			
<i>Declared value</i>	pārvadājumam deklarētā vērtība	объявленная стоимость	deklareeritud väärtus
<i>Delay</i>	aizkavēšanās	задержка	hilinemine
<i>Delivery</i>	piegāde	доставка	tarne
<i>Delivered at frontier (DAF)</i>	franko robeža (norādītā punktā)	доставлено до границы	tarnitud piiril
<i>Delivered duty paid (DDP)</i>	piegāde ar samaksātu mitu norādītā vietā	доставлено, пошлина оплачена	tarnitud, toll tasutud
<i>Delivered duty unpaid (DDU)</i>	piegāde bez mitas samaksas norādītā vietā	доставлено, пошлина не оплачена	tarnitud, toll tasumata
<i>Delivered ex quay (DEQ)</i>	piegādāts līdz piestātnes klājam norādītā ostā	доставлено до причала в указанном порту	tarnitud kailt nimetatud sihtsadam
<i>Delivered ex ship (DES)</i>	nogādāts ar kuģi norādītā ostā	доставлено на корабле в указанный порт	tarnitud laevalt nimetatud sihtsadam
<i>Delivered ex warehouse</i>	nogādāts no noliktavas	доставлено с товарного склада	hangitud laost
<i>Delivery ex works (EXW)</i>	nogādāts no ražošanas vietas	доставлено с места изготовления	hangitud tehases
<i>Delivery notice</i>	piegādes kvīts	квитанция о получении	tarnekinnitus
<i>Demand</i>	prasība, pieprasījums	требование, потребность	nõudlus

<i>Destination</i>	galamērķis	место назначения, цель	sihtkoht
<i>Dock (quay, wharf)</i>	doks	док, причал	dokk
<i>Documentary Collection</i>	dokumentu inkaso	документарное инкассо	dokumendiinkasso
<i>Duty</i>	nodoklis	пошлина, налог	maksud, tollimaksud
<i>Duty-free zone</i>	beznodokļu zona	безналоговая зона	tollivabatsoon, vabamajandustsoon
E			
<i>Enclosure</i>	pievienojums vēstulei	приложение	lisa, manus
<i>Enquiry</i>	pieprasījums	запрос	pāring
<i>Equipment</i>	iekārta	оборудование	veovahendid, seadmed
<i>European zone charge (EZC)</i>	Eiropas zonas tarifs	тариф в Европейской зоне	Euroopa tariifitsoon
<i>Expenses</i>	transporta izdevumi	транспортные расходы	kulud
<i>Export licence</i>	eksporta atļauja	транспортная лицензия	litsents
F			
<i>Fee</i>	atalgojums, samaksa, nodoklis	вознаграждение, гонорар, сбор, пошлина	tasu
<i>Ferry</i>	prāmis	паром	praam
<i>Force majeure</i>	nepārvarama vara	форс-мажор	Force majeure

<i>Forwarding</i>	transporta ekspedīcija	транспортная экспедиция	ekspedeerimine
<i>Forwarding agent</i>	ekspeditors	экспедитор	ekspedeerija
<i>Forwarding instruction</i>	transporta ekspedīcijas instrukcija	инструкция для экспедитора	ekspedeerimisjuhised
<i>Forwarding service</i>	transporta ekspedīcijas pakalpojumi	услуги транспортной экспедиции	ekspedeerimisteenus
<i>Free alongside ship</i>	franko pie kuģa	«свободно до судна»	Franko laeva kōrval
<i>Free carrier(FCA)</i>	franko pārvadātājs	франко-транспортное судно, франко-перевозчик	Franko vedaja
<i>Free in and out (FIO)</i>	vedmaksas likme nav ietvertas kraušanas izmaksas	погрузка и выгрузка за счёт фрахтователя	lastimine ja lossimine prahtija kulul
<i>Free on board (FOB)</i>	franko kuģa klājs	«свободно на борту»	Franko laeva pardal
<i>Free port (free airport free trade zone – FTZ)</i>	brīvās tirdzniecības zona	зона свободной торговли	vabasadam, vabakaubandustsoon
<i>Freight</i>	vedmaksa	фрахтование	veoraha, prahiraha
<i>Freight charges</i>	vedmaksas tarifs	грузовой тариф	veotariifid
<i>Freight declaration (cargo declaration)</i>	kravas deklarācija	грузовая декларация	kaubadeklaratsioon
<i>Freight costs</i>	vedmaksas izmaksas	грузовые издержки	veokulud

<i>Freight prepaid</i>	iepriekš samaksāta vedmaksa	предварительно оплаченный фрахт	ettemakstud vedu
<i>Full container load (FCL)</i>	pilna konteinerkrava	полная нагрузка контейнера	tāiskonteiner
G			
<i>General cargo</i>	parasta krava	обычный груз	tavakaup, segalast
<i>General purpose container</i>	universāls konteiners	универсальный контейнер	ūldotstarbine konteiner
<i>Goods</i>	preces, krava	товары, груз	kaubad
<i>Goods accompanying document</i>	preču pavaddokuments	документ, сопровождающий груз	kaubadokumendid
<i>Goods control certificate</i>	preču kvalitātes sertifikāts	свидетельство о качестве груза	kaubasertifikaat
<i>Goods receipt</i>	preču saņemšanas akts	акт о получении товара (груза)	kauba tarnekinnitus
<i>Goods yard</i>	noliktava	склад, пакгауз	kaubahoov
<i>Gross weight</i>	bruto svars	вес брутто	bruttokaal
<i>Groupage</i>	grupēšana, komplektēšana	комплектация	grupikaup, tūkikaup
H			
<i>Hague protocol</i>	Hāgas protokols (aviopārvadājums)	Гаагский протокол (в области авиаперевозок)	Haagi protokoll
<i>Hague rules</i>	Hāgas konvencija	Гаагская конвенция	Haagi reeglid, Haagi konventsioon

<i>Handling service</i>	kravu apstrādes pakalpojumi	услуги по обработке грузов	kauabakāsitsusteenused
<i>Harbour dues</i>	ostas nodoklis	портовые сборы	sadamamaksud
<i>House to house</i>	tiešā piegāde	прямая доставка груза	otsetarne
<i>Transport Hub</i>	transporta centrs	транспортный узел	terminal
I			
<i>Import duties</i>	ievedmuita	импортные пошлины	impordimaksud
<i>Import licence</i>	importa atļauja	разрешение на ввоз	impordilitsents
<i>In bond (waiting for clearance)</i>	muitas noliktavā	находящийся на таможенном складе, нерастаможенный	lahtitollimata, tolli kontrolli all
<i>In bulk</i>	bez iepakojuma, vairumā	без упаковки, оптом	puisteveos, ūldveos
<i>In transit</i>	ceļā	в пути	transiidil, veoprotsessis
<i>Incoterms (EXW, CIF, DAF, etc.)</i>	inkotermi – starptautiskie tirdzniecības noteikumi	инкотермы – международные торговые правила	Incoterms
<i>Indirect costs</i>	netiešas izmaksas	непрямые издержки	kaused kulud
<i>Inspection</i>	pārbaude	проверка, контроль	kontroll, inspektsioon
<i>Inspection certificate</i>	pārbaudes akts	акт осмотра	kontrolliakt

<i>Installment</i>	iemaksa, regulāra parāda nomaksa	очередной взнос, часть в счёт уплаты долга	osamakse
<i>Insurance certificate</i>	apdrošināšanas apliecība	удостоверение о страховании	kindlustuse kinnitus
<i>Insurance policy</i>	apdrošināšanas polise	страховой полис	kindlustuspoliis
<i>Invoice</i>	faktūra, rēķins	счёт-фактура	arve
<i>Interest</i>	procenti	проценты	intress
<i>Internal transport</i>	iekšējais transports	внутренние перевозки	sisevedu
<i>Item</i>	prece, preces veids	товар, вид товара	kauba kirjeldus
<i>Itinerary</i>	maršruts, ceļš	маршрут	marsruut
J			
<i>Jettison</i>	kravas izmešanas jūrā	разгрузка судна в море	kauba lossimine merel, (ka merreheimine)
<i>Joint rate</i>	vienots tarifs	единый тариф	ühine tariif
L			
<i>Landing</i>	izkraušana	выгрузка судна	lossiminl
<i>Lay days</i>	iekraušanas (izkraušanas) laiks	время погрузки (разгрузки)	laeva seisuaeg
<i>Letter of credit (L/C)</i>	kredītvēstule, akreditīvs	аккредитив	akreditiiv
<i>Liability</i>	atbildība, parādi	ответственность, долги	kohustused
<i>Linear (sea, ocean) waybill</i>	jūras kravu pavadzīme	накладная на провоз грузов по морю	liiniveokiri

<i>Load</i>	krava	груз	kaup, veos
<i>Loading</i>	kraušana	погрузка	laadimine
<i>Loading and unloading charges</i>	iekraušanas un izkraušanas maksa	стоимость погрузки и выгрузки	peale- ja mahalaadimise kulud/ laadimise ja lossimise kulud
<i>Logistics costs</i>	loģistikas izmaksas	логистические издержки	logistilised kulud
<i>Lorry (truck)</i>	kravas automobīlis	грузовой автомобиль	kaubaauto
<i>Lot (batch)</i>	preču partija	партия товара (груза)	kaubapartii
<i>Lumpsum</i>	kopsumma	общая сумма	kogusumma
M			
<i>Manifest</i>	kravas manifests	грузовой манифест	kaubamanifest
<i>Manufacturer</i>	ražotājs	производитель	tootja
<i>Means of transport</i>	transportlīdzeklis	транспортное средство	transpordivahend
<i>Mode of transport</i>	transporta veids	вид транспорта	veoviis
<i>Multimodal (intermodal) transport</i>	multimodālais (intermodālais) transports	мультимодальный (интермодальный) транспорт	Multimodāalne (intermodāalne) transport
N			
<i>Net price</i>	neto cena	цена нетто	nettohind
<i>Net weight</i>	tīrsvars	вес нетто	nettokaal
<i>Network</i>	tīkls	сеть	võrgustik

<i>Notice</i>	paziņojums, brīdinājums	уведомление, извещение, предупреждение	teade
O			
<i>Offer</i>	piedāvājums	предложение	pakzumus
<i>On board</i>	uz kuģa	на борту	pardal
<i>On deck</i>	uz klāja	на палубе	tekil
<i>Open order</i>	neizpildīts pasūtījums	невыполненный заказ	tāitmata tellimus
<i>Open Account</i>	atvērts konts	открытый счет	avatud arve
<i>Order</i>	pasūtījums	заказ	tellimus
<i>Order acceptance</i>	pasūtījuma pieņemšana	приём заказа	tellimuse vastuvõtmine
<i>Order acknowledgement</i>	pasūtījuma apstiprinājums	подтверждение заказа	tellimuse kinnitus
<i>Origin</i>	izcelsmes valsts	страна происхождения	pāritolumaa
<i>Overload</i>	virsslodze	перегрузка	ūlekoormus
P			
<i>Package</i>	paka	тюк, посылка	pakk, pakend, pakkeüksus
<i>Packaging</i>	iesaiņojums	упаковка	pakend
<i>Packing</i>	iesaiņošana	упаковка, укладка	pakend, tāitematerjal
<i>Payee</i>	naudas saņēmējs	получатель денег	rahasaaja, vekslī omanik
<i>Payment</i>	maksājums	оплата	makse
<i>Place of acceptance</i>	saņemšanas vieta	место получения	vastuvõtukoht

<i>Place of departure</i>	izbraukšanas vieta	место отправления	lāhtekoht
<i>Place of destination</i>	galapunkts	пункт назначения	sihtpunkt
<i>Price</i>	cena	цена	hind
<i>Proforma invoice</i>	aptuvena faktūra	предварительная фактура	faktuurarve
<i>Procurements</i>	piegādes	доставка	hanked
<i>Product</i>	ražojums	продукт, товар	tooted
<i>Product loss</i>	produkta preces zaudējums	потеря продукта (товара)	kadu
<i>Profit</i>	peļņa, ienākums	доход, прибыль	kasum
<i>Provider</i>	sniedzējs	поставщик (услуг)	teenusepakkuja
<i>Purchase</i>	pirkums	покупка	hange
<i>Purchaser (buyer)</i>	pircejs	покупатель	ostja
Q			
<i>Quality</i>	kvalitāte, šķira	качество, сорт	kvaliteet
<i>Quay</i>	piestātne	причал	kai
<i>Queue</i>	rinda	очередь	jārkjokord
<i>Queue (waiting) time</i>	gaidīšanas laiks	время ожидания	ooteaeg
R			
<i>Rail car</i>	dzelzceļa vagoni	железнодорожный вагон	raudteevagun
<i>Rail shipment</i>	dzelzceļa pārvadājumi	перевозки по железной дороге	raudteesaadetis

<i>Rail consignment note</i>	dzelzceļa konosaments	транспортная накладная для перевозки грузов по железной дороге	raudteesaateleht
<i>Rail truck</i>	vaļēja dzelzceļa platforma	открытая железнодорожная грузовая платформа	platvormvagon
<i>Rate</i>	likme	размер, ставка	tase, hind , kurss
<i>Receipt</i>	saņemšana	получение	vastuvõtu kinnitus, vastuvõtt
<i>Reefer cargo</i>	refrižeratora krava	рефрижераторный груз	temperatuuritundlik kaup
<i>Request</i>	lūgums	просьба, запрос, заявка	päring
<i>Rerouting</i>	maršruta izmaiņšana	изменение маршрута	ūmersuunamine, marsruudi muutmine
<i>Reservation</i>	rezervēšana	резервация	broneering
<i>Rescission</i>	anulēšana	расторжение	tühistamine, annuleerimine
<i>Resources</i>	resursi	ресурсы	ressursid
<i>Responsible carrier (principal carrier)</i>	atbildīgais pārvadātājs	ответственный перевозчик	vastutav vedaja
<i>Retailer</i>	mazumtirgotājs	розничный торговец	Jaekaubandus
<i>River waybill</i>	upju transporta pavadzīme	транспортная накладная для перевозки грузов по реке	sisevee (jõe) veokiri

<i>Route</i>	maršruts	маршрут	marsruut
<i>Road transport</i>	autopārvadājumi, autotransports	безрельсовый транспорт, автоперевозки	maanteetransport, autokaubavedu
<i>Rush order</i>	steidzams pasūtījums	срочный заказ	kiirtellimus
S			
<i>Safe working load</i>	maksimālā krava	максимальный груз	maksimaalne lubatud koormus, kandevoime
<i>Safety stock</i>	rezerves krājumi	резервные запасы	reservvaru
<i>Schedule</i>	grafiks, kalendārais plāns	расписание, календарный план	sõiduplaan, veograafik
<i>Scheduled delivery</i>	ieplānota piegāde (grafikā)	запланированная доставка (по графику)	graafikujärgne tarne
<i>Seal</i>	plomba	пломба	plomm
<i>Seller</i>	pārdevējs	продавец	müüja
<i>Service</i>	pakalpojums	услуги	teenus
<i>Service parts (spare parts)</i>	rezerves daļas	запчасти	varuosad
<i>Ship</i>	kuģis	судно	alus, laev
<i>Shipment</i>	krava, sūtījums, pārvadājums	груз, партия, отгрузка, поставка, перевозка	saadetus
<i>Shipping agent</i>	ekspeditors	экспедитор	laevaagent, ekspederija
<i>Shipping documents</i>	pārvadājuma dokumenti	погрузочные документы	veodokumendid
<i>Shipping label</i>	kravas birka	грузовая бирка, ярлык	transpordimarkering

<i>Shipping note (S/N)</i>	pārvadājuma dokuments	погрузочный ордер	lastikiri
<i>Shortage</i>	iztrūkums	недостаток, нехватка	puudujääk
<i>Shuttle service</i>	atspoles pārvadājumi	челночные перевозки	regulaarne sūstikteenus kindla graafiku alusel
<i>Specification</i>	uzskaitījums, tehniskās prasības	перечень, технические требования	spetsifikatsioon
<i>Stock</i>	krājumi, preces	запасы товара, товары	varud
<i>Stock-taking</i>	inventarizācija	переучёт товаров	inventuur
<i>Store</i>	noliktava	склад	ladu
<i>Storage</i>	glabāšana	хранение	hoiustamine
<i>Supply chain</i>	loģistikas (piegādes) ķēde	логистическая цепочка	tarneahel
<i>Supplier</i>	piegādātājs	поставщик	tarnija
<i>Surcharge</i>	piemaksa	доплата	lisatsa
<i>Survey</i>	pārbaude, apsekošana	проверка, инспекция	uuring, inpektsioon
T			
<i>Tare (tare weight)</i>	tara, taras svars	тара, вес тары	taara, pakend (taara kaal)
<i>Tax</i>	nodoklis	налог, пошлина	maksud
<i>Tax declaration</i>	nodokļu deklarācija	налоговая декларация	maksudeklaratsioon
<i>Terms</i>	noteikumi	условия	tingimused

<i>Terms of delivery</i>	piegādes nosacījumi	условия поставки	tarnetingimused
<i>Terms of freight</i>	pārvadājuma nosacījumi	условия фрахта	veotingimused
<i>Terms of payment</i>	samaksas nosacījumi	условия оплаты	maksetingimused
<i>Through route</i>	tiešais reiss	прямой рейс	otsereis, vedu eri veoliinide vahel
<i>TIR carnet</i>	TIR karnete (starptautisks muitas tranzīta dokuments)	TIR карнет (международный таможенный транзитный документ)	TIR vihik
<i>Trade</i>	tirdzniecība	торговля	kaubandus
<i>Transaction</i>	darījums, pārvedums	сделка, перевод	tehing, ülekanne
<i>Transfer</i>	pārsūtīšana, pārvešana	передача, перевозка	siirdamine, üleandmine
<i>Truck</i>	kravas automašīna	грузовик	veok
V			
<i>Value</i>	izmaksa, vērtība	стоимость, цена	väärtus
<i>Vehicle</i>	satiksmes līdzeklis	транспортное средство	veovahend
<i>Voucher</i>	attaisnojošs dokuments, apliecība	свидетельство	voucher
W			
<i>Warrant</i>	pilnvara	доверенность	volitus
<i>Wholesale</i>	vairumtirdzniecība	оптовая торговля	hulgikaubandus

ABBREVIATIONS

A.F.B.	air freight bill
a.a.r.	against all risks
asap	as soon as possible
B/D	bank draft
B/E	bill of exchange
B/L	bill of lading
CAD	cash against documents
C.C.	charges collect
CFR	cost and freight
c.i.f.	cost, insurance, freight
CIP	carriage and insurance paid to
Co	company
COD	cash on delivery
COS	cash on shipment
C&F	Cost and freight
c.p.d.	charterer pays dues
CWO	Cash With Order
D/A	documents against acceptance
DAF	delivered at frontier
DDP	delivered duty paid
DDU	delivered duty unpaid
Dep.	departure
DEQ	delivered ex quay
DES	delivered ex ship
D/P	documents against payment
EC	European Community
ECB	European Central Bank
EEA	European Economic Area
EEC	European Economic Community
Encl., enc(s)	enclosure(s)
ETA	estimated time of arrival
EXW	ex works
EZC	European zone charge
FAS	free alongside ship
FCA	free carrier
FCR	forwarding agent's certificate of receipt
FCT	forwarding agent's certificate of transport
FOB	free on board

GATT	General Agreement on Tariffs and Trade
GmbH	limited liability company (Ger.)
FCL	Full container load
FIO	Free in and out
FOR	Free on rail
FOT	Free on truck
FPA	free from particular average
HAWB	House air waybill
HGV	heavy goods vehicle
HMS	Her Majesty's Ship
HP	hire purchase
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
ICC	International Chamber of Commerce
Incoterms	international commercial terms
IOU	"I owe you"
ISO	International Standards Organisation
L/C	letter of credit
LLC	limited liability company
m/d	month after date
MS	motor ship
m.v. (MV)	motor vessel
O/O	to the order of
Pc(s)	piece(s)
PIN	personal identity number
pd	paid
p.o.d.	paid on delivery
ppd	pre-paid
recd.	received
regd.	registered
R.O.G.	receipt of goods
SWIFT	Society for Worldwide Interbank Financial Telecommunication
T.T.	telegraphic transfer
TIR	transport international routier
WB (w/b)	waybill
WMS	warehouse management systems
WCS	warehouse control systems

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