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International Trade in the New World: From Christopher Columbus to Bill Gates.

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Introduction

International trade is vital to the success of all our countries. Trade was considered so important in the 15th and 16th centuries that many voyages were commissioned to find new markets in the form of continents discovered by various explorers such as Columbus, Magellan and Vasco da Gama. These new countries then formed what came to be known, within that period, as the "New World". Today, in mid 1999, on the very brink of the millennium our "New World" has been created by moves towards freedom and harmony. Trade between countries and continents is freer now than it has ever been before. This in part is due to major changes which have taken place in the last 15 years or so, such as the success of the European Union to remove trade barriers in EU member countries; the collapse of the Soviet bloc; the rise of multi national companies and the developments in trade communications and technology. We are moving towards a digital future where society is led by the changes in technology such as those engineered by Bill Gates who some say has led the world changes by the creation and mass marketing of Microsoft.

This paper will give an overview of the changes in the world which have led to today's digital society and will discuss points of contact and sources of information for large and small organisations who wish to trade with the UK.

The Theory : Technology and Changes

The "lone genius" John Harrison (1) who discovered a way of measuring longitude at sea would have been astonished at how our measurement of time and place has altered. Technology is now so far advanced that we know to a zillionth of a second the correct time, and our distance to or from an object. As we enter the year 2000 both time and distance can be measured very accurately. Yet our concept of time has been altered over the years by a number of people. Questions such as what happened to the missing 10 days (2) and other such ponderables have taxed the best brains throughout the ages. Apart from man's fascination with time, the other great debate during most of civilisation are questions concerning our Universe such as is space expanding, is it shrinking, or is our world about to be hit by great asteroids which may destroy all of life?

All of these questions and issues concerning time, space and measurement have one very significant factor in common – they have all been influenced by the developments of technology. - From the basic navigational equipment which Columbus used to navigate the seas, to the creation and development of Bill Gates latest piece of Microsoft software - the way in which technology has evolved in the past and the changes these developments brought about must tell us something about our future.

What kind of a future then are we looking at in terms of work and technology? Many technical advances and deregulations combined with increased trade freedom in much of the world, have had a profound effect on the types and organisations of business enterprise. Companies now take advantage of sophisticated global technology infrastructures for the purposes of the movement of resources such as capital and information. Car production, computer manufacturing and telecommunications have grown into truly international industries culminating in what is known as the digital society(3). In response to general developments in the business world improvements are sought in the established business information sources. The transition from print to electronic media as the dominant form for information storage and retrieval and the convergence of previously separate media such as text graphics and sound into multimedia resources has not only widened the options for the delivery of information services but also raised awareness of the value of information. If we are in fact a truly global society (4) then we all need to know about how to export and import goods into other countries.

The rest of this paper concentrates on giving the reader the background and general practical information concerning where to go to for help and assistance when exporting to other countries. The commodities which we trade may have changed from spices and tobacco – but the concept of the importance and significance of trade in our lives has not.

The Practical Issues - Exporting Procedures in the UK

Exporting procedures are complex. Problems include the choice of methods of selling (e.g. through agents, export houses, or direct); complex paperwork to meet customs and other requirements; transport and finance. A list of just some of the documentation required would include sales contracts; commercial invoices; certificates of origin; export cargo shipping instructions; single administrative certificates and the bill of lading. There is work presently being undertaken by the Simpler Trade Procedures Boards (SITPRO) to simplify the documentation. Specialist firms, such as export houses and forwarding agents, exist to help exporters. Getting paid can be risky, and special insurance may be needed. In this context, the services of the Export Credits Guarantee Department (ECGD) are available from the Department of Trade and Industry. ECGD insures the British exporter against default by the overseas customer. Short term cover is now provided by a commercial firm - NCM Credit Insurance. Current guidance on export credit and finance generally can be found in the journal *International trade finance*.(5)

A useful introductory guide to the problems of exporting and sources of government assistance is *Exporting: a guide to export services* (6) a booklet issued by the DTI. One of the key commercial sources of information for exporters is *Croner's reference book for exporting* (7) which contains current information on export control and a useful glossary of terms. There are also many general books on exporting and the Institute of Exporters in London can be contacted for a current mailing list. However a recent one that can be recommended is *The Exporters Checklist* (8) which covers all aspects such as payment; insurance; transport and documentation. There are many periodicals devoted to exporting and to individual export markets. An example of a general one is the *Export times*. (9)

Sources of assistance and advice

Sources of advice and assistance are provided by various bodies in the UK. The British Government provides considerable help and guidance to exporters. The Department of Trade and Industry (DTI) and the Foreign Commonwealth Office (FCO) together provide a range of services to UK exporters. These are provided under the umbrella of the Overseas Trade Services (OTS) which in turn is part of the British Overseas Trade Board (BOTB). The aim of OTS is “to help UK firms take full advantage of overseas business opportunitiesby providing support, information, advice and assistance throughout the exporting process” (10) This aim is achieved by the provision of a network of contacts throughout the world. The network includes:

- The “Country Helpdesks” which are based in London at the DTI
- Commercial departments at Foreign and Commonwealth Office Diplomatic Posts Overseas
- The Business Links in England, Scottish Trade International and the Scottish Business Shop network for Scotland, the Welsh Overseas Trade Services for Wales and the Industrial Development Board for Northern Ireland.

The Business Links employ Export Development Counsellors who make up part of the International Trade Team. To supplement this service the Business Link Information Centre's will also provide information on various aspects of exporting.

Details of all these contacts including full addresses and telephone numbers are listed at the back of the DTI booklet *Exporting: a guide to export services* (11).

A list of DTI export publications, with prices, will be found in the DTI *Export publications catalogue*.(12) News of DTI/FCO export activities and general articles on exporting will be found in the DTI's monthly journal *Overseas trade*.(13) The DTI controls export licensing and other regulations through the Export Control Enquiry Unit in London. This Unit provides information to exporters of any imminent changes in

regulation which would affect trade. Notices of this kind are also published every Thursday in the daily *Lloyd's list international*, (14) under the heading 'DTI Tradefax'.

Other organisations that can help with exporting advice include chambers of commerce,(who are partners in Business Links) local export clubs and trade associations. There are approximately 75 export clubs in the UK and these are made up of groups of business people who are involved with export who meet from time to time to exchange news and ideas.

The DTI also runs the Language in Export Advisory Scheme, designed to assist small firms with translating and interpreting. As mentioned earlier, the Institute of Export is another useful organisation in the field and in conjunction with a firm called Sources of Supply (UK) Ltd. operates a register of export specialists. This is discussed in more detail in the following section.

Export Opportunities

Intending exporters must research overseas markets and find specific opportunities to sell their goods. A number of systems exist to help with this.

(a) Export intelligence

Export intelligence is a computerised information service which is available via subscription from a company called PreLink Ltd. The subscriber's 'profile', indicating the product and market interests, is matched daily against information received from abroad, and the subscriber is notified by post, fax, telex or electronic mail. Information comes from UK diplomatic posts overseas, the European Union (calls for tender from public bodies in the EU), and other bodies such as the World Bank. The service provides a screen-based one-stop shop for export information, including sales leads for government business in the USA and the EU and other business opportunities in China, Russia and world-wide. Further information can be accessed from the Internet address given at the end of the chapter. Alternatively PreLink can be contacted directly by e-mail on 00074.3703@compuserve.com

(b) Registers

There are three major websites which provide information and registers of exporters which are accessible through the Internet. They are:

- <http://www.tradeuk.com>

This is the official DTI website and is run in association with SOS (UK) Ltd. Information Services. The site provides a means for all UK concerns to register their interest and it is intended that TradeUK will become one of the first "Virtual Business Parks." There are two levels of entry - the first is free (for basic information to be posted on the register) whilst the second level gives a comprehensive and detailed overview of the company. To appear at the second level a fee is payable.

- <http://www.export.co.uk>

This is the official Institute of Export website and is also run in association with SOS(UK) Ltd. Information Services. The site operates a register of export specialists well as general information available from the Institute. Again there are two levels of entry to the register - the first for basic information and the second level for a detailed overview of the company.

- <http://www.britishexports.com>

This site is run by Reed Information Services who are a business partner with the DTI's Information Society Initiative. The site was originally launched in 1996 and has since developed a number of links including the British Exports Interactive (BEI) database. This is an electronic marketplace for products and services exported from Britain and the database is of particular significance in that it is translated into English, French, German, Spanish and Italian.

(c) Business in Europe

This is run by the DTI and aims to help British companies compete in the EU. It provides current information and advice and as such is useful as a “first” point of contact.

(d) Tenders Electronic Daily (TED)

In the EU, tenders for public-supply contracts above a certain value must be published in the *Official journal of the European Communities* (15). Calls for tender from Japan, the European Free Trade Area and other countries associated with the EU are included. The file of information is added daily to a computerised database known as *Tenders Electronic Daily (TED)*. TED can be accessed via the web and on-line through various hosts, including Profile and Echo - and via various commercial hosts such as UK Context Ltd who act as the official UK gateway for TED. TSO (formerly HMSO) also produce a diskette version of TED and a CD version is available from Eurobases. There is also now a system known as TED Alert whereby a profile is created of the companies interest and TED is then searched by the agency to check on relevant tenders. This system is available through European Information Centre's which are discussed in more detail later.

(e) BC-NET (Business Co-operation Network)

BC-NET is a system designed to help smaller businesses to find export opportunities and overseas business partners. BC-NET is accessed through the major chambers of commerce. Entries for businesses throughout the EU are made on a computer in Brussels, which matches likely pairs. This service is very useful as it is adjusted to the requirements of every company that wishes to take advantage of the many opportunities for business within the EU.

(f) Business Co-operation Centres

This system is designed to allow companies to advertise their requests in the EU using the local chamber of commerce and European Information Centre's as the contact. Opportunities remain viable for six months - but can then be renewed for a further six months.

Export markets

Sources of information and publications on individual overseas markets are legion. Some of the key ones are listed below.

(a) Overseas Trade Services

The Overseas Trade Services provide excellent information services including:

- The Export Market Information Centre

This is a major collection of overseas directories and statistics and the site can also be visited through the Internet or contacted by Email at emic@xpd3.dti.gov.uk. EMIC will also carry out research, for a fee, through the Export Market Research Information Service. (The service is run by the Institute of Exports and Business and Trade Statistics Ltd.).

- Market Menus

This system outlines the services and literature available for each of the top 80 UK export markets. Information is also available on the Internet at the address given at the end of this chapter. Market menus plus additional information concerning case studies and economic information are also available on CD ROM.

- Market Campaigns

Sometimes referred to in the press as “Trade Missions” these are usually aimed at specific markets and aim to publicise particular overseas markets. Details are usually advertised in the journal *Overseas trade* (16)

- Global Information on Science and Technology (GIST)

Until summer 1997 this used to be known as the Overseas Technical Information Service (OTS). GIST aims to circulate information on scientific and technological developments in other countries. The service provides a newsletter called GIST News (previously called OTIS

News) which includes abstracts features and news. There is on-line access to the GIST database which is run by Pera Business Connection.

- The Market Information Enquiry Service (MIES)
MIES which is run by the DTI will also supply information about a market and in addition would arrange for an initial free meeting with the exporter.

(b) Technical Help for Exporters (THE)

Technical Help for Exporters (THE) is in London and is a branch of the British Standards Institute. THE will assist with information on any legislation or general regulations regarding specific overseas countries and regions.

(c) The British Library

The British Library Business Information Service in London will also provide detailed market information in particular areas.

(d) European Documentation Centre's (EDC) and European Information Centre's (EIC)

Both these centres will provide detailed market information. To understand the difference between the two centres it is necessary to provide a little background information.

The European Documentation Centre's (EDCs) are collections of the published documentation of the EU, established to encourage the academic study of Europe. The EDC project is administered by the Directorate General for Information of the European Commission. There are over 40 EDC's in the UK, mostly in university libraries, but which grant access to the public. The documents are supplied by the EC free of charge. EDC's are a natural first port of call for anyone seeking COM documents, the EC *Official journal of the European Communities* (17) and other documentation.

The European Business Information Centres (Euro Info Centres) are another initiative of the European Commission. Unlike the EDC's, they are not intended as academic support systems, but are designed to help small and medium-sized businesses with practical advice and information.

(e) Commercial sources

A wide ranging review of EU industry - the *Panorama of EU Industry* (18), covers over 200 sectors of manufacturing and service industries and is published annually by the EU publications office. Other examples would include publications such as the Economist Intelligence Unit's very comprehensive "Country Reports". Euromonitor also publish information about specific regions which are listed in the catalogue -*Euromonitor Index* (19) .

A readily accessible source of information on overseas markets is the *Financial times*, (20) which publishes occasional surveys on individual countries. The journal *European business intelligence briefing* (21) provides a valuable service which includes general surveys and a country update each month including updates on Eastern Europe.

Two recent comprehensive directories of sources are the *Directory of Networks and other European Information Sources* (22) published by the Commission and the comprehensive *European Union Information: a directory of sources* (23).

Central and Eastern Europe

There are an increasing number of companies wishing to export to the "new" markets which form Central and Eastern Europe. The first point of contact for this kind of information would normally be the East European Trade Council (EETC) which is located in London and houses a very extensive East European business information collection. EETC was set up in 1967 to help assist and promote business in Central and SE Europe and the former Soviet Union. EETC also produce the *East Europe Bulletin* (24) which aims to "promote business within the countries of Central and Eastern Europe, Central Asia and Transcaucasia." The Central European Research and Development Unit (CERDU) at Glasgow University is another useful source of Central and East European information. The information service housed within the Unit provides current information (for a fee) on most aspects of export and related business matters.

Two of the key directories in this area are Headland Press's *East European business information* (25) and London Business Schools *Central and Eastern European business information sources* (26). Both these

publications list information on a range of E. European services and products. London Business School also run the CISME Centre (Commonwealth of Independent States: Middle Europe Centre) which specialises in Central and E. European Information.

The East European Risk Service is run by the Economist Intelligence Unit and provides valuable information on the state of the countries economy to potential exporters. There are also some interesting web sites one of which is listed at the end of the chapter. Finally, there are articles which appear on this subject in the professional library and information press such as the one by Shelley in *Business information review* (27).

Asia-Pacific

Until the Hong Kong stock market crash in late 1997 the area known as Asia-Pacific was undergoing a period of market development - giving way to general comments in the media such as "the rise of the Asia Pacific nations". The nations this term referred to included the following countries- Japan; North and South Korea; Indonesia; the Philippines; Singapore; Brunei; Burma; Malaysia; Thailand; Cambodia; Laos; Vietnam; China; Mongolia; Hong Kong; and Taiwan.

The reasons for the increase in interest and trade in these countries during the 1990's were twofold. First, as mentioned earlier, this group included some of the world's fastest growing economies - and some of the most well populated ones. Secondly, as in Europe, trade barriers are gradually being removed. For example, in 1995 Thailand, Indonesia and the Philippines launched unilateral programmes to cut tariffs. However, since October 1997 headlines which referred to "the rise of the Asia-Pacific nations presently refer to the "Asian Meltdown". Reports in the press even consider the possibility of a full scale global recession. These claims are evidenced by the collapse of three previously strong Japanese financial institutions - namely Sanyo Securities, Hokkaido Takushoku Bank and the well publicised collapse of Yamaichi Securities.

Another term - Asean - refers specifically to the seven nations of South East Asia ie. - Indonesia, Malaysia, Philippines, Singapore, Thailand, Vietnam and Brunei. These countries are working collaboratively towards a 'free trade area' which, it is hoped, could be in force as early as 2003 - it will be interesting to see if events in 1997 affect this drive towards further free trade. Further details on this turbulent and rapidly changing subject can be found in the *Financial times* (28) newspaper which runs regular surveys on Asian Financial markets.

Each of the countries within Asia-Pacific has its own Department of Trade and Industry Country Helpdesk which would be a normal first point of contact for information. Some of the key sources in this area would include the relevant Kompass directories and publications by Euromonitor and other major business information publishing companies. For example, Dun and Bradstreet publish the *Duns Asia / Pacific Key British Enterprises* (29) whilst another key source of information in this subject area is the *Asia-Pacific Handbook* (30). Other useful sources include publications by the Economist Intelligence Unit such as *China's leading industrial companies: the top 50* .(31)

Periodicals which cover Asia-Pacific include *Asia,Inc.* (32) which is also available online, by subscription, through the *Asia,Inc.* web site. Other relevant periodicals include the American periodical *East Asian: executive reports* (33) which gives legal and economic information aimed at professionals such as attorneys and accountants. For something of a more academic nature the *Asia-Pacific business review*,(34) acts as a forum for discussion of all economic and market issues relating to the relevant countries.

Other journals deal specifically with particular countries in this region. Two of particular note are the *Beijing Review* (35) and the *China - Britain trade review: the journal of China - Britain trade group* (36). As one is published in China and one in the UK it is interesting to compare the two for differing perceptions of similar situations, - particularly in the period just before and just after the return of Hong Kong to the Chinese.

Conclusion

The major changes in our world have been the developments in IT and our entry into the new era of the digital society. Yet the basis for all interaction is the way in which we trade with other countries. Export is

a complicated area that changes as new markets emerge and old markets subside. The recent major changes of historical significance have provided many new priorities for UK export and the government and the DTI has not been slow to realise this. Due to this realisation there is a very strong framework in the UK which includes many initiatives and schemes such as the Languages in Export Advisory Scheme. Elsewhere there has been a steady increase in trade - the reduction of barriers to trade really has made an impact in the size and diversity of markets available for export. A variety of frameworks and schemes have been set up to help and give assistance to those who wish to export goods in order to improve both the economy of individual countries and to have some impact on the economy of the world in general.

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