

Chapter 1 A brief introduction to international trade

Section Three Forms of International Trade (国际贸易形式)

1 Merchandise Exports and Imports (商品进出口)

1) Exporting(商品出口)

(1) Direct exporting(直接出口)

(2) Indirect exporting(间接出口)

2) Importing (商品进口)

2 Service Exports and Imports (服务进出口)

1) Travel, Tourism, and Transportation (旅游业、交通运输业)

2) Performance of Activities Abroad (国外商务活动)

3) Use of Assets From Abroad (国外资产的运用)



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7 Visible and Invisible Trade (有形贸易和无形贸易)



1 Merchandise Exports and Imports

1) Exporting(商品出口)

Merchandise export are goods sent out of a country

(1) Direct exporting(直接出口)

Direct exporting involves establishing an export department or even an overseas sales branch.

(2) Indirect exporting(间接出口)

A company can also sell its products abroad indirectly through middlemen, commonly called export agents

2) Importing (商品进口)

Merchandise export are goods brought in.

2 Service Exports and Imports (服务进出口)

1) Travel, Tourism, and Transportation (旅游业、交通运输业)

Earnings from and payments for travel, tourism, and transportation

2) Performance of Activities Abroad (国外商务活动)

Fees are payments for the performance of certain activities abroad, such as banking, insurance, rental, engineering and management

3) Use of Assets From Abroad (国外资产的运用)

Royalties are the payment for using assets abroad, such as trademarks, patents and copyrights, etc.

3 Licensing (许可证贸易)

Licensing is a simple way for a manufacturer to become involved in market abroad. It can gain entry to a foreign market at little risk.

4 Trading Companies (贸易公司)

Trading companies are large international wholesalers, frequently larger and more powerful than the manufacturers they represent

5 Joint Ventures (合资企业)

Joint venture is a form of partnership, a pattern of business organization which can be adopted by every type of industrial co-operation.

6 Investment

1) Direct Investments (直接投资)

Direct investment takes place when control follows the investment

2) Portfolio Investments (间接投资)

Portfolio Investment can be either debt or equity, but the control does not follow the investment

7 Visible and Invisible Trade (有形贸易和无形贸易)

Visible Trade involves the importing and exporting of tangible goods.

Invisible Trade involves the service exchange between countries

Trade concepts

Balance of trade(贸易差额) is the difference between the monetary value of exports and imports in an economy over a certain period of time.

A favorable balance of trade (贸易顺差) is known as **trade surplus** ($\text{Exports} > \text{Imports}$), or excess of export over import.

An unfavorable balance of trade (贸易逆差) is known as **trade deficit** ($\text{Exports} < \text{Imports}$), or excess of import over export, or informally, a trade gap.

Main theories of international trade

The Mercantilism (16-18 century)

Main arguments of the Mercantilism are the prosperity of a nation depends primarily upon the possession of precious metals such as gold and silver, the volume of the world economy and international trade is unchangeable, and foreign trade is the real source of a nation's economic assets.

Therefore, to become wealthy and prevent pauperization, the best way is to encourage exports, but discourage imports through the erection of tariff barriers, keep positive trade balances, and control capital movement.





Main theories of international trade

Theory of Absolute advantage (绝对优势理论) Adam Smith (1723-1790)

Absolute advantage came from natural endowment or later favorable conditions of a state. Proper division of labor enhanced the labor productivity, and promoted the public wealth. Therefore, Adam Smith believed a country has an absolute advantage over another in producing a goods, if it can produce that goods using fewer resources than another country.



In economics, absolute advantage refers to the ability of a particular person or a country to produce particular goods with less resource than another person or country.

Part IV

IV. Main theories of international trade

The Comparative Cost Doctrine (the Comparative Advantage)

British economist David Ricardo(1772-1823)

Principles of comparative advantage argued for the first time that benefits from foreign trade was not limited to the availability of absolute advantage. What matters is not absolute cost, but the opportunity cost of production.

机会成本（Opportunity Cost,OC）是指为了实现某个目标而必须放弃的其他收益，又称为“替代性成本”，就是俗语的“有得必有失”



Part IV

IV. Main theories of international trade

The Comparative Cost Doctrine 比较成本理论 (the Comparative Advantage 比较优势理论)

According to the theory, a country should specialize in products and services in which it has a comparative advantage. It should trade with another country for products in which the other country has a comparative advantage. In this way both countries become better off and gain from division of labor and trade.



The Comparative Advantage refers to the ability of a person or a country to produce a particular good at a lower opportunity cost than another person or country.

- 大卫·李嘉图在其代表作《政治经济学及赋税原理》中提出了比较成本贸易理论（后人称为“比较优势贸易理论”）。比较优势理论认为，国际贸易的基础是生产技术的相对差别（而非绝对差别），以及由此产生的相对成本的差别。每个国家都应根据“两利相权取其重，两弊相权取其轻”的原则，集中生产并出口其具有“比较优势”的产品，进口其具有“比较劣势”的产品。比较优势贸易理论在更普遍的基础上解释了贸易产生的基础和贸易利得，大大发展了绝对优势贸易理论。

- 一国在两种商品生产上较之另一国均处于绝对劣势，但只要处于劣势的国家在两种商品生产上劣势的程度不同，处于优势的国家在两种商品生产上优势的程度不同，则处于劣势的国家在劣势较轻的商品生产方面具有比较优势，处于优势的国家则在优势较大的商品生产方面具有比较优势。两个国家分工专业化生产和出口其具有比较优势的商品，则两国都能从贸易中得到利益。

Main theories of international trade

The Heckscher-Ohlin Theory 赫克歇尔-俄林理论 (Factor Proportions Trade Theory 资源禀赋理论)

Factor Proportion Theory is most commonly known as the Heckscher-Ohlin Theory.

Main theories of international trade

The Heckscher-Ohlin Theory refers to the belief that a country should choose what to produce and trade on the basis of the relative scarcity of labor, land, and capital. Basically, on this view the relative scarcity of a factor or factors determines the comparative advantage of the country. According to Heckscher and Ohlin, a country can produce relatively more cheaply the commodity which uses relatively intensively (in the production process) (factor intensity) the factor with which the country is relatively abundantly endowed (factor abundance). So the H-O theory predicts the pattern of trade between countries based on the characteristics of the countries. A capital-abundant country will export the capital-intensive goods while the labor-abundant country will export the labor-intensive goods.



Main theories of international trade

USA is a country which is capital-abundant while relatively scarce in labor. According to the Heckscher-Ohlin theory, USA should export the capital-intensive commodity while import labor-intensive commodity.



Main theories of international trade

- 在要素的供求决定要素价格的关系中，要素供给是主要的。在各国要素需求一定的情况下，各国不同的要素禀赋对要素相对价格产生不同的影响：相对供给较充裕的要素的相对价格较低，而相对供给较稀缺的要素的相对价格较高。因此，国家间要素相对价格差异是由要素相对供给或供给比例不同决定的。
- 一个国家生产和出口那些大量使用本国供给丰富的生产要素的产品，价格就低，因而有比较优势；相反，生产那些需大量使用本国稀缺的生产要素的产品，价格便贵，出口就不利。各国应尽可能利用供给丰富、价格便宜的生产要素，生产廉价产品输出，以交换别国价廉物美的商品。

