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**АНГЛИЙСКИЙ ЯЗЫК**  
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## **Unit 1**

### **Globalization and international logistics.**

#### **EX.1. Read and translate the following text.**

#### **Globalization and international logistics.**

The current logistics operations, due to overall globalization of economy have become multi-dimensional and multi-faceted with a tendency to cross state borders. Managing such logistics needs to be focused on the integration of internationally dispersed activities and the units that are responsible for their implementation. The areas, which determine the efficiency of international logistics, are processes taking place within operational, marketing and financial operations that result from the costs of logistics and information.

The social, economic, technical and political-legislative forces of globalization influence all fields of enterprise functions, including the growth in the complexity of managing the supply chain.

Globalization is (among other things):

- Contrast, meaning - on one hand - the desire to integrate, on the other - to differentiate (integration manifests itself in merging, collaboration and cooperation of various economic entities, differentiation is mainly the diversified economic development of respective countries);
- Selectiveness manifesting itself in the fact that mainly the developed countries are involved in globalization, and some with middle GDP income;
- Polarization – visible in the division of the world into the rich and developed part, and the predominant part that is poor and not much developed;
- Development and liberalization of international trade;
- Marketing of the economies, the liberalization and privatization;
- Freedom of capital flow;
- Integration of financial markets;
- Standardization and internationalization of production, services and finance;
- The increasing role of international organizations and groups.

Globalization and internationalization are now such common phenomena that increasingly more often, when using the notion of a market, we mean the entire world, not just one particular economy. Today, the real test of company management efficiency, for many businesses, is the ability to develop and implement an effective

global strategy. Many factors push companies around the world towards globalization, understood as expansion into foreign markets. At the time when the company is transformed successively from the local (national) into an international one, and then a global one, it begins for instance, to import materials and components from around the world, manufactures its products in any country, and sells them on many markets, making certain amendments where necessary, to match the product to the local requirements.

The period of globalization, which began to grow in strength in the second half of the twentieth century, characterized by the largest wave of mergers and takeovers, strategic alliances and the growth of partner business network that included international organizations. The synergy of joint companies led to improved business outcome, the example of which can be the combination of the reputation of the German group Volkswagen and the brand of Skoda in the Czech Republic, which had a positive impact on the latter. Similarly, the use of knowledge, skills and technology has enabled Volkswagen to raise productivity and improve product quality. In the markets of Europe (including Poland), China, India, the best-selling cars in the past few years are those produced in the Czech brand Skoda.

Thus, we may say that globalization of a given enterprise means the integration of operations that are internationally dispersed and the units that represent them; this becomes an implication for partnerships, including those regarding logistics activity in the global supply chain.

The global supply chain management is about combining all operations performed by all the links in order to transform raw materials and semi-finished goods into finished products, delivering them to the customers worldwide, along with appropriate service.

The logistics processes carried out within the supply chain show a common tendency to cross national borders, which entails significant modifications of the relationships that occur within, e.g.

- expansion of mutual relations via tighter links within the information systems used by consignors and carriers of goods, customs offices and agencies;
- increasing emphasis on the need for constant monitoring of international flows of products in order to secure import supplies;
- increasing the efficiency requirements for the links in order to provide deliveries for the markets located in the remote parts of the world.

The global economy leaders are those companies which are targeted at the needs of their “global” clients. For these customers, the goal of purchase are the products which seem ideal in terms of their quality, technology or functionality, and which may be acquired at the lowest possible prices at the most convenient place and time.

These needs are to be met by the strategies of the global companies that design and later produce global products, using the achievements of interdisciplinary technologies, i.e. communication, automation, robotics, flexible manufacturing systems, material engineering (especially using nanomaterials), micro-electronics, information technology. Corporate companies reach their potential customers all over the world with information on their products or services, via global promotion actions; they build worldwide networks of production and distribution, as well as logistics systems allowing for these products to physically reach their consumers and users in every corner of the world.

**EX.2. Answer the following questions.**

1. Why have the current logistics operations become multi-dimensional and multi-faceted with a tendency to cross state-borders?
2. Do the social, economic, technical and political-legislative forces of globalization influence all fields of enterprise functions, including the growth in the complexity of managing the supply chain?
3. When did globalization begin to grow?
4. What do the logistics processes show?
5. Is global supply chain management about combining all operations performed by all the links in order to transform raw materials and semi-finished goods into finished products, delivering them to the customers worldwide?
6. Say in your own words. What does globalization mean?

**EX.3. Decide whether the following statements are TRUE or FALSE.**

1. The current logistics operations, due to overall globalization of economy have not become multi-dimensional and multi-faceted with a tendency to cross state borders. Managing such logistics needs to be focused on the integration of internationally dispersed activities and the units that are responsible for their implementation. \_\_\_\_
2. The social, economic, technical and political-legislative forces of globalization influence all fields of enterprise functions, including the growth in the complexity of managing the supply chain. \_\_\_\_
3. Globalization and internationalization are not now such common phenomena that increasingly more often, when using the notion of a market, we mean the entire world, not just one particular economy. \_\_\_\_
4. Many factors push companies around the world towards globalization, understood as expansion into foreign markets. \_\_\_\_
5. The period of globalization, which began to grow in strength in the second half of the twentieth century, did not characterize by the largest wave of mergers and takeovers, strategic alliances and the growth of partner business network that included international organizations. \_\_\_\_

6. Globalization of a given enterprise means the integration of operations that are internationally dispersed and the units that represent them; this becomes an implication for partnerships, including those regarding logistics activity in the global supply chain.\_\_\_\_
7. The global supply chain management is not about combining all operations performed by all the links in order to transform raw materials and semi-finished goods into finished products, delivering them to the customers worldwide, along with appropriate service.\_\_\_\_

#### **EX.4. Read and translate the following text.**

### **THE 5 BIGGEST PROBLEMS OF GLOBAL LOGISTICS**

Global logistics is such a diverse topic that it is almost impossible to narrow down the possible issues into five. However below issues are the most common ones.

The era of one fits all types of services providing has ended. Nowadays, logistics solutions must be tailored to each customer. Full transparency of orders, visibility from raw material stage to final goods sale, and reverse logistics have almost become standard for some commodity groups. With too many variables in global logistics and many different parties getting involved, keeping above level of service might be challenging at times.

The situation in the US West Coast ports over the past 10 months has been nightmare for all parties involved, due to the work slowdowns. Vessels that usually takes about two weeks to arrive from Asia wouldn't discharge for almost a month. At some point, the average container pick up time from the terminal was 15 days. This is just one small example of how it becomes more and more challenging to keep on time delivery rates high. A strike in India, war risk in Middle East, piracy in Somalia and even Chinese New Year Holiday are all contributing factors to this problem one way or another. As we become more and more interconnected, we will see these problems will increase in the future

In the age of mega alliances, one major problem stands out: the infrastructure. With thousands of vessels already serving the major trade lanes around the globe, the problem of lack of infrastructure has become clearer recently. Most of the terminals are still trying to complete their set up to accept such large vessels and service them. This is causing congestion problems at some terminals. Also Panama Canal expansion is still underway and although it's expected to be completed by next year, we will still see some issues in the beginning. Although cost effective, less carbon emission and makes more economical sense for the steam ship lines. Without the infrastructure to accommodate these vessels, we will see the congestion issues to continue.

Infrastructure problems, especially in developing countries, pose a serious problem in general. The container handling from Asia to US increased from

115.7million tons to 405 million tons between years 2000 and 2014. This increase is expected to continue in the coming years, especially after the free trade agreements being worked on are put into effect. Although the most sophisticated one, China is still struggling with keeping up the increased demand. Indian road conditions, south east Asian weather related problems, are all contributing to Infrastructure problems.

Overcapacity in ocean shipping and tightening capacity in domestic shipping in the US are both affecting the logistics world in a different way. Various studies were conducted by Drewry and Alphaliner. They found that freight rates are on continuous pressure due to large vessel deliveries. Lack of demand and oversupply was one of the biggest problems in the past few years. The three largest container carriers — Maersk, MSC and CMA CGM — have on order capacity equal to 15.6 percent of their current combined fleet; the next 18 largest carriers have orders equal to 19.8 percent of their existing fleet.

East coast shipments from Asia are still under space pressure which has driven the rates to the highest levels in years, however overcapacity for west coast still remains as an issue. When it comes to domestics shipping, there is tightening capacity problems. As per the latest study, there are around 30,000 trucker shortages in the US. The industry is almost at 100-percent active truck utilization. This is driving the trucking rates higher. Also, the aging workforce, increased regulations and increased cost pressure are negatively affecting the flow of cargo domestically. The recent port congestion in west coast and harsh winter conditions in the past few years in east and Midwest of the US have made everything worse.

Security is growing concern in logistics industry due to goods are being passed from provider to provider. Shippers book the cargo with local truckers in origin, who deliveries the cargo to local warehouse for handling. The warehouses then load the cargo to trucks which deliver the containers to ports. When the shipment arrives to its final destination, it has passed through seven or eight different sets of hands. Unless everyone involved in this process does their due diligence, security becomes a problem. When any party (from shippers to local warehouses to truckers that handle the deliveries) breaks the procedures, it is only a matter of time before something seriously negative will happen. It is important to work with service providers that have secure supply chain processes, that have security places in place and that participate government security programs such as C-TPAT or AEO.

Other than above, lack of talent, pricing pressures, and difficulty in forecasting due to global economic changes can be also considered as general problems.

**EX.5. Decide whether the following statements are TRUE or FALSE.**

1. The era of one fits all type of service providing has ended.\_\_\_\_
2. The situation in the US West Coast ports over the past 10 months has not been nightmare for all parties involved, due to the work slowdowns.\_\_\_\_



3. With thousands of vessels already serving the major trade lanes around the globe, the problem of lack of infrastructure has not become clearer recently.\_\_\_\_
4. Infrastructure problems, especially in developing countries, do not pose a serious problem in general.\_\_\_\_\_
5. Also, the aging workforce, decreased regulations and decreased cost pressure are negatively affecting the flow of cargo domestically.\_\_\_\_\_
6. Security is growing concern in logistics industry due to goods are being passed from provider to provider.\_\_\_\_
7. The warehouses load the cargo to trucks which deliver the containers to ports.\_\_\_\_

**EX.6. Put 5 questions on the text: Yes/No question, tag- question, alternative question, wh-question, a question to the subject.**

**EX.7. Read and translate the following text.**

### **Top 6 Global Logistics Technology Trends in 2021**

Improving mobility and productivity is a goal for almost all logistic companies in the last few years. This target can be achieved with innovative decisions and complicated approach.

The logistics market was one of the most impacted markets in the pandemic. More and more self-isolated people started to buy products online, and the retail industry needed to upgrade all the welfares.

The transportation trends in 2021 were formed mostly by the necessity to deliver more products in less time, often with closed borders. Moreover, innovation technologies guide the changes in logistics in the upcoming year.

The transportation industry is working mostly with e-commerce. It is one of the most rapidly growing markets in the world economy. According to analysis, the logistic market will be expanding to more than \$12 trillion by 2023. Next year, we will see the continuous growth of using artificial intelligence (AI), machine learning and data science in transportation.

#### **Trend 1: Blockchain**

Blockchain is a largely growing technology in the last few years. It depends not only on market development, but often on influencers using the technology—the success of using it in all world markets is in safety and transparency.

For example, the vendor is protected by implementing the technology for the certainty of performance history records. As the information of using blockchain transactions is clear, all the next clients will have reliable data about trucks. Also, block chain technology is used for the capacity monitoring of transportation.

This transport industry trend already has a successful use in Dutch companies—the technology helps prevent documentation fraud and goods' heist.

#### Trend 2: Big data analytics

In 2021, businesses more often use big data analysis to form a new transportation system. All the logistics statistics are essential for planning future deliveries and understanding what goods are needed for the market.

The question is in using technology for evaluating the collection of data. It became possible with innovative software and in-deep understanding of the goals of the company. Transport industry analysis is required for the prosperous economy planning and requested in most logistic companies in the next few years.

#### Trend 3: Artificial intelligence

AI already impacted the transportation sector in the last decade. Using AI helps improve the operation's functionality, find the possible problem and propose the decision. New transport technology in implementing AI was influential in the pandemic, as many people in management positions started to work remotely.

According to the research, using AI in logistics can increase companies' gain more than 50% a year. Big companies raise the investments in AI technologies for saving money and time in the future.

#### Trend 4: Automating warehouses

Transportation industry trends in 2021 are mostly focusing on the automatization of the manual workforce. Many logistic companies see almost all their problems in automating and using robots for efficient warehouses. The goal of such a decision is to make routine work cheaper and more comfortable for the business. It is also usually used to improve monitoring, receiving and dispatching products in the warehouse.

In some companies, using robots to manage the freight helped reduce the time they usually spend on this work twice. In Germany, DHL builds more than 100 automated parcel-delivery bases to save time for manual handling sorting. It can illustrate the successful integration of the automatization technology in warehouses. At the same time, this trend became essential for the whole logistic market.

#### Trend 5: Autonomous vehicles

Trends in transportation also affect the use of autonomous vehicles for delivery. A few years ago, this trend was more unreal for almost every manufacturer. Only a few giant companies were investing in autonomous transportation of goods. Self-driving trucks can relieve drivers' work in the future and be efficient in operating on busy roads to predict and analyze traffic.

This technology became real and provided safe and delivery. It became actual in pandemic time. The coronavirus crisis pushes the development of new products and software in innovative autonomous vehicles.

#### Trend 6: Sustainability through technology

Transportation market trends for 2021 is also based on world economic trends. More and more people will choose a company with an eco-friendly reputation. It means that companies will invest more in emission reduction and decreasing environmental risk. As a result, eco-technology innovation will influence the logistic market.

Involvement in the climate changes problems and working on the Paris Agreement's aim defines the business's social responsibility and advocacy.

Transport industry statistics argue the rising investments into innovation. Distribution businesses need new logistic solutions for the unique challenges we have in the pandemic time.

Improving mobility and productivity is a goal for almost all logistic companies in the last few years. This target can be achieved with innovative decisions and complicated approach.

#### **EX.8. Decide whether the following statements are TRUE or FALSE.**

1. Improving mobility and productivity is a goal for almost all logistic companies in the last few years \_\_\_\_
2. The logistics market was not one of the most impacted markets in the pandemic.\_\_\_\_
3. The transportation trends in 2021 were formed mostly by the necessity to deliver less products in less time, often with closed borders.\_\_\_\_
4. The transportation industry is working mostly with e-commerce. It is one of the most slowly growing markets in the world economy. According to analysis, the logistic market will be expanding to more than \$12 trillion by 2023.\_\_\_\_
5. Blockchain is a largely growing technology in the last few years.\_\_\_\_
6. In 2021, businesses more often use big data analysis to form a new transportation system.\_\_\_\_
7. AI did not impact the transportation sector in the last decade.\_\_\_\_

#### **EX.9. Translate the following sentences from Russian into English.**

1. Улучшение мобильности и продуктивности является целью почти всех логистических компаний в последние годы.
2. Индустрия перевозок работала, в основном, с интернет-торговлей. Это один из самых быстро растущих рынков мировой экономики.

3. В 2021 году бизнес более часто использует анализ большого количества данных для создания новых транспортных систем. Вся логистическая статистика важна для планирования доставок и понимания того, какие товары необходимы для рынка.
4. Использование искусственного интеллекта в логистике может увеличить прибыль компании более чем, на 50% в год. Большие компании инвестируют в искусственный интеллект для экономии денег и времени в будущем.
5. В 2021 году тенденции на рынке перевозок также основаны на тенденциях мировой экономики. Все больше и больше людей выбирают компании с экологически чистой репутацией. А это означает, что компании будут больше инвестировать в сокращение вредных выбросов и уменьшение экологических рисков.

**Grammar revision: The Present Simple and the Present Continuous tenses.**

**1. Complete the sentences with a verb from the list.**

start starts work works is are specialize specializes have has

1. The company has three subsidiaries in the Far East.
2. She \_\_\_\_\_ in Manchester today.
3. We \_\_\_\_\_ in the advertising of children's toys.
4. The meeting always \_\_\_\_\_ at 2.30 p.m.
5. She \_\_\_\_\_ for an engineering company.
6. They usually \_\_\_\_\_ work at about 7.00 a.m.
7. I \_\_\_\_\_ one office in Paris and another in Buenos Aires.
8. He's a lawyer. He \_\_\_\_\_ in company law.
9. Most of our competitors \_\_\_\_\_ in Europe.
10. I \_\_\_\_\_ in sales.

**2. Choose the correct word or phrases in *italics*, then match the questions to answer 1-10 in 1.**

- a. What *do / does* you specialize in? \_\_\_
- b. Who *do / does* your wife work for? \_\_\_
- c. *Have you / Do you have* an office in Paris? \_\_\_
- d. Where *be / is* she? \_\_\_
- e. What *do / does* you do? \_\_\_

- f. Who *do be/ are* your competitors? \_\_\_
- g. Where *has / does* the company have subsidiaries? \_\_\_
- h. Where do they *start/ starts* work? \_\_\_
- i. What time *do/ does* the meeting start? \_\_\_
- j. What *is / does* he do? \_\_\_

**3. Complete the missing word. The last letter of each word is given.**

1. A. \_\_\_ your Hade Office in London?  
B. No, our company \_\_\_'t British. It's American.
2. I'm sorry, but we \_\_\_\_\_'t have a sales office in the Middle East.
3. What sort of products \_\_\_\_\_s your company sell?
4. A. He \_\_\_\_\_'t work in Munich any more.  
B. Relly. So why \_\_\_\_\_she have a flat there?
5. They \_\_\_\_\_'t in the company today. They're on a business trip.
6. I \_\_\_\_\_'t know how many employees they have.

**4. Make these sentences negative and interrogative.**

1. We always have a team meeting on Monday morning.
2. He frequently has lunch in the staff restaurant.
3. Once or twice a month she has lunch with clients.
4. Most Friday afternoons, we finish work at 4.00 p.m.
5. I only work on Sundays two or three times a year.
6. He works on Sundays this is a personal rule of his.
7. Globalization and internationalization are now such common phenomena that increasingly more often, when using the notion of a market, we mean the entire world, not just one particular economy.
8. The social, economic, technical and political-legislative forces of globalization influence all fields of enterprise functions, including the growth in the complexity of managing the supply chain.

## Unit 2

### ICC. Incoterms

**Ex.1. Read and translate the following text.**

#### **The International Chamber of Commerce**

By WILL KENTON Updated May 2, 2021

What Is the International Chamber of Commerce. (ICC)?

The International Chamber of Commerce is the largest, most diverse business organization in the world. The ICC has hundreds of thousands of member companies from more than 100 countries with broad business interests.

The ICC's vast networks of committees and experts belong to all sectors and keep members fully informed of all issues that affect their industries. They also maintain contact with the United Nations, the World Trade Organization, and other intergovernmental agencies.

#### KEY TAKEAWAYS

- The International Chamber of Commerce (ICC) is the largest business organization in the world, with hundreds of thousands of member companies from more than 100 countries.
- The International Chamber of Commerce (ICC) aims to foster international trade and commerce to promote and protect open markets for goods and services and the free flow of capital.
- The three primary activities that the ICC performs are the establishment of rules, dispute resolution, and policy advocacy.
- The ICC's vast networks of committees and experts belong to all sectors and keep members fully informed of all issues that affect their industries.
- The ICC maintains contact with the United Nations, the World Trade Organization, and other intergovernmental agencies.

The ICC aims to foster international trade and commerce to promote and protect open markets for goods and services and the free flow of capital. The ICC performs three primary activities: the establishment of rules, dispute resolution, and policy advocacy. The ICC also wages war on commercial crime and corruption to bolster economic growth, create jobs and stabilize employment, and ensure overall economic prosperity.

Because members of the ICC and their associates engage in international business, the ICC has unparalleled authority in setting rules that govern cross-border business. While these rules are voluntary, thousands of daily transactions abide by the ICC-established rules as part of regular international trade.

The ICC was founded in Paris, France in 1919. The organization's international secretariat was also established in Paris, and its International Court of Arbitration was formed in 1923. The first chair of the chamber was Etienne Clementel, the early-20th-century French politician.<sup>1</sup>

There are four primary governing bodies of the ICC. The lead governing body is the World Council, which is composed of national committee representatives. The highest officers of the ICC, the chair, and vice-chair are elected by the World Council every two years.

The executive board provides strategic direction for the ICC. The board is elected by the World Council and is comprised of 30 business leaders and ex-officio members. The executive board's prominent duties are the development of ICC strategies and policy implementation.

The international secretariat is the operational arm of the ICC and is responsible for developing and implementing the ICC's work program and introducing business perspectives to intergovernmental organizations. The secretary-general, who is appointed by the World Council, oversees this governing body.

The finance committee acts as an advisor to the executive board on all financial aspects. This committee prepares the budget on behalf of the board, submits regular reports, reviews the financial implications of ICC activities, and oversees all expenses and revenue flow.

## **Ex.2. Answer the following questions.**

1. What is the International Chamber of Commerce?
2. How many member companies are there in the ICC?
3. What is the aim of the ICC?
4. Does the ICC have unparalleled authority in setting rules that govern cross-border business?
5. When and where was the ICC founded?
6. How many governing bodies does the ICC have?
7. The executive board provides strategic direction for the ICC, doesn't it?
8. What is the international secretariat of the ICC responsible for?
9. Does the finance committee act as an advisor to the executive board on all financial aspects?

### **Ex 3. Read and translate the following text.**

#### **INCOTERMS**

Anyone who has experience in the field of international freight shipping is probably already familiar with the different types of incoterms. But what are the updated incoterms for 2020? What are they used for? What in fact is defined as an incoterm? Incoterms, short for International Commerce Terms, is a series of terms created by the International Chamber of Commerce to define:

- How will the cargo be picked up, when and where?
- The type of transportation.
- Who assumes the risks and costs of transport, including transportation costs, loading and unloading of the cargo and insurance.
- Who should pay for the import or export duties?

Even though the usage of Incoterms is not mandatory, they help to create a trade contract based on standardized rules, between sellers, buyers and freight forwarders in international shipments. They were created in 1936 and have been updated many times throughout the following years. Incoterms are generally updated every 10 years to accommodate the needs and features of the logistics industry, so it is important to keep up with the changes and make sure you are using the correct version. The latest update is called Incoterms 2020 and will be on full use from 2020 onwards.

Multimodal incoterms are used when writing a contract or agreement for rail, road or air cargo shipping. Sea freight/ inland waterway is reserved for the transportation of goods and cargo in vessels. Because the nature of water transport is sometimes different, there are some extra incoterms created specifically for that mode of transport. Incoterms were created to establish an international set of rules and regulations that would have the same purpose and meaning in every country. Even though one party could issue a contract for international trade without using incoterms, some terms can have a clear meaning in one country but mean something else in another. Furthermore, incoterms are not translated, so the risks of misunderstanding and translation errors are minimized. When preparing a shipment, you must always include incoterms. Both parties should agree beforehand on which Incoterms will be included and how to best establish the obligations and responsibilities of each. We hope this overview on the newly updated incoterms for 2020 will be helpful for you in your present of future freight shipping operations. We know that keeping up with the latest Incoterms is very important for many sellers and service providers and here, at Eurosender, we strive to keep up with the latest developments in the logistics industry. The Incoterms® rules are the world's essential terms of trade for the sale of goods. Whether you are filing a purchase order, packaging and labelling a shipment for freight transport, or preparing a certificate of



origin at a port, the Incoterms® rules are there to guide you. The Incoterms® rules provide specific guidance to individuals participating in the import and export of global trade on a daily basis. Since its founding in 1919, ICC has been committed to the facilitation of international trade. Different practices and legal interpretations between traders around the world necessitated a common set of rules and guidelines. As a response, ICC published the first Incoterms® rules in 1936. We have been maintaining and developing them ever since. Although other clauses for global trade exist around the world, such as the Harmonised Tariff Schedule of the United States, Incoterms® rules are global in their reach. Similarly, Incoterms® rules do not include trade terms codified for national purposes, such as the “less than truckload shipping” (LTL) rule of the United States. Unlike national trade policies, Incoterms® rules are universal, providing clarity and predictability to business. “Incoterms®” is an acronym standing for international commercial terms. “Incoterms®” is a trademark of International Chamber of Commerce, registered in several countries. The Incoterms® rules feature abbreviations for terms, like FOB (“Free on Board”), DAP (“Delivered at Place”) EXW (“Ex Works”), CIP (“Carriage and Insurance Paid To”), which all have very precise meanings for the sale of goods around the world. These terms hold universal meaning for buyers and sellers around the world. If you are a financial analyst in the City of London, then you might associate the acronym “FCA” with the United Kingdom’s Financial Conduct Authority. However, for importers and exporters around the world, FCA are the initials used for “Free Carrier,” or the seller’s obligation to deliver the goods to the carrier nominated by the buyer at the seller’s premises or another named place. Incoterms were last updated in 2019. The ICC issued the list of updated Incoterms to be used from 2020 onwards. When using Incoterms to organize a freight shipment you must always indicate that you are using them and which version. The newly updated incoterms for 2020 will be implemented for every contract signed including and after January 1<sup>st</sup>, 2020.

The new updated Incoterms 2020 are as follows:

### **Multimodal incoterms: for every type of transport**

**EXW: EX-WORKS:** The seller is only responsible for making the goods available at the designated location (normally the seller’s warehouse or depot) properly packed. It is the buyer’s responsibility to clear the goods for export and arranging the pickup and transport from that moment on. The seller may also need to provide assistance during the clearance processes.

**FCA: FREE CARRIER:** The seller is responsible for making the goods available at their own premises, already cleared for export, and loading the goods on the chosen means of transport. A variation of this term happens if the seller is responsible for making the goods available in a place other than its own premises. In

this case, it is the importer's responsibility to unload the goods and load them in their chosen carrier.

**CPT: CARRIAGE PAID TO:** the seller delivers the goods to the carrier and is responsible for paying the freight charges. The seller's responsibility ends when the goods are passed on to the freight forwarder and from that moment on the buyer assumes all the risks.

**CIP: CARRIAGE AND INSURANCE PAID TO (x):** The seller delivers the goods to a carrier and is responsible for paying the freight and insurance coverage (at least 110% of the goods).

**DPU: DELIVERED PLACE UNLOADED:** The goods are the seller's responsibility until they are delivered to their address of the destination. It is the seller's responsibility to unload them. After that moment the buyer is responsible for them. Before the new incoterms 2020 were published this was known as DAT/DELIVERED AT TERMINAL/.

**DAP: DELIVERED AT PLACE:** The seller is responsible for the goods until after they are unloaded at the place of delivery. I.e. it is the seller's responsibility unloading the goods. In both cases, customs are paid by the buyer. The buyer is responsible for paying customs clearance or import duties, whereas the seller assumes all costs and risks until the load reaches the delivery location.

**DDP: DELIVERED DUTY PAID:** the seller delivers the goods to the buyer, ready for unloading, with all the customs, taxes and import duties paid. The buyer is solely responsible for unloading the goods upon arrival.

#### **Incoterms used for sea/inland waterway transport:**

**FAS: FREE ALONGSIDE SHIP:** the seller delivers the good, properly packed and cleared for export to the selected loading port and leaves them beside the selected vessel. The buyer is responsible for loading the goods.

**FOB: FREE ON BOARD:** the seller delivers the goods, properly packed and cleared for export to the port of export and loads them on to the selected vessel. From then on, the buyer is responsible for the cargo, freight costs, insurance and any other fees.

**CFR: COST AND FREIGHT:** the seller delivers the goods properly packaged and cleared for export and loads them on the selected vessel. Although the seller must pay for the carriage charges until the destination port (but not till the final delivery address), once the goods are loaded, they are the buyer's responsibility.

**CIF: COST INSURANCE AND FREIGHT:** the seller delivers the goods safely and properly packaged to the vessel at the export port. The goods have been cleared for export and the seller pays for the freight transport to the destination port as well as for minimum insurance, however, the responsibility passes on to the buyer once the goods are loaded on the vessel. The seller is also responsible for issuing and passing on to the buyer the required documents for the shipment (including but not limited to: invoice, insurance and B/L).

**Ex.4. Answer the following questions.**

1. What are Incoterms?
2. What different types of Incoterms are there?
3. Why were incoterms created ?
4. Why are they so important?
5. How should we use incoterms?
6. What are the Incoterms® rules?
7. Who publishes the Incoterms® rules?
8. Why do we use the Incoterms® rules in international trade?
9. What does “Incoterms®” stand for?
10. When were Incoterms last updated?

**Ex.5. Decide whether the following statements are TRUE or FALSE.**

1. **EXW: EX-WORKS:** The seller is responsible for making the goods available at their own premises, already cleared for export, and loading the goods on the chosen means of transport. A variation of this term happens if the seller is responsible for making the goods available in a place other than its own premises. In this case, it is the importer’s responsibility to unload the goods and load them in their chosen carrier.

2. **FCA: FREE CARRIER:** The seller is only responsible for making the goods available at the designated location (normally the seller’s warehouse or depot) properly packed. It is the buyer’s responsibility to clear the goods for export and arranging the pickup and transport from that moment on. The seller may also need to provide assistance during the clearance processes.

3. **CIF: COST INSURANCE AND FREIGHT:** the seller delivers the goods safely and properly packaged to the vessel at the export port. The goods have been cleared for export and the seller pays for the freight transport to the destination port as well as for minimum insurance, however, the responsibility passes on to the buyer

once the goods are loaded on the vessel. The seller is also responsible for issuing and passing on to the buyer the required documents for the shipment (including but not limited to: invoice, insurance and B/L).

4. **CPT: CARRIAGE PAID TO:** the seller delivers the goods to the carrier and is responsible for paying the freight charges. The seller's responsibility ends when the goods are passed on to the freight forwarder and from that moment on the buyer assumes all the risks.

5. **CIP: CARRIAGE AND INSURANCE PAID TO (x):** The seller delivers the goods to a carrier and is responsible for paying the freight and insurance coverage (at least 110% of the goods).

6. **DPU: DELIVERED PLACE UNLOADED:** The seller is responsible for the goods until after they are unloaded at the place of delivery. I.e. it is the seller's responsibility unloading the goods. In both cases, customs are paid by the buyer. The buyer is responsible for paying customs clearance or import duties, whereas the seller assumes all costs and risks until the load reaches the delivery location.

7. **DAP: DELIVERED AT PLACE:** The goods are the seller's responsibility until they are delivered to their address of the destination. It is the seller's responsibility to unload them. After that moment the buyer is responsible for them. Before the new incoterms 2020 were published this was known as DAT/DELIVERED AT TERMINAL/.

8. **FOB: FREE ON BOARD:** the seller delivers the goods, properly packed and cleared for export to the port of export and loads them on to the selected vessel. From then on, the buyer is responsible for the cargo, freight costs, insurance and any other fees.

9. **CFR: COST AND FREIGHT:** the seller delivers the goods properly packaged and cleared for export and loads them on the selected vessel. Although the seller must pay for the carriage charges until the destination port (but not till the final delivery address), once the goods are loaded, they are the buyer's responsibility

**Ex.6. Make up sentences with the word combinations given below. Use the Present Simple Tense and the Present Perfect Tense.**

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, in make international trade easier, to deal with various documentation.

## GRAMMAR REVISION: The Present Perfect Tense and The Present Perfect Continuous Tense.

### Ex.1. Complete the text with the Present Perfect form of the verbs in brackets.

This month \_\_\_\_\_ /be/ very good for me. Three more members of my team \_\_\_\_\_ /tell/ me that they are leaving the company. Two of them \_\_\_\_\_ /not find/ another job yet, but they say that the pressure of work \_\_\_\_\_ /become/ too much for them. It's true that there \_\_\_\_\_ /be/ a big increase in their work this year because two other customer service assistants \_\_\_\_\_ /already/leave/ the department and we \_\_\_\_\_ /not/ recruit/ anybody to replace them. I \_\_\_\_\_ /ask/ my boss several times if we can employ some new people for the team, but each time he \_\_\_\_\_ /say/ that we need to reduce our salary costs. But I know we \_\_\_\_\_ /lose/ some business because we \_\_\_\_\_ /not/have/ enough people to deal with customer calls. The situation can't continue like this. I \_\_\_\_\_ /not/make/ a final decision on this yet, but I'm thinking of leaving the company myself.

### Ex.2. Choose the correct answer to complete questions 1-8. Then match them with responses a-h.

1. Did you read / Have you read that article about e-recruitment last week?
  2. Did you see / Have you seen the new Dali exhibition yet?
  3. Have you ever / Did you yet applied for a job online?
  4. Have you had / Did you have any work experience when you joined the this company?
  5. Has / Have she made many calls today?
  6. Have/ Did all the candidates come for the interview yesterday?
  7. Have received / Did you receive a bonus in last six months?
  8. Have you learnt/ Did you learn a lot in your last job?
- 
- a. No, never.
  - b. No, I haven't . Our results haven't been very good.
  - c. Just one or two this morning.
  - d. Yes, I did. I did several jobs when I was a student.
  - e. No, I didn't. I didn't have much responsibility, so it was very boring.
  - f. Yes, it was very well-written.
  - g. Just one person wasn't there.
  - h. No, I haven't had time.

**Ex.3. Complete this conversation between a policeman and the owner of a small company with the Present Perfect or Present Perfect Continuous form of the verbs given in brackets.**

**Policeman** So, how long \_\_\_\_\_/be/ here this morning?

**Owner** For about two hours. I think the alarm \_\_\_\_\_/ring/ all night.

**Policeman** Why \_\_\_\_\_ you \_\_\_\_\_/not/switch/ it off yet?

**Owner** Sorry, I \_\_\_\_\_/look/ for the special PIN number to switch it off, but I can't find it. Anyway, I \_\_\_\_\_ /just / call/ the manufacturer and they \_\_\_\_\_/send/ someone out. He should be here any moment.

**Policeman** Good. \_\_\_\_\_ anything \_\_\_\_\_ steal?

**Owner** No, I don't think so.

**Policeman** \_\_\_\_\_ you \_\_\_\_\_/have/ any problems with the alarm recently?

**Owner** No, not really, but it is a bit old and we \_\_\_\_\_/talk/ about changing the security system for a while.

**Policeman** That sounds like a good idea.

**Ex.4. Make up 5 sentences using the Present Perfect Tense and 5 sentences using the Present Perfect Continuous Tense.**

**Ex.5. Put the verbs in brackets in to the Present Continuous, the Present Perfect or the Present Perfect Continuous.**

1. A: What you \_\_\_\_\_/ look/ for?

B: We /look/ \_\_\_\_\_ for school things. We (not/).....everything yet.

A: I (buy) .....everything.

2. A: What you (do) ....., Jane?

B: I (read) .....

A: But it (be) ..... Late. What you (read).....All this time.

3. A: Where (be) ..... John?  
 B: He (work) ..... in the garden.  
 A: He must be too tired. He (work)..... there all day.
4. A: Who you (wait) ..... for?  
 B: I (wait).....for Jack. I (wait) .....for him since 11 o'clock.
5. A: They (stand).....there for the last 20 minutes.  
 B: What they (talk).....about all this time?
6. A: What you (think).....of?  
 B: I (think).....of our journey.
7. A: The girls (sing).....in the sitting-room.  
 B: They (sing).....since I (walk).....in.

### UNIT 3

#### AIR TRANSPORTATION.

**Ex.1. Rea and translate the following text.**

#### **Air freight transportation**

There are only 3 modes of transportation: land, sea, and air. Sea freight consists of the bulk of global trade transportation, land transportation is predominantly used for cross border and last-mile transportation. Airfreight is a transportation service that can be complex, fast-paced and exciting. Air Freight transportation is for cargoes that fall into these few categories: Perishable Goods/Live animals that have a limited lifespan, Cargo with an ultra-high value that requires additional security, Cargo in small quantities or small volume metric weight, Cargo with utmost priority in delivery urgency Those who chose to ship cargo by air instead of by sea will definitely fall into one of those four categories Advantages of Air Freight. According to Open Flights, there are 14,110 Airports listed and 754 Seaports (according to exportvirginia).With that being said, the connectivity of air transportation, especially to land-locked areas, is definitely better than sea

transportation. You can search from a plethora of nearest airports to the final destination, this is not the case for seaports where you have only a few choices. The cost of delivering the cargo from the seaport to the destination may also be higher due to the distance at play. In addition, the cost of delivering the cargo from the seaport to the destination may also be higher due to the distance at play. In addition, air freight schedules are compact and frequent for certain high demand routes, there are more than 2 allocations per day. So rest assured, if you missed the flight scheduled departure, you can reschedule for the closest one. This benefit is not so pronounced for transportations via Sea. Air Cargo Security is always the emphasis of airlines and the IATA organization. In the not too distant past, Oct 2010, remains of a plastic bomb were found in a plane from Yemen to the United States of America, the Al-Qaeda terrorist group plotted and took responsibility of the bomb. The bomb took down a UPS cargo airplane. These are the incidents that outline the importance of advanced cargo security system because many lives are at stake. Air Freight shipments are also only shipped on Master Air Way Bill which is non-negotiable, it also means that the consignee is known before the shipment has been accepted by airlines. This is an added security mandated by IATA. With the terrorist bomb incident from Yemen in 2010 as a class example, it is no wonder that Air Cargo transporters and officials must know the actual consignee beforehand. Because air cargo security is of such importance, the multiple layers of security like x-ray screening and dog-sniffing add more security that the cargo is safe and secure. With the added stringent packing requirements of air transportation, the Insurance underwriters take a lesser risk in insuring air cargo. The short transit time and the air transportation track record are also a big contributing factor to lower insurance cost as well. Shorter transit time means a lower chance of cargo damaged in transit. In addition, the odds of a plane crash is 1 in 11 million, insurance adjusters like those odds for sure. The typical cruising airspeed for an airliner is approximately 500 knots or 575 mph. Whereas the average speed of a slow streaming sea freight liner is at 20 knots or 23 mph. Airplanes travel 25 times faster than a container ship. This is one of the many reasons why air transportation is sometimes preferred over sea or land transportation. Disadvantages of Air Freight. When a freight cargo is measured by the pound or kilogram instead of ton per container basis, you know in fact that the former is going to be more expensive than the latter. But this is not always the case in every shipment. If the cargo you wish to deliver is well below the courier weight and size restriction, it is actually CHEAPER to ship that cargo by air instead via sea transportation. The reason why is that in sea freight logistics, there is a lot of minimum fixed cost attached to a particular shipment. The Terminal Handling Charges, Bill of Lading, Electronic Data Interchange Fee, to name a few are fixed at price. Without a doubt, the size of an airplane is always going to be dwarfed by a freight ship's size. Take a Boeing 747-400F with a maximum gross payload of less than 130 metric tonnes and juxtapose it with a standard Handymax and Supramax bulk carrier vessels with a capacity of 50,000 DWT. You need more than 380 trips to deliver the same amount of capacity a Handymax or Supramax bulk carrier carries in



one trip. Size Comparison between an aircraft and a bulk sea transporter Moreover, the cargo packing is restricted to specifications of a Unit Load Device (ULD) which will be discussed more in-depth below. This is definitely not the case for sea carriers as they have many types of carriers to cater to different commodity both wet or dry.

Documentation timeliness. Preferential Certificate of Origin, issued by the country of origin's chamber of commerce, is a document resulting from a bilateral or multilateral agreement between country(s) that reduces or eliminates import duty to promote international trade. In most instances, this document has to be presented to customs in the original copy. Preferential and Legalized Certificate of Origin usually travels with the shipment, in a document pouch, this mitigates the need to courier the original document separately before the cargo shipment arrives. The timeliness of the document's availability is of paramount to smooth cargo shipment. If cargo is air-bound but the documents are not yet ready, this poses as a limitation to air freight transportation. Import Permit or Licensing is also another document preparation required at the destination airport, the application process may take some time and requires ancillary documents to apply which may be delayed. With sea transportation, there is a big buffer time for cargo owners to prepare documents as the transit time is longer. But, with air transportation where transit time is typically within 24 hours, there is a small disadvantage in this aspect.

Air Cargo Flow at Origin/Export .Step 1 – Prepare Shipment for export and planning .Cargo owners will first have to prepare the cargo for shipment and transportation. There are two key areas that have to be referred to by cargo owners to anticipate loading and storage requirement of air transporters: IATA Cargo Handling Manual, Unit Load Device Dimensions. IATA Cargo Handling Manual, available in the IATA website will outline all the packing requirements to make sure the cargo is safe and secure. Unit Load Device dimensions, which will be touched on later, is important for the shipper to decide if the cargo stowage is possible into the airplane fuselage

Step 2 – Calculate and Determine cargo chargeable weight. One should be clear about the difference between chargeable weight, net weight, and gross weight. Net weight is the weight of the actual cargo itself. Gross weight is a view of the cargo shipment in totality, including the package, pallets, and containers. Chargeable weight is based on volumetric calculation, taking into account the volumetric weight or the gross weight, whichever is the higher.

Step3–Arrange bookings with Air Freight Forwarder .Accompanying the booking arrangement planning are documents such as the Commercial Invoice and Packing List. The document can be named in many ways depending on the air carrier used, the booking can be called the Shipper's Letter of Instruction or Shipper's Booking Instruction. Whichever way, the purpose of the booking instruction is the same.

Step4–Preparation of Airway Bill. A drafted airway bill complete with the cargo details, shipper and destination details, and flight schedule details is prepared and confirmed by both the Freight Forwarder and the Shipper. There are many forms of airway bills, each with different arrangement procedures which are also explained further below. Some of the example air waybills

are: House Airway Bill, Neutral Airway Bill, Master Airway Bill, E-Airway Bill. Step 5–Transportation to Terminal Warehouse Operator. Once booking and details in the Airway Bill is confirmed, either by the arrangement of the freight forwarder or the shipper’s own, the cargo is transported to the Warehouse Terminal appointed by airlines or freight forwarders. The Transport Service provider will then issue a warehouse receipt or freight certificate. If the cargo at hand is consolidated by the freight forwarder, the freight forwarder is responsible to issue the receipt, it will then be called the forwarder’s receipt. Step 6 – Custom Clearance. The air cargo is then inspected by customs officers and any other governing agencies that regulate the export of the cargo. This is where custom officers inspect whether there are any anomalies in the cargo description, cargo weight, and measurements. Step 7 – Loading and Stowing of cargo. Once all of the above has been arranged, the cargo is then loaded into the ULD and stowed into the airplane fuselage. The Carrier will then issue a confirmed Airway Bill as evidence of a contract of carriage. Air cargo flow at Destination/Import. Step 1 – Unloading of Cargo ULDs. The cargo arrived is handled by ULD Operators, transferred to a high loader and then lowered and latched to the dolly train, which is then moved to the terminal warehouse for break bulking. Step2– Breakbulk of Cargo. Here is where warehouse operators unload the cargo from the ULD and stores it in the warehouse until further instructions. Step 3 – Custom Clearance. Similar to export custom clearance, clearing the import customs is also required, here once again the Invoice, Packing List, Airway Bill along with any ancillary documents and permits are handed to customs to verify and inspect. A form of import duty and tax will be imposed on certain products based on its tariff code, or Harmonized System Code (HS Code), and collected from appointed agents on behalf of the consignee. Step4–Delivery. Once the customs clearance procedure is done, road transportation is then arranged to deliver the cargo to the consignee’s doorstep.

**Ex.2. Answer the following questions.**

1. What is air freight?
2. What are the advantages of air freight?
3. How are goods shipped by air?
4. How much does air freight cost?
5. What types of air cargo do you know?
6. May the cost of delivering the cargo from the seaport to the destination be higher due to the distance at play?
7. Are air freight shipments only shipped on Master Air Way Bill?

8. Because air cargo security is of such importance, the multiple layers of security like x-ray screening and dog-sniffing add more security that the cargo is safe and secure. With added stringent packing requirements of air transportation, the insurance underwriters take a lesser risk in insuring air cargo, don't they?

**Ex.3. Read the text again. Find and analyze all verb forms.**

**Ex.4. Decide if the following statements are TRUE or FALSE.**

1. There are only 2 modes of transportation.
2. Airfreight is a transportation service that cannot be complex, fast-paced and exciting.
3. The cost of delivering the cargo from the seaport to the destination may also be higher due to the distance at play.
4. Air Freight schedules are compact and frequent.
5. Preferential Certificate of Origin, issued by the country of origin's chamber of commerce, isn't a document resulting from a bilateral or multilateral agreement between country(s) that reduces or eliminates import duty to promote international trade.
6. Cargo Security is never the emphasis of airliners and the IATA organization. In the not too distant past,
7. Accompanying the booking arrangement planning are documents such as the Commercial Invoice and Packing List. The document can't be named in many ways depending on the air carrier used, the booking can't be called the Shipper's Letter of Instruction.
8. Airway Bill along with any ancillary documents and permits are handed to customs to verify and inspect

**Ex.5. Pick out all necessary words and word combinations to characterize air freight transportation.**

**Ex.6. Translate the following sentences from Russian into English.**

1. Перевозка грузов воздушным транспортом позволяет перевозить товары значительно быстрее.
2. Перевозка груза по воздуху экономит время. Такая транспортировка - намного быстрее, чем перевозка железнодорожным или автомобильным транспортом.
3. Воздушные рейсы обычно прибывают в назначенное время. Время вылета задерживается редко.
4. Партия воздушного груза тщательно проверяется.
5. Существует два типа воздушных грузов: обычный и специальный.

6. Если Вы отправляете груз по воздуху, Вам потребуется а Master Airway Bill.
7. Стоимость воздушной перевозки состоит из трёх факторов: тип отправления, пункт назначения и скорость.

### **Ex.7. Read and translate the following text.**

#### **Air Cargo accompanying documentation**

Air Waybill, An Airway Bill is evidence of a contract of carriage, a contract has terms and conditions detailed in the back of the airway bill that includes the limited liabilities of the carrier, the scope of the contract, and the applicable liability exemptions. Typically the contract of carriage is based on either one of these 3 protocols or conventions: Warsaw Convention 1929, Hague Protocol 1955, Montreal Agreement. Each of these has a different scope of liabilities, exemptions, and liability limitations. One has to study the contract closely. The airway bill, much like the seaway bill is non-transferrable. This means that the airliner only releases the cargo to the named consignee on the airway bill. This does not facilitate the buying or selling of goods while in transit. An Airway Bill does not represent the ownership of goods by the Airliner, but merely the possession of the goods in question. Possession of goods, similarly to having custody of the goods does not allow the airliner to sell, trade or modify the goods. Types of Airway bill. A Neutral Airway Bill is essentially the same as any other Airway Bill. The key difference is that it is a pre-printed form that bears the Warsaw Convention as the term of the contract of carriage, and it can be used across multiple airlines and freight forwarder. This is devised to reduce the need for Agents to maintain multiple airline's formats of an airway bill and reduces paper waste.

House Airway bill is used by Freight Forwarders and Agents that consolidates the cargo for air transport. The contract of carriage will then be between the freight forwarder/agent and the shipper itself.

Although the issuance of Airway Bill is closely regulated by the IATA Organization, the terms of the contract of carriage may differ from the Master Airway Bill's terms. The IATA Organization is championing the use of e-AWB to reduce reliance on paper printing and also increase information security. In essence, it still functions similarly to a standard Airway Bill, albeit in electronic form. Freight Forwarders or agent need to update codes to signify it's documents are fully electronic (EAW) or has accompanying physical document (EAP) Whilst Airliner is also required to update codes to signify the need for a paper AWB (ECP) or that the paper AWB is not required. (ECC) Accompanying document in this sense comes in the form of a Cargo Pouch that contains ancillary documents. A cargo pouch

primarily contains the following information: airliner name, primary bar code, airway bill number, destination address, consignee name, freight identification, contact information, A Letter of Instruction or SLI is a necessary document prepared by the shipper to preempt the logistics service provider of an incoming instruction. An SLI is a working document for Airlines to acknowledge and accept the cargo to be shipped, it is also used for the calculation of freight charges and the issuance of Airway Bills. An SLI typically comes in 3 Originals and 6 Copies: Original 1 Green (For Issuing Carrier), Original 2 Pink (For Consignee), Original 3 Blue (For Shipper), Copy 4 Yellow (For Cargo Receipt), Copy 5,6,7,8,9 White (For Logistic Service Providers i.e. Carriers and Agents) Consular Invoice is a document that is certified by a consular official of the importing country. Commercial Invoice is a Document with the item description, cargo value and cargo amount. An important document for all logistic party. Certificate of Origin is a document certified by the local chamber of commerce that the exporting goods are of local origin, whether it is wholly obtained, manufactured, produced or processed. Unit Load Devices (ULD) are essentially the air transportation version of a container. The key differences between a ULD and a container are that ULDs comes in various shapes and sizes that contours the dome-shaped fuselage of the airplane.

The advantages of using a ULD are; speedy process of cargo loading, improved cargo capacity improved cargo weight distribution, promote cargo intermodal transportation. The disadvantages of using a ULD are; Increased weight and therefore more fuel burn, reduce total payload capability, requires special handling and leasing, requires additional planning if cargo in-transit requires connectin to another aircraft. Shippers who frequently rely on airplanes as a mode of transportation, and have a steady production line of products may be heavily reliant on ULDs. Shippers can lease either certified or uncertified ULDs and load them at the site before transporting the ULDs from the manufacturer's warehouse to the airport terminal. There are several types of rates applicable in the air transportation industry. The General Commodity Rate (GCR) is the rate applicable for a normal commodity that does not require any special handling expertise or poses any significant hazard to the air carrier by transporting them. The air freight structure is similar to passenger fare structure in that there is a normal or basic price applicable to all commodities in all markets. The GCR is rated by the volumetric weight, the higher of its cubic meter weight or its absolute weight. The Chargeable Weight The heavy cargo is the rate per pound of cargo decreases. There is also a general minimum charge in order for the service to be economically viable for the aircraft carriers. The Specific Commodity Rate (SCR) is applied where the cargo requires certain attention or handling. Once the SCR rate is applied, the cargo in question is no longer entitled to the GCR rate. Due to the added security and safety requirement of cargoes applying the SCR rate, specific packaging and containerizing requirements are laid out by the air carriers. Some of the most common commodities that fall under the SCR rate charge are: Fresh Fish or Crustaceans, Fresh Agricultural Produce (Flowers, Plants, Soil),

Foodstuff, dairy, meat, poultry, Alcoholic Beverages, Printed Materials, Electronics. Exception rates are higher than usual air freight rate and apply to a certain type of cargo that requires special handling. It is similar to the SCR rate but only at a higher rate due to the complexity of the transportation. Some examples of cargoes requiring exception rate are: live animal, Human Remains, Disassembled Furniture. For transportation requiring the coordination and planning among two or more mode of transportation. Predominantly, the coordination is between connecting aircraft carriers and the land transportation of the cargo. The rates charged to shippers are usually in the form of a joint rate. In circumstances where direct flight between two airports are far and between, if not, non-existent, joint rate can be very handy in planning the delivery of cargo to ports that were previously not able to reach. Moreover, shippers has more flexibility in choosing the right transit time and delivery schedules. As the name suggests, priority reserve air freight is designed to serve shippers of heavy or bulky freight who need the advantage of reserved space on a specific flight. Often when a large cargo is transported, it is done with a priority reserve air freight to ensure there is enough space allocated to the large cargo in question. A Speed Package service is a small package fast-delivery service. It is handled like passenger baggage without any accompanying passenger .When the cargo is time critical, for example, an exhibition is arranged by the shipper, but the shipper by-mistake did not pack an important machinery part, they can arrange for a speed package service.

When cargo is shipped using a Unit Load Device (ULD containers), the container rate is applied.

**Ex.8. Put 5 questions on the text. Yes/No question, tag- question, alternative question, wh-question, a question to the subject.**

**Ex.9. Read the text again. Find and analyze all verb forms.**

**Ex.10. Make this sentences negative and interrogative.**

1. Air transportation is the carriage of passengers, mail, load and freight by aircraft or helicopters.
2. All air transportations are classified according to the territorial sign, to the objects of transportation and to the direction of transportation.
3. By the territorial division they are defined as domestic and international transportation.
4. Domestic and international transportations are divided into scheduled and non-scheduled flights.
5. Scheduled flights are performed due to the definite traffic schedule.

6. Non-scheduled flights are operated according to special agreements or orders.
7. On international routes they are known as charter flights. In summer, during rush-hours, there may be additional flights to the schedule.
8. Depending upon the object of the transportations we define passenger, mail, load and freight transportations.
9. As to their direction the transportations differ as non-stopover flights, that is from the point of departure to the point of destination, round trips, i. e. from the point of departure to the point of destination and back to the starting point, and onward journey with the transfer from one airplane to another.
10. Domestic and international transportations are divided into scheduled and non-scheduled flights.
11. Scheduled flights are performed due to the definite traffic schedule. Non-scheduled flights are operated according to special agreements or orders. On international routes they are known as charter flights.
12. Air freight, or air cargo allows to transport of goods quickly by air.
13. Shipping cargo by air has always been a high cost-to-weight form of shipment, countered by the fact that it's the fastest way to transport goods internationally.

**GRAMMAR REVISION: The Past Simple Tense, The Past Continuous Tense, The Past Perfect Tense, The Past Perfect Continuous Tense.**

**Ex.1. Complete the text with the past simple form of the verbs in brackets.**

Last week I \_\_\_\_\_/be/ very busy. On Monday morning our biggest customer \_\_\_\_\_/visit/ our factory. I \_\_\_\_\_ /meet/ her at the airport at 7.00 in the morning and \_\_\_\_\_ /take/ her to the plant. In the afternoon we \_\_\_\_\_ /have/ a meeting which \_\_\_\_\_/not/finish/ late, and she \_\_\_\_\_/want/ to see a show afterwards. On Tuesday I \_\_\_\_\_/fly/ to Berlin for a conference. In the afternoon I \_\_\_\_\_/make/ a presentation which \_\_\_\_\_/not go/ very well.. The next day I \_\_\_\_\_/go/ to Stuttgart to meet a supplier. On Thursday we \_\_\_\_\_/interview/ candidates for the new sales job, but we \_\_\_\_\_/not find/ anybody suitable. In the evening I \_\_\_\_\_/play/ squash in the company tournament, but, unfortunately, I \_\_\_\_\_/not win// On Friday I \_\_\_\_\_/reply/ to all my emails and \_\_\_\_\_/write/ a proposal for an Austrian company. In the afternoon I \_\_\_\_\_ /attend/ a planning meeting which \_\_\_\_\_/end/ very late in the evening. I \_\_\_\_\_/ not get/ home until midnight.

**Ex.2. Complete the questions.**

1. What time \_\_\_\_\_ ?  
They arrived at 9 o'clock .
2. Where \_\_\_\_\_ ?  
We had lunch in the staff canteen.
3. Who \_\_\_\_\_ at the conference?  
I saw our colleagues from the Buenos Aires office.
4. Why \_\_\_\_\_ the meeting?  
The manager left the meeting because he had an urgent phone call.
5. Which hotel \_\_\_\_\_ at?  
They stayed at the Hilton.
6. When \_\_\_\_\_ the company?  
She joined the company last year.
7. How long \_\_\_\_\_ with the visitors?  
I spent all day with them.
8. How many emails \_\_\_\_\_ ?  
We sent about a hundred.

**Ex.3. Put the verbs in brackets into the Past Simple and the Past Continuous.**

1. Mary (play).....the piano; John (read) .....; my wife (sew).....when suddenly we all (hear).....a shout.
2. When her father (come).....in she (sit).....before a red tea-table, finishing a very good tea.
3. The door of his room (be) .....open; his mother still (stand)..... at the window.
4. And, smiling to himself, he (begin).....to make plans, fantastic plans for the future. He still (smile).....when he (walk).....up the rock-cut steps.
5. I (sleep).....soundly when the phone (ring).....
6. We (sit)..... on our front porch when Mr. Smith (drive) ..... up in his new car.
7. It (drizzle).....when they (come) ..... out of the house.
8. John (come).....in, (look).....  
At the fire, (stand).....a moment, (turn).....and (go).....away.
9. We (come)..... Into the dining-room while our parents (eat).....supper.



10. Mike (raise)..... his eyes from the book and (look).....out the window. It still (snow).....
11. He (go).....into the kitchen and (get)..... Hem self a cup of coffee.
12. He (take) .....a cushion, (put).....it behind and (lean).....back.
13. When I (be)..... A boy, I (want).....to be an actor.
14. When I (hear).....his knock I (go)..... to the door and (open).....it but I (not/recognize) .....him at first because I (not/wear).....my glasses.

**Ex.4. Put the verb in brackets into the Past Simple, the Past Perfect, or the Past Perfect Continuous.**

1. When I /leave/ \_\_\_\_\_ home, the snow already /stop/ \_\_\_\_\_ .
2. It /be/ \_\_\_\_\_ 6 p.m. and Jack /be/ \_\_\_\_\_ tired because he /work/ \_\_\_\_\_ all day/
3. He clearly /listen/ \_\_\_\_\_ to our conversation and I /wonder/ \_\_\_\_\_ how much he /hear/ \_\_\_\_\_.
4. She /say/ \_\_\_\_\_ she /teach/ \_\_\_\_\_ at school or 20 years.
5. He /say/ \_\_\_\_\_ he just /finish/ \_\_\_\_\_ the book he /read/ \_\_\_\_\_ all this time.
6. The postman /come/ \_\_\_\_\_ after lunch and /bring/ me a letter which I /expect/ \_\_\_\_\_ for a long time.
7. It /rain/ \_\_\_\_\_ since the morning and the fields /be/ \_\_\_\_\_ quite muddy.

**Ex.5. Make up sentences according to the pattern.**

1. Model:

I started on my journey. A after an hour a tyre went flat.

I had been driving for an hour when a tyre went flat.

2. The lecturer began to speak. After 15 minutes the Dean came in.

The lecturer \_\_\_\_\_ for 15 minutes when \_\_\_\_\_ .

3. Lary had arranged to meet Amy at her hotel in London. Y\He had lost the address but he thought it was the Savoy. So he went there. After waiting for an hour he realized that he had come to the wrong hotel.

Lary \_\_\_\_\_ when \_\_\_\_\_.

4. His aunt went to work in America in 1043. Two years later the war ended.

His aunt \_\_\_\_\_ when \_\_\_\_\_ .

## UNIT 4

### ICAO. IATA.

#### **Ex.1. Read and translate the following text.**

#### **INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)**

International Civil Aviation Organization is the most authoritative and representative Organization in the sphere of civil aviation which operates within the framework of the UNO. It was founded in 1944 in Chicago. The main objective of the Organization is stated in its main document Chicago Convention adopted in Chicago on the 7th of December 1944 by 52 contracting states. It is to ensure safe and orderly development of international civil aviation, sound and economical operation of international air transport. Permanent headquarters of ICAO is in Montreal, Canada. The main body of the Organization is the Assembly which meets once every 3 years. All contracting states participate in the work of the Assembly Session. They enjoy equal rights and each has one vote. The Assembly introduces changes and amendments to the Chicago Convention, decides upon financial help to member countries, The Assembly elects its Executive body - the Council. So the Council is a permanently operating body which does the whole work in between Assembly sessions and which is responsible to the Assembly. The Council elects its President for the term of 3 years. He may be reelected. The whole work is carried out by the Council through Committees and Commissions. The Council elects and defines the duties of the following Committees: Air Navigation Commission, Air Transport Committee, Legal Committee, Finance Committee and Economic Commission. Air Navigation Committee deals with the problems of regularity and safety of flights. It works out Standards and Recommended Practice. They are issued in the form of annexes to the Chicago Convention. Air Transport Committee is concerned with the efficiency of international air transportation. Legal Committee works out recommendations on the issues of international air law. Finance Committee controls financial activities of ICAO. The main objective of Economic Commission is technical assistance to developing countries. ICAO is the specialized agency of the United Nations responsible for all aspects of civil aviation. It sets international standards and regulations necessary for safety and regularity of air transport and serves as the forum for co-operation in all fields of civil aviation among its contracting states. Through its regional offices situated at strategic locations throughout the world, and through its regular programme of worldwide meetings held at its headquarters ICAO is in direct and frequent contact with civil aviation authorities in all member-states. Their most knowledgeable experts are often invited to help the Secretariat solve specific problems. The organization also gains deep understanding of the needs and the problems facing countries in every stage of development. It is not only an international regularity agency, not only as «a friend in need», when things

go wrong, not only as a source of assistance in technical training, but as an expert and impartial body whose advice is of value to them in all their civil aviation developments. ICAO's primary concern has been with international civil aviation. Among its multifaceted activities ICAO becomes engaged in projects relating to both domestic and international civil aviation, whenever it could promote the economic and social progress of developing states. ICAO is a non-profit intergovernmental organization with no commercial interests. The Council shall «be a permanent body responsible to the Assembly. It shall be composed of 27 Contracting States elected by the Assembly. An election shall be held at the first meeting of the Assembly and thereafter every three years, and the members of the Council so elected shall hold office until the next following election. In electing the members of the Council, the Assembly shall give adequate representation to: 1) the States of chief importance in air transport; 2) the States not otherwise included which make the largest contribution to the provision of facilities for international civil air navigation; 3) the States not otherwise included whose designation will insure that all the major geographic areas of the world are represented on the Council. Any vacancy on the Council shall be filled by the Assembly as soon as possible; any Contracting State so elected to the Council shall hold office for the unexpired portion of its predecessor's term of office. The Council shall elect its President for a term of three years. He may be reelected. He shall have no vote. The Council shall elect from among its members one or more Vice Presidents who shall retain their right to vote when serving as acting President. The President need not be selected from among the representatives of the members of the Council, but, if a representative is elected, his seat shall be deemed vacant and it shall be filled by the State which he represented. The duties of the President shall be to:a) convene meetings of the Council, the Air Transport Committee, and the Air Navigation Commission;b) serve as representative of the Council;c) carry out on behalf of the Council the functions which the Council assigns to him. The Air navigation Commission shall be composed of twelve members appointed by the Council from among persons nominated by contracting states. These persons shall have suitable qualifications and experience in the science and practice of aeronautics. The President of the Air Navigation Commission shall be appointed by the 'Council. The Air Navigation Commission shall:a) consider, and recommend to the Council for adoption modifications of the Annexes to the Convention;b) establish technical subcommissions on which any contracting State may be represented, if it so desires;c) advise the Council concerning the collection and communication to the Contracting States of all Information which it considers necessary and useful for the advancement of air navigation. ICAO has a responsibility under its founding Chicago Convention of 1944 to promote the free, expeditious and unimpeded passage of an aircraft and its occupants across international boundaries, and «to prevent unnecessary delays to aircraft, crews, passengers and cargo, especially in the administration of the laws relating

to immigration, quarantine, customs and clearance>>>.One of the most important measures included in a recent revision of Annex 9 to the Chicago Convention is the establishment of a goal to clear all passengers requiring normal inspection at major international airports within 45 minutes of disembarkation, regardless of aircraft size and scheduled arrival time. The need to prevent terrorism and other forms of unlawful interference, and the requirement to suppress trafficking in narcotics and to guard against the rising tide of illegal immigrants (inadmissible persons) have led governments around the world to tighten security. This has resulted in additional checks and procedures and requires exhaustive methods of border control, rather than the sampling methods which had been effective in the past. It is clear that these new constraints, if taken **to** the extreme, could result in the paralysis of international air transport and completely nullify ICAO's facilitation programme unless new methodologies are adopted to effect the necessary controls. Among the new methods and techniques that have been adopted to cope with these new challenges are technologically advanced screening equipment and processes. These include metal detectors, x-ray scanners, bar-code baggage scanners (for passenger baggage reconciliation), mass spectroscopy, chemiluminescence and low-energy neutron bombardment for detection of narcotics, weapons and other restricted items. The prime object of such procedures is aviation security. The prime object of another technological advance - the machine readable passport (MRP) - is improved facilitation through rapid machine clearance, instantaneous verification and recording of personal data. But there are also major security benefits: the MRP makes it possible to match rapidly the identity of travelers against lists of undesirable unpotentially dangerous persons, and the document itself offers strong safeguards against alterations, forgery or counterfeit.

**Ex.2. Answer the following questions:**

1. What is the objective of ICAO?
2. What is the organizational role of the Assembly?
3. What are the functions of the Council and Committees?
4. What are the functions of the Air Navigation Commission?
5. Who is the Air Navigation Commission composed of?
6. Who are the members and the president of the Commission appointed by?
7. What requirements should the members of the Air Navigation Commission meet?
8. What is ICAO to promote under its founding Chicago Convention?
9. What is defined for passenger clearance in a recent revision of Annex 9 to the Chicago Convention?
10. What measures have been taken to prevent terrorism?
11. Why did the need of new border control methods arise?
12. What new border control equipment has been introduced?
13. What are the advantages of the machine readable passport?

**Ex.5. Make up 5 sentences in the Future Simple using the vocabulary of the text.**

**Ex.6. Translate the following sentences from Russian into English.**

1. Чикагская Конвенция была принята 7 декабря 1944 года.
2. Главной целью ИКАО является обеспечение безопасности и планомерное развитие международной гражданской авиации.
3. Штаб - квартира ИКАО находится в Монреале в Канаде.
4. Главным руководящим органом ИКАО является Ассамблея, которая собирается раз в три года.
5. ИКАО - специализированное агентство ООН, ответственное за все аспекты деятельности гражданской авиации.
6. Аэронавигационная комиссия должна состоять из двенадцати членов. У этих людей должна быть соответствующая квалификация, опыт научной и практической работы в аэронавигации.

**Ex.7. Try to speak on ICAO.**

**Ex.8. Read and translate the following text.**

### **IATA**

The International Air Transport Association was founded in 1945 by the airlines of many countries to meet the problems created by the rapid expansion of civil air services at the close of the Second World War. It is the successor in function of the previous International Air Traffic Association, organized in The Hague at the very dawn of regular air transport in 1919. As a non-governmental organization, it draws its legal existence from a special Act of the Canadian Parliament, given Royal Assent in December 1945. In both its organization and its activity, IATA has been closely associated with ICAO - the International Civil Aviation Organization which was also established in 1945 as the international agency of governments which creates world standards for the technical regulation of civil aviation. IATA deals with the non-political aspects of air transport operation; its work begins only after governments have decided which companies they wish to license and how they wish to exchange traffic and other rights between them. But from that point on, the activity of IATA spreads through virtually every phase of air transport operations. The basic source of authority in IATA is the Annual General Meeting, in which all active members have an equal vote. Year-round policy direction is provided by an elected Executive Committee and its creative work is largely carried out by its Financial, Legal, Technical, Traffic and Medical Committees. Negotiation on fares and rates agreements is carried out through the IATA Traffic Conferences,

with separate Conferences considering Passenger and Cargo matters. Members of IATA Committees are nominated by individual airlines, but serve as experts on behalf of the entire industry, subject to the regulation and review of the Executive Committee. In the Traffic Conference, however, delegates act as representatives of their individual companies. While the Executive Committee fixes the terms of reference of these Conferences, their decisions are subject only to the review of governments and cannot be altered by any other party of IATA. IATA administration is carried out under a Director General and five Assistant Directors General - Traffic, Technical, General Counsel, Administration and Finance, Special Governmental and Industry Affairs. The Association has two main offices, one in Montreal and one in Geneva. Traffic Service Offices are also maintained in New York and Singapore. Regional Technical Representatives are based in Bangkok, Geneva, London, Nairobi and Rio de Janeiro. IATA's budget is financed from the dues paid by its members, largely in proportion to the part of the total international air traffic which each carries. Some IATA activities are self-supporting through charges for services rendered. IATA member airlines originate from more than 80 nations and their routes cross almost every country of the world at one time or another. To ensure that these aircraft carrying the people of the world are able to proceed with maximum safety and efficiency, under clearly defined and universally understood regulations, is IATA's operational task. To ensure that people and their goods can move anywhere on this vast global network as easily as though they were on a single airline within a single country is the IATA commercial objective. Plainly these two categories of IATA activities are closely related and bear a connection between the cost of operation of the airlines, the airlines' desire to keep both as low as possible commensurate with safety. There is a constant and progressive effort to simplify and standardize devices, procedures and documentation, within the airlines themselves, and among governments, manufacturers and with other international organizations. Over the years, IATA has been able to reconcile the financial and accounting systems developed independently in many parts of the world before airlines were extensively linked by the intercontinental routes. To do so, it has developed and is constantly working to improve standard Manuals of Revenue Accounting Practices, cost reporting forms and forms for operating, profit and loss surplus statements and similar documents, and to make possible the application of electronic data processing techniques in accounting and other fields. The Financial Committee also carries on extensive studies of special insurance problems, taxation charges and similar matters. The Legal Committee of IATA holds a watching brief on behalf of the airlines over international conventions on public and private air law, conflicts of law and arbitration. It is principally concerned with formulating and representing the airlines' views on the basic international conventions affecting the liability of air carriers and their legal relationships with their customers, with third parties on the ground, and with questions of rights of

aircraft in international operations, the legal aspects of the carriage of nuclear materials and other related subjects. Since the sale of a ticket or the issuance of a cargo waybill constitutes a contract between the airline and the customer, international airline documents must be legally valid under many different systems of laws. The IATA Legal Committee has thus been responsible for preparing the legal ground on which the whole structure of standardized interline agreement and documentation - tickets, baggage checks, air waybills and the like - has been erected. One of its major achievements has been the realization of standardized worldwide Conditions of Contract governing the carriage of passengers and cargo. A further detailed and uniform Conditions of Carriage for all aspects of transport is in preparation. If achieved, it will be the first such document in the history of transportation. Cooperation among the airlines in operational and technical matters is channeled through the IATA Technical Committee, its annual Technical Conference and its various global and regional working groups. The IATA Technical activity is founded upon full and free exchange of information and experience between all the airlines. Out of this data the airlines distil the common requirements and observations which guide the standardization and unification of their own activities, determine their practical advice and assistance to governments, and act as signposts along the road to future development in transport aeronautics. Policies approved are recorded in a Technical Manual. IATA has played, and continues to play, an important part in the drafting of the ICAO Standards and Recommended Practices which form the accepted international pattern for the technical regulation of civil aviation, and cooperates closely with ICAO to encourage governments to implement them fully and keep them up to date. IATA works in much the same way with such other organizations as the International Telecommunication Union, the World Meteorological Organization and the International Standards Organization. Tariff Coordinating is organized within the framework of these areas, or within clearly defined sub regions in each Conference area and on an inter Conference basis, but as a practical matter, the inter-relation of fares and rates throughout the world makes it generally advisable that all of these Conference sessions be held at the same time and in the same place. The resulting structure of IATA Traffic and Tariff Coordinating Conference Agreement comprises about 1,000 resolutions, including specified and constructed fares and rates between more than 200,000 pairs of points on the world network. It covers virtually every phase of commercial activity, both in principle and detail. This is the legislation on international air commerce. Like all effective legislation the IATA resolutions are policed by a Compliance Office which, under the Director General, strives to assure that members respect the obligations which they have voluntarily assumed. To weld its member airlines into a single commercial network, IATA has produced a series of interline agreements between them (to which many non IATA and domestic airlines and sea carriers are parties as well) covering all phases of passenger,

baggage and cargo handling, reservations codes and the like. In more and more of these areas, IATA works to adapt these forms and procedures to processing by computer and teletype. For the public IATA achieves the transformation of a ticket or air waybill into a magic carpet for international air transport from anywhere to anywhere despite barriers of geography, national boundaries, language, currency and differences in local, commercial, political, legal, social and economic concepts. Through IATA agreements, the airlines have adopted standard codes of relations with their passenger and cargo agents and consolidators, which assure the agents of fair, uniform and non-discriminatory treatment. Special boards and committees screen all agencies, examine their qualifications to properly both the public and the airlines and, in effect, to act on behalf the airlines in choosing their middlemen. "Such arrangements as these are normally worked out by the Traffic Committee and various expert working groups, often with the close assistance of other standing committees, and by the Assistant Director General-Traffic and his staff. However, they have their actual application mainly through formal resolutions which are subject to the approval of governments before they can become effective. Virtually every IATA traffic action is the result of this unusually comprehensive and successful process of international agreement reached through the IATA Conferences. Should be delegated in the first instance to the IATA Conferences, and that these agreements should become effective only after all Interested governments have reviewed and approved them. The increasing importance of air cargo is reflected in many ways within IATA organization. For example a special Traffic group has been set up which pays particular attention to the expanding use of special containers and pellets for transportation of freight. With unit load devices many individual packages which would have been shipped separately are consolidated into a single unit load. This results in less handling on the ground as well as in the aircraft, and provides fast door-to-door service with maximum protection for the goods. The resulting savings are passed on to the consumer. In Traffic, as in all IATA matters, the keynote is airline cooperation, and the result is progressively lower-cost service throughout the world. Over the years, many services have been added to the IATA organization. Among these is security and fraud prevention which was initially established as a fraud prevention group to deal with swindles and fraudulent use to tickets and other travel documents. The group achieved a marked decrease in attempted frauds and thus provided protection to both IATA Members and the traveling public. In 1969 a growing awareness of major security problems caused the industry to study the need for an overall security organization. IATA subsequently formed a Security Advisory Committee with a director on the staff of the Director General. The titles of the standing sub-committees – Aircraft and Airport



**Ex.9. Make sure that you know the words and word combinations of this text. Write out all unknown words and word combinations, translate them and learn.**

**Ex.10. Comment on the use of the tense-forms of the text.**

**Ex.11. Put 5 questions on the text. Yes/No question, tag- question, alternative question, wh-question, a question to the subject.**

**Ex.12. Make these sentences negative and interrogative.**

1. The International Air. Transport Association was founded in 1945 by the airlines of many countries to meet the problems created by the rapid expansion of civil air services at the close of the Second World War.
2. IATA has been closely associated with ICAO.
3. The Traffic Conference process arises from the peculiar nature of air transport.
4. Every inch of the world's surface is accessible by air, and the Wines fly between most of its major cities over a maze of interrelated routes.
5. Yet each government reserves complete control over its own share of the Airspace and the right to determine what its air services may charge the public.
6. International fares and rates - and the conditions which underline them - must therefore be fixed by international agreements in which virtually every country has some direct or indirect concern.

### **GRAMMAR REVISION: the future Simple, the Future Continuous, the Future Perfect, the Future Perfect Continuous.**

**Ex.1. Put the verb in brackets in to the Future Simple.**

1. He /be/ \_\_\_\_\_ here soon.
2. The dress /be/ \_\_\_\_\_ ready tomorrow.
3. They /be/ \_\_\_\_\_ at the station in time for the 10.30 train.
4. I /know/ \_\_\_\_\_ the result in a day.
5. I /be/ \_\_\_\_\_ twenty years old next year.
6. They /remember/ \_\_\_\_\_ you well.
7. When he /come/ \_\_\_\_\_ back.
8. When he comes, I /apologize/ \_\_\_\_\_ to him.
9. I /not see/ \_\_\_\_\_ this beautiful city again.
10. I /recognize/ \_\_\_\_\_ his pictures anywhere.

**Ex.2. Put the verbs in brackets into the Future Continuous.**

1. Don't ring her up at 12 o'clock. She / have/ \_\_\_\_\_ her music lesson.
2. At this time tomorrow the boys of our group / play/ \_\_\_\_\_ football.
3. When we arrive in L London it probably /rain/ \_\_\_\_.
4. It is the end of September, soon the leaves /fall/ \_\_\_\_\_.
5. Let's wait here, the Palace Bridge /open/ \_\_\_\_\_ in a minute to let that ship through.

**Ex.3. Put the verbs in brackets into the Future Perfect.**

I /translate/ \_\_\_\_\_ this letter by 6 o'clock. 2. I /make/ \_\_\_\_\_ this doll by her birthday. 3. He /not learn/ \_\_\_\_\_ his lesson by tomorrow if he has not begun to study it. 4. This work is so arduous that / not complete/ \_\_\_\_\_ it in a year's time. 5. After you finish this book , you / come / \_\_\_\_\_ to some decision. 7. If she returns after July 1, I won't see her since I already /go/ \_\_\_\_\_ to the South by the time.

**Ex.4. Put the verbs in brackets into the Future Perfect Continuous.**

By the end of this month we /learn/ \_\_\_\_\_ this language for ten years. 2. When my son goes to school we /live/ \_\_\_\_\_ here for over 5 years. 3. When the new century begins, they /reconstruct/ \_\_\_\_\_ this church for nearly 25 years. 4. We can get there at 7 at the earliest. They will be painting the fence. If we arrive at 5.30, they / paint/ \_\_\_\_\_ it for 3hours at least.

**UNIT 5**

**CUSTOMS AND CUSTOMS CLEARANCE**

**Ex.1. Read and translate the following text.**

**Customs clearance and its channels**

**Part I**

Every port in every country around the world puts your cargo through a customs clearance process.

Customs clearance is the set of requirements and formalities related to the entry and exit of goods from a particular national territory, to control and approve this movement. Its process is based on the declaration of information related to commercial operations to the customs authority. What's more, the rules, regulations, and laws are a bit different from country to country, sometimes from port to port within a country, making someone who specializes in customs clearance very important to a shipper exporting and importing goods. These specialists are called customs brokers and the work they do is called customs brokerage or sometimes customs broking. Having the wrong person handle your customs brokerage can be very problematic. Shipping containers are warehoused as they go through customs clearance. Warehousing and storage fees can add up quickly. If there is a problem with your customs brokerage and your customs clearance does not happen smoothly, your shipping costs could go up by hundreds to thousands of dollars. On top of these

costs, the delay in getting your shipping containers released to you because of customs clearance problems could cost your business more money because the arrival of your shipment is delayed. Your freight forwarder should also be able to handle your customs clearance, but you can choose to handle it separately with your own customs broker. When choosing a freight forwarder, you want a company with the experience to handle your customs clearance well and who knows what to do should any issues arise. For these reasons, going with the cheapest freight forwarder you can find to handle your international shipping can turn out to be much more expensive than hiring a freight forwarder with a little higher quote but who has much more experience in the business. Here are other things you can do to help ensure your shipping containers make it through customs smoothly. Here are 2 ways you can help make the customs clearance process smooth for your shipment. **1. Properly Load Your Shipping Container.** One of the biggest things you can do is make sure your shipping container is properly loaded. Ultimately, as the shipper, you are responsible for the loading of your shipping containers. You can do so as you see fit; however, if shipping containers are not properly loaded, you could cause red flags to go off at customs. Improper loading may lead to extensive examinations and even searches of your international shipments. You don't need the delays and costs that are associated with this. Household and personal effects shippers should pay special attention to this as such shippers tend to have less experience with international shipping and container loading than business importers and exporters. . **2. Provide Complete and Accurate Information to Your Customs Broker/Freight Forwarder.** There is a great deal of paperwork involved in international shipping. The complications of shipping cargo from one country to another is why freight forwarders exist. They have the experience and knowledge of smoothly shipping cargo from one country to another so you, the shipper, don't have to worry about all the details, regulations, and hassles and can focus on your business. Still, there is a certain amount of paperwork you will need to provide to your freight forwarder. Being accurate and thorough with your paperwork is important. This includes business information, inventories or itemized lists of shipments, and value of cargo. This information affects the duties and custom fees at the ports, helps assess the risk of your cargo shipment, and more. The last thing you want is for customs to find your shipping manifest is inaccurate and think you're trying to sneak something past them. What you do want is a low risk assessment of your cargo shipment at customs.

### **Document list for customs clearance**

For customs clearance it is required to provide to the customs authorities a certain set of documents. In practice, the list of documents for each customs post is almost always different. We offer you a provisional list of documents required for customs clearance in import regime.

**Documents on the firm-importer to register at the customs post:** publication for registration of a standard form; Certificate of Tax Registration (INN); Certificate of entry in the state register (OGRN); Statement from the bank about current accounts (original, valid for 1 month); Statement from the statistical office (OKPO), valid for 6 months; Extract from the orders of appointment for General Director and Chief Accountant; Passport copies of General Director and Chief Accountant; Passport data of the founders; Memorandum of association; Company charter and its changes (valid); tenancy agreement (or title of ownership) on the premises where company is registered with the provision of documents confirming rental payments.

**Documents for customs declaration:** Shipping documents for the cargo; Foreign trade contract with the current changes, additions, specifications; The passport of the transaction; Documents for advance payment (application for transfer/bank statement confirming writing off); Commercial Invoice; Certificates: of origin, of conformity, of quality, sanitary-epidemiological conclusion certificate, phytosanitary certificate etc.; Other authorization documents; Packing lists; Insurance and a bill confirming the amount of the insurance premium; Money Order for payment of customs duties; Technical documentation; Contract with customs warehouse and with customs representative (broker). **Additional documents may be required to confirm the value of the goods:** Price list from the seller/manufacturer (in the form of a public offer); Export Declaration; Invoices for transportation (when shipment is made on EXW, FCA or similar conditions); Explanation of the terms of the sale, which could affect the price of the transaction (standard form); If formerly customs clearance took place at the other customs post you have to provide a copy of the previously released declarations; Other documents that may be considered necessary to confirm the value of the goods. The above documents are usually given in copies certified by the company or in the form of notarized copies.

## Part II

When transport means carrying cargo across the border of the Russian Federation, the cargo as well as the vehicle is subject to Customs clearance and control. The documents are checked, the cargo is examined to ensure that the information stated in the documents is true to the fact and that no prohibited goods may come along. (1) Customs clearance consists of 5 steps and starts with checking and registration of a Cargo Declaration form and supporting documents (Bills of Lading, Invoice, Packing List, Insurance Policies, Certificates of Origin, etc.). The documents are submitted electronically and in writing by the owner of the goods or by a person acting on his behalf. (2) Then customs officials define and classify the goods in accordance with the Goods Nomenclature to apply the proper rate of tariff and check if the cargo is liable to any tariff preferences or tax privileges. (3) Next they study the foreign trade contract and check if the true value of the goods is stated there. Having used the proper method of customs valuation the officials assess the

amount of duty to be paid. (4)After that the duties are levied and it can be done on different terms. Depending on the company's previous record and reputation, payment of duties may be deferred but in some cases the Customs may require to guarantee the payment. Processing the documents, at each stage a customs official stamps "VERIFIED" on the back side of a Cargo Declaration form and puts the date, the time, his signature and personal identification number. If shipment or entry is not authorized the Customs will return the documents and attach a Refusal Note indicating the reason for denial. (5) After paper processing they pass over to practical examination. To speed up the clearance customs officers exercise risk management to target certain cargo consignments for inspection. Transit goods under seal are checked when they arrive in the country of destination. Normally, the cargo is unloaded and stored at the warehouse; the vehicle is to enter a parking area. Examination of goods and transport means is carried out by a group of customs inspectors. In case the goods are of dangerous or sensitive nature, unpacking is done by experts familiar with the risks involved. When the cargo is found in bad or damaged condition or deficient in quantity, it may be put apart for further settlement of the situation with the owner or the carrier of the goods. Finally the Customs Office Chief stamps "CLEARED" on the documents stating that the cargo and transport means are released from customs control.

**Ex.2. Answer the following questions:**

1. What is customs clearance?
2. May improper loading lead to extensive examinations and even searches of international shipments?
3. Is it required to provide a certain set of documents for customs authorities for customs clearance?
4. What documents are required for customs clearance?
5. Must the duties be paid at once?
6. When is paper processing over?
7. What happens if shipment or entry is not authorized?
8. Where is the cargo examined?
9. How is the examination carried out?
10. What happens if the goods arrive in bad or damaged condition?
11. When can the goods be released from customs control?

**Ex.3. Make up sentences with the following words using the Present Simple, the Past Simple and the Future Simple:** government, right, prohibition, vehicle, consignment, design, sign, freight, column, high, whole, wholesale, scheme, checking, registration, to submit, tax, the foreign contract.

**Ex.4. Find in the text the English equivalents of the following:** грузовая декларация; транспортное средство; проверка и регистрация; Товарная номенклатура; метод определения таможенной стоимости; сумма пошлины; условия; личный идентификационный номер; сертификат происхождения товара; международный контракт; причина отказа; отправка или пропуск в страну

**Ex.5. Find words in the text that follow the verbs below:**

- a) to submit \_\_\_\_\_
- b) to classify \_\_\_\_\_
- c) to apply \_\_\_\_\_
- d) to assess \_\_\_\_\_
- e) to ensure \_\_\_\_\_
- f) to release \_\_\_\_\_
- g) to put \_\_\_\_\_
- h) to levy \_\_\_\_\_
- i) to process \_\_\_\_\_
- j) to defer \_\_\_\_\_

**Ex.6. Fill in the gaps with the prepositions.**

- 1) ... is subject \_\_\_\_\_ clearance and control
- 2) ... clearance starts \_\_\_\_\_ checking and registration
- 3) ... the documents are submitted \_\_\_\_\_ the owner
- 4) ... it can be done \_\_\_\_\_ different terms
- 5) ... depending \_\_\_\_\_ the company's record
- 6) ... they pass \_\_\_\_\_ to practical examination
- 7) ... the cargo is stored \_\_\_\_\_ the warehouse
- 8) ... experts familiar \_\_\_\_\_ the risks involved
- 9) ... the reason \_\_\_\_\_ denial
- 10) ... the cargo is released \_\_\_\_\_ customs control

## **Ex.7. Translate the sentences from Russian into English:**

1. По прибытии в страну любое транспортное средство вместе с грузом подлежит таможенному оформлению. 2. Предъявите, пожалуйста, сопроводительные документы на груз. 3. Транспортные средства и грузы проходят оформление в зоне таможенного контроля. 4. Груз обычно сопровождается следующими документами: Грузовая таможенная декларация, инвойс, сертификат происхождения и др. 5. Таможенники используют Товарную Номенклатуру, чтобы классифицировать товар и установить какой тариф применять. 6. Существуют различные способы определения таможенной стоимости, которые применяются при начислении пошлин. 7. Когда мы оформляли свой груз, таможенники не требовали гарантии проведения платежа. 8, После оформления документов на обратной стороне Грузовой таможенной декларации было пять штампов с надписью «ПРОВЕРЕНО». 9. Товар был досмотрен на таможенном складе, и никаких запрещенных товаров не обнаружили. 10. В случае поставки товаров, не соответствующих по качеству и количеству условиям внешнеторгового контракта, таможенники урегулируют ситуацию с поставщиком или перевозчиком данного товара. 11. Когда начальник таможни поставил на документы штамп «ВЫПУСК РАЗРЕШЕН», груз был выпущен из зоны таможенного контроля.

## **Grammar revision: The Infinitive, The Complex Object, the Participle, the Gerund.**

### **Ex.1. Find in the text examples of the Infinitives. Underline them.**

International carriage of cargo by road vehicles involves crossing the borders of one or more countries and passing through customs clearance and control. To simplify the formalities and to minimize delays at the borders the TIR Convention was signed in 1975 and came into force in 1978. TIR is the abbreviation for Customs Convention on the International Transportation of Goods. The TIR system allows to replace expensive physical inspection in the countries of transit for checking seals and the external conditions of the vehicle. It contains four main requirements: (1) With regard to security it requires that goods must be carried in such road vehicles or compartments of containers that no goods can be removed from or introduced into the sealed part of the vehicle without breaking customs seal. (2) The second principle is the guarantee system. The system ensures that customs duties and taxes during transit operations are paid at any moment by a National Guaranteeing Association, if the transport operator cannot be held responsible. 3) The third principle is the TIR Carnet. The goods must be accompanied by an internationally accepted document – Carnet, issued at the check point within the country of departure and serving as a control document at the borders in the countries of departure, transit and destination.

(4) The last principle is the international recognition of customs control measures: when goods are transported under this transit regime, the Customs office of departure checks the goods, seals the vehicle, reports it in the TIR Carnet and the cargo is transported without further unloading and inspection in the countries of departure, transit and destination. When the cargo arrives at the Customs office of destination, they become responsible for the goods to be transferred to another Customs procedure. Nowadays the Convention has been signed by more than 50 Contracting Parties. It covers the European Union, North Africa, Near and Middle East, the USA, Canada, Chile and Uruguay. A number of countries in Western and Central Africa and Latin America are also considering the establishment of the TIR system. Since 1978 the Convention has proved that it is one of the most successful transit systems because it contains provisions for a multi-modal transit regime in line with modern techniques and requirements and offers transport operators and Customs authorities a simple, cost-effective and safe regime for the international transportation of goods across frontiers.

**Ex.2. Fill in the gaps with “to” where it necessary.**

1. The cargo is examined \_\_\_ ensure that the information stated in the documents is true to the fact.
2. Having used the proper method of customs valuation the officials assess the amount of duty \_\_\_ be paid.
3. After that the duties are levied and it can \_\_\_ be done on different terms.
4. Depending on the company’s previous record and reputation, payment of duty may \_\_\_ be deferred.
5. In some cases the Customs may \_\_\_ require \_\_\_ guarantee the payment.
6. Normally, the cargo is unloaded and stored at the warehouse, the vehicle is \_\_\_ enter a parking area.
7. \_\_\_ speed up the customs clearance customs officials exercise risk assessment.
8. I think I shall be able \_\_\_ use this new technology.
9. Let me \_\_\_ help you \_\_\_ process the documents.

**Ex.3. Complete the sentences using the Infinitive:**

1. To work for the Customs is to . . .
2. When you work for the Customs it is important to . . .



3. Customs officers try to . . .
4. The main thing the passengers should do is to . . .
5. They apply to the Customs to . . .

**Ex.4. Complete the sentences using Complex Object, the Participle II.**

1. The TIR Convention allows the Customs ...
2. The TIR Convention guarantees the Customs duties ...
3. The customs officials of different countries consider the TIR Convention ...
4. In the countries of departure, transit and destination they consider Carnet ...
5. They expect the cargo ...

**Ex.5. Translate the sentences with Complex Object into Russian.**

1. The TIR Convention is expected to be signed by some more countries.
2. Transporters of goods want border formalities to be simplified.
3. They saw the violator break the customs seal.
4. The official ordered the documents for the cargo to be checked thoroughly.
5. What made you break the customs regulations?
6. The court declared the person to be guilty of money laundering.

**Ex.6. Complete the sentences using the Participle II of the verb in brackets:**

1. (Arrive) from abroad the vehicle is subject to customs control.
2. The documents (check) by the customs officer were in order.
3. The cargo (find) in damaged condition was put apart for examination in the presence of the owner of the goods.
4. (Examine) the cargo the officer-in-charge gave a permit to unloading.
5. No person can remove or alter any seal (place) upon any goods.
6. (Look) through the documents the customs officer noticed some violations.

**Ex.7. Translate the sentences into English using Complex Object.**

1. Капитан корабля полагал, что таможенный контроль будет проведен через несколько минут.

2. Она наблюдала, как мужчина срывал пломбы без разрешения руководства.

3. Таможенникам хотелось, чтобы несопровождаемый груз был отправлен как можно скорее.

4. Я не хочу, чтобы моя компания несла потери.

5. Когда я поднялся на борт корабля, я увидел, как таможенник проверяет личные вещи пассажира.

6. Таможенник заставил его заплатить штраф.

7. Позвольте ему сойти на берег.

8. Вы слышали, как владелец судна инструктировал команду о Российских Таможенных правилах и об ответственности за таможенные правонарушения.

### **Ex.8. Open the brackets using Participle II of the verb:**

1. The passenger presented the exit permit (to give) by the Ministry of Internal Affairs.

2. You should declare the painting (to buy) at the antique shop.

3. Free prices will be used for a (to limit) number of goods.

4. The suitcase (to examine) by the customs officer contained some things liable to duty.

5. Duty (to charge) by weight is calculated of the net weight of the article.

6. Tariffs (design) to obtain revenue are called revenue tariffs.

### **Ex.9. Translate the sentences from Russian into English using the Gerund, the Infinitive, the Participle I and Participle II.**

1. Взимая налоги, таможня увеличивает федеральный бюджет страны.

2. Покажите мне разрешение, выданное Министерством культуры.

3. Специально обученные собаки должны участвовать в обнаружении наркотиков, спрятанных в транспортных средствах, багаже, товарах.

4. Купленные вами товары должны пройти таможенный контроль.

5. Заполняя декларацию, туристка забыла указать картину, купленную в Москве.

6. Акциз и НДС – косвенные налоги, включаемые в стоимость товара.

7. Протекционистские тарифы созданы для защиты отечественного производства от иностранной конкуренции путем повышения цены на импортируемый товар и ограничения импорта.

8. Контроль пассажиров и груза, прибывающих в страну, проводится для взимания таможенных пошлин и с целью предотвращения контрабанды.

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