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1. INTERNATIONAL TRADE – WTO

The World Trade Organization (WTO) is an organization that intends to supervise and liberalize international trade. The organization officially commenced on January 1, 1995 under the Marrakech Agreement, replacing the General Agreement on Tariffs and Trade (GATT), which commenced in 1948. The organization deals with regulation of trade between participating countries; it provides a framework for negotiating and formalizing trade agreements, and a dispute resolution process aimed at enforcing participants' adherence to WTO agreements which are signed by representatives of member governments and ratified by their parliaments. Most of the issues that the WTO focuses on derive from previous trade negotiations, especially from the Uruguay Round (1986–1994).

The organization is currently endeavoring to persist with a trade negotiation called the Doha Round, which was launched in 2001 to enhance equitable participation of poorer countries which represent a majority of the world's population. However, the negotiation has been dogged by "disagreement between exporters of agricultural bulk commodities and countries with large numbers of subsistence farmers on the precise terms of a 'special safeguard measure' to protect farmers from surges in imports.

The WTO has 153 members representing more than 97% of total world trade and 30 observers, most seeking membership. The WTO is governed by a ministerial conference, meeting every two years; a general council, which implements the conference's policy decisions and is responsible for day-to-day administration; and a director-general, who is appointed by the ministerial conference. The WTO's headquarters is at Geneva Switzerland.

The WTO's predecessor, the General Agreement on Tariffs and Trade (GATT), was established after World War II in the wake of other new multilateral institutions dedicated to international economic cooperation — notably the Bretton Woods institutions known as the World Bank and the International Monetary Funds.

1.1. GATT rounds of negotiations

The GATT was the only multilateral instrument governing international trade from 1945 until the WTO was established in 1995.

From Geneva to Tokyo

Seven rounds of negotiations occurred under GATT. The first real GATT trade rounds concentrated on further reducing tariffs. Then, the Kennedy Round in the mid-sixties brought about a GATT anti dumping Agreement and a section on development. The Tokyo Round during the seventies was the first major attempt to tackle trade barriers that do not take the form of tariffs, and to improve the system, adopting a series of agreements on non-tariff barriers, which in some cases interpreted existing GATT rules, and in others broke entirely new ground. Because these plurilateral agreements were not accepted by the full GATT membership, they were often informally called "codes". Several of these codes were amended in the Uruguay Round, and turned into multilateral commitments accepted by all WTO members. Only four remained plurilateral (those on government procurement, bovine meat, civil aircraft and dairy products), but in 1997 WTO members agreed to terminate the bovine meat and dairy agreements, leaving only two.

Uruguay Round

Well before GATT's 40th anniversary, its members concluded that the GATT system was straining to adapt to a new globalizing world economy. In response to the problems identified in the 1982 Ministerial Declaration (structural deficiencies, spill-over impacts of certain countries' policies on world trade GATT could not manage etc.), the eighth GATT round — known as the Uruguay Round — was launched in September 1986, Uruguay.

It was the biggest negotiating mandate on trade ever agreed: the talks were going to extend the trading system into several new areas, notably trade in services and intellectual property, and to reform trade in the sensitive sectors of agriculture and textiles; all the original GATT articles were up for review. The Final Act concluding the Uruguay Round and officially establishing the WTO regime was signed during the April 1994 ministerial meeting at Marrakesh, Morocco, and hence is known as the Marrakesh Agreement.

The GATT still exists as the WTO's umbrella treaty for trade in goods

1.2. Functions of WTO

- ✓ It oversees the implementation, administration and operation of the covered agreements.
- ✓ It provides a forum for negotiations and for settling disputes.

Additionally, it is the WTO's duty to review and propagate the national trade policies, and to ensure the coherence and transparency of trade policies through surveillance in global economic policy-making. Another priority of the WTO is the assistance of developing, least-developed and low-income countries in transition to adjust to WTO rules and disciplines through technical cooperation and training.

The WTO is also a center of economic research and analysis: regular assessments of the global trade picture in its annual publications and research reports on specific topics are produced by the organization. Finally, the WTO cooperates closely with the two other components of the Bretton Woods system, the IMF and the World Bank.

1.3. Principles of the trading system

The WTO establishes a framework for trade policies; it does not define or specify outcomes. That is, it is concerned with setting the rules of the trade policy games. Five principles are of particular importance in understanding both the pre-1994 GATT and the WTO

Non-Discrimination

It has two major components: the most favoured nation (MFN) rule, and the national treatment policy. Both are embedded in the main WTO rules on goods, services, and intellectual property, but their precise scope and nature differ across these areas. The MFN rule requires that a WTO member must apply the same conditions on all trade with other

WTO members, i.e. a WTO member has to grant the most favorable conditions under which it allows trade in a certain product type to all other WTO members. Grant someone a special favour and you have to do the same for all other WTO members. National treatment means that imported goods should be treated no less favorably than domestically produced goods (at least after the foreign goods have entered the market) and was introduced to tackle non-tariff barriers to trade (e.g. technical standards, security standards et al. discriminating against imported goods).

Reciprocity

It reflects both a desire to limit the scope of free riding that may arise because of the MFN rule, and a desire to obtain better access to foreign markets. A related point is that for a nation to negotiate, it is necessary that the gain from doing so be greater than the gain available from unilateral liberalization; reciprocal concessions intend to ensure that such gains will materialize.

Binding and enforceable commitments

The tariff commitments made by WTO members in a multilateral trade negotiation and on accession are enumerated in a schedule (list) of concessions. These schedules establish "ceiling bindings": a country can change its bindings, but only after negotiating with its trading partners, which could mean compensating them for loss of trade. If satisfaction is not obtained, the complaining country may invoke the WTO dispute settlement procedures.

Transparency

The WTO members are required to publish their trade regulations, to maintain institutions allowing for the review of administrative decisions affecting trade, to respond to requests for information by other members, and to notify changes in trade policies to the WTO. These internal transparency requirements are supplemented and facilitated by periodic country-specific reports (trade policy reviews) through the Trade Policy Review Mechanism (TPRM). The WTO system tries also to improve predictability and stability, discouraging the use of quotas and other measures used to set limits on quantities of imports.

Safety valves

In specific circumstances, governments are able to restrict trade. There are three types of provisions in this direction: articles allowing for the use of trade measures to attain noneconomic objectives; articles aimed at ensuring "fair competition"; and provisions permitting intervention in trade for economic reasons. Exceptions to the MFN principle also allow for preferential treatment of developed countries, regional free trade areas and customs unions.

2. EXPORT AND IMPORT

This section details export and import.

2.1. Export

The term export is derived from the conceptual meaning as to ship the goods and services out of the port of a country. The seller of such goods and services is referred to as an "exporter" who is based in the country of export whereas the overseas based buyer is referred to as an "importer". In International Trade, "exports" refers to selling goods and services produced in home country to other markets.

In National Accounts, exports consist of transactions in goods and services (sales, barter, gifts or grants) from residents to non-residents. The exact definition of exports includes and excludes specific "borderline" cases.

Export of commercial quantities of goods normally requires involvement of the customs authorities in both the country of export and the country of import. The advent of small trades over the internet such as through Amazon and e-Bay has largely bypassed the involvement of Customs in many countries because of the low individual values of these trades. Nonetheless, these small exports are still subject to legal restrictions applied by the country of export.

2.2. Advantages of Exporting

Ownership advantages are the firm's specific assets, international experience, and the ability to develop either low cost or differentiated products within the contacts of its value chain. The locational advantages of a particular market are a combination of market potential and investment risk. Internationalization advantages are the benefits of retaining a core competence within the company and threading it though the value chain rather than obtain to license, outsource, or sell it. If the company and its products are equipped with ownership advantage and internalization advantage, they enter through low-risk modes such as exporting. Exporting requires significantly lower level of investment than other modes of international expansion, such as FDI. The lower risk of export typically results in a lower rate of return on sales than possible though other modes of international business, but risk is also lower. Exporting allows managers to exercise operation control but does not provide them the option to exercise as much marketing control. An exporter usually resides far from the end consumer and often enlists various intermediaries to manage marketing activities.

2.3. Disadvantages of Exporting

For MSME (Micro, medium and small enterprises), selling goods and services to foreign markets seems to be more difficult than serving the domestic market. The lack of knowledge for trade regulations, cultural differences, different languages and foreign exchange situations as well as the strain of resources and staff interact like a block for exporting. Indeed there are some SME's which are exporting, but most are selling to a particular area only. The main disadvantages/deterrents to exporting are

- ✓ Financial management effort: To minimize the risk of exchange rate, fluctuation and transactions processes of export activity the financial management needs more capacity to cope the major effort
- ✓ Customer demand: International customers demand more services from their vendor like installation and startup of equipment, maintenance or more delivery services
- ✓ Communication technologies improvement: The improvement of communication technologies in recent years enable the customer to interact with more suppliers while receiving more information and cheaper communications cost at the same time like 20 years ago. This leads to more transparency. The vendor is in duty to follow the real-time demand and to submit all transaction details
- ✓ Management mistakes: The management might tap in some of the organizational pitfalls, like poor selection of oversea agents or distributors or chaotic global organization

2.4. Ways of exporting

The company can decide to export directly or indirectly to a foreign country.

Direct selling in export strategy

Direct Selling involves sales representatives, distributors, or retailers who are located outside the exporter's home country. Direct exports are goods and services that are sold to an independent party outside of the exporter’s home country. Mainly the companies are pushed by core competencies and improving their performance of value chain.

Direct selling through distributors

It is considered to be the most popular option to companies, to develop their own international marketing capability. This is achieved by charging personnel from the company to give them greater control over their operations. Direct selling gives the company greater control over the marketing function and the opportunity to earn more profits. A distributor in a foreign country is a merchant who purchases the product from the manufacturer and sells them at profit. Distributors usually carry stock inventory and service the product, and in most cases distribute deals with retailers rather than end users.

Direct selling through foreign retailers and end users

Exporters can also sell directly to foreign retailers. Usually, products are limited to consumer lines; it can also sell to direct end users. A good way to generate such sales is by printing catalogs or attending trade shows.

Direct selling over the Internet

Ecommerce is an important mean to small and big companies all over the world, to trade internationally. We already can see how important e-commerce is for marketing growth among exporters companies in emerging economies, in order to overcome capital and infrastructure barriers, ecommerce eased engagements, provided faster and cheaper delivery of information, generates quick feedback on new products, improves customer service, accesses a global audience, levels the field of companies, and support electronic data interchange with suppliers and customers

Indirect selling

Indirect exports, is simply selling goods to or through an independent domestic intermediary in their own home county. Then intermediaries export the products to customer's foreign markets.

2.5. Making the export decision

Once a company determines it has exportable products, it must still consider other factors, such as the following

- ✓ What does the company want to gain from exporting?
- ✓ Is exporting consistent with other company goals?
- ✓ What demands will export place on the company's key resources - management and personnel, production capacity, and finance - and how will these demands be met?
- ✓ Are the expected benefits worth the costs, or would company resources be better used for developing new domestic business?

An export's counterpart is an import.

2.6. Import

The term import is derived from the conceptual meaning as to bring in the goods and services into the port of a country. The buyer of such goods and services is referred to an "importer" who is based in the country of import whereas the overseas based seller is referred to as an "exporter".

Thus an import is any good (e.g. a commodity) or service brought in from one country to another country in a legitimate fashion, typically for use in trade. It is a good that is brought in from another country for sale. Import goods or services are provided to domestic consumers by foreign producers. An import in the receiving country is an export to the sending country.

Imports, along with exports, form the basis of international trade. Imports of goods normally require the involvement of the customs authorities in both the country of import and the country of export and are often subject to import quotas, tariffs and trade agreements. Imports of services consist of all services rendered by non-residents to residents.

There are two basic types of import

- ✓ Industrial and consumer goods
- ✓ Intermediate goods and services

Companies import goods and services to supply to the domestic market at a cheaper price and better quality than competing goods manufactured in the domestic market. Companies import products that are not available in the local market.

There are three broad types of importers

- ✓ Looking for any product around the world to import and sell
- ✓ Looking for foreign sourcing to get their products at the cheapest price
- ✓ Using foreign sourcing as part of their global supply chain

Certifications

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- Certified AML-KYC Compliance Officer
- Certified Business Accountant
- Certified BASEL III Professional
- Certified GAAP Accounting Standards Professional
- Certified Treasury Markets Professional

Big Data
- Certified Hadoop and Mapreduce Professional

Cloud Computing
- Certified Cloud Computing Professional

Design
- Certified Interior Designer

Digital Media
- Certified Social Media Marketing Professional
- Certified Inbound Marketing Professional
- Certified Digital Marketing Professional

Foreign Trade
- Certified Export Import (Foreign Trade) Professional

Health, Nutrition and Well Being
- Certified Fitness Instructor

Hospitality
- Certified Restaurant Team Member (Hospitality)

Human Resources
- Certified HR Compensation Manager
- Certified HR Staffing Manager
- Certified Human Resources Manager
- Certified Performance Appraisal Manager

Office Skills
- Certified Data Entry Operator
- Certified Office Administrator

Project Management
- Certified Master in Project Management
- Certified Scrum Specialist

Real Estate
- Certified Real Estate Consultant

Marketing
- Certified Marketing Manager

Quality
- Certified Six Sigma Green Belt Professional
- Certified Six Sigma Black Belt Professional
- Certified TQM Professional

Logistics & Supply Chain Management
- Certified International Logistics Professional
- Certified Logistics & SCM Professional
- Certified Supply Chain Management Professional

Legal
- Certified IPR & Legal Manager
- Certified Labour Law Analyst
- Certified Business Law Analyst
- Certified Corporate Law Analyst

Information Technology
- Certified Angular JS Professional
- Certified Basic Network Support Professional
- Certified Business Intelligence Professional
- Certified Core Java Developer
- Certified E-commerce Professional
- Certified IT Support Professional
- Certified PHP Professional
- Certified Selenium Professional

Mobile Application Development
- Certified Android Apps Developer
- Certified iPhone Apps Developer

Security
- Certified Ethical Hacking and Security Professional
- Certified Network Security Professional

Management
- Certified Corporate Governance Professional
- Certified Corporate Social Responsibility Professional
- Certified Leadership Skills Professional

Life Skills
- Certified Business Communication Specialist
- Certified Public Relations Officer

Media
- Certified Advertising Manager
- Certified Advertising Sales Professional

Sales, BPO
- Certified Sales Manager
- Certified Telesales Executive

& many more job related certifications

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