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| **Key Term** | **Definition** | **Example** |
| Import | The act of bringing goods or services into a country from abroad for sale. | "The company plans to **import** electronic devices from China to meet the growing demand in the local market." |
| Export | The process of sending goods or services from one country to another for sale. | "Our firm specializes in the **export** of organic food products to European countries." |
| Tariff | A tax imposed by a government on imports or exports. | "The government has introduced new **tariffs** on imported steel to protect domestic manufacturers." |
| Quota | A government-imposed limit on the quantity of a specific product that can be imported or exported during a given time. | "The new **quota** on sugar imports limits how much foreign sugar can enter the country." |
| Balance of Trade | The difference between the value of a country’s exports and the value of its imports. | "A positive **balance of trade** means the country exports more than it imports." |
| Free Trade Agreement (FTA) | A pact between two or more countries to reduce or eliminate trade barriers, such as tariffs and quotas. | "The **Free Trade Agreement (FTA)** between the two nations has significantly increased cross-border trade." |
| Incoterms | A set of rules established by the International Chamber of Commerce to clarify international trade terms and the responsibilities of buyers and sellers. | "Both parties agreed to the **Incoterms** CIF, meaning the seller would cover the cost of freight and insurance." |
| Letter of Credit (L/C) | A document from a bank guaranteeing that a seller will receive payment if the conditions of the transaction are met. | "To secure the deal, the buyer opened a **Letter of Credit (L/C)** for the full amount." |
| Bill of Lading (B/L) | A legal document issued by a carrier to a shipper, detailing the type, quantity, and destination of the goods being carried. | "The **Bill of Lading (B/L)** is essential for claiming the goods once they arrive at the port." |
| Customs Duties | Taxes levied on goods when they are transported across international borders. | "The **customs duties** on imported cars have been increased to support the domestic auto industry." |
| Trade Deficit | A situation in which a country imports more goods and services than it exports. | "The country’s **trade deficit** has widened due to increased imports of oil and machinery." |
| Foreign Exchange (Forex) | The global market where currencies are traded, and exchange rates are determined. | "Companies involved in **foreign exchange (Forex)** trading can profit from fluctuations in currency values." |
| Sanctions | Penalties or restrictions imposed by one country on another, usually to discourage certain activities or policies. | "The new **sanctions** imposed on the country have severely limited its ability to trade internationally." |
| Certificate of Origin | A document used in international trade to certify that the goods being exported are manufactured or produced in a specific country. | "The exporter provided a **Certificate of Origin** to confirm that the products were made in Germany." |
| Trade Barrier | A government policy or regulation that restricts international trade, such as tariffs, quotas, or embargoes. | "High **trade barriers** in certain countries make it difficult for foreign companies to enter the market." |
| Dumping | The practice of selling goods in a foreign market at a price lower than their normal value, often below production costs. | "The government accused the company of **dumping** products in foreign markets to gain market share." |
| Trade Policy | The laws and regulations a government adopts to control imports and exports, including tariffs and trade agreements. | "The new **trade policy** aims to boost exports while protecting domestic industries." |
| Non-Tariff Barriers | Trade restrictions that do not involve tariffs, such as quotas, import licenses, and standards. | "The country implemented several **non-tariff barriers** to control the quality of imported goods." |
| Transshipment | The process of transferring goods from one ship to another or from one mode of transport to another during transit. | "The shipment was delayed due to **transshipment** issues at the port." |
| Export License | A government document that allows the export of specific goods to a particular destination. | "The company applied for an **export license** to sell its products in restricted markets." |
| Trade Financing | The funding provided to companies to facilitate international trade transactions, including import and export activities. | "The bank offers **trade financing** solutions to help businesses manage cash flow during transactions." |
| Foreign Direct Investment (FDI) | An investment made by a company or individual in one country in business interests in another country, typically through establishing business operations or acquiring assets. | "The government's incentives attracted substantial **foreign direct investment (FDI)** in the technology sector." |
| Export Subsidy | A government payment to a domestic producer to help them compete in foreign markets by lowering their export prices. | "The **export subsidy** allowed local farmers to sell their crops at more competitive prices internationally." |
| Trade Agreement | A contractual arrangement between countries that outlines the terms of trade, including tariffs, quotas, and other trade regulations. | "The new **trade agreement** is expected to enhance trade relations between the two countries." |
| Harmonized System (HS) Code | An internationally standardized system of names and numbers used to classify traded products. | "Each product exported must have a corresponding **Harmonized System (HS) code** for customs clearance." |
| Free Trade Zone (FTZ) | A designated area within a country where goods can be imported, stored, and processed without being subject to customs duties. | "The **free trade zone** in the city has attracted many international companies looking to minimize costs." |
| Trade Surplus | A situation in which a country exports more goods and services than it imports. | "The nation has maintained a **trade surplus** for several consecutive years." |
| Port of Entry | A designated location where goods are brought into a country and are subject to customs inspection. | "All shipments must clear customs at the **port of entry** before they can be distributed." |
| Customs Broker | A licensed individual or company that assists importers and exporters in meeting federal regulations governing imports and exports. | "Hiring a **customs broker** can simplify the import process by ensuring compliance with all regulations." |
| Shipping Manifest | A document that lists all the cargo on a vessel, including details about the sender, receiver, and nature of the goods. | "The shipping company provided a **shipping manifest** to ensure that all items were accounted for during transit." |