

МИНИСТЕРСТВО ИНОСТРАННЫХ ДЕЛ  
РОССИЙСКОЙ ФЕДЕРАЦИИ  
ДИПЛОМАТИЧЕСКАЯ АКАДЕМИЯ

**Ф. М-Р. Мирзоева**

**English on Economics**

Учебное пособие для развития навыков  
профессионально-ориентированного чтения

**МОСКВА**

**2016**

**УДК 811.111**  
**ББК 81.2-923**

**Мирзоева Ф.М-Р. English on Economics.** Учебное пособие для развития навыков профессионально-ориентированного чтения.

М.: Дипломатическая академия МИД РФ. 2016. 107 С.

Учебное пособие предназначено для магистрантов экономических специальностей. Цель данного пособия – развитие навыков чтения и перевода литературы по специальности, а также умений речевого профессионально-ориентированного общения в рамках тематики, предусмотренной программой по иностранному языку для магистров экономических специальностей. В пособие вошли информативные тексты и аутентичные статьи профессиональной направленности из англоязычной прессы.

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## ПРЕДИСЛОВИЕ

Учебное пособие предназначено для магистрантов экономических специальностей и соответствует уровням В2/С1.

Основные задачи пособия:

- совершенствование навыков чтения оригинальной литературы по специальности;
- расширение и закрепление лексической базы по специальности;
- совершенствование умений устного и письменного общения, включая презентации, беседы и дискуссии по специальности, написание научных статей, докладов, тезисов.

Использование аутентичных материалов позволяет ознакомить магистрантов со спецификой профессионального, социального и культурного контекста.

Учебное пособие содержит 5 разделов (Units) и построено по тематическому принципу. Разделы логично организованы и имеют единую структуру. Работе над текстами предшествует вводная часть -Pre-reading activity. Она содержит важные для понимания текстов сведения, а также задания, включающие новую лексику и предваряющие вопросы. В части Reading and Comprehension следуют тексты или статьи из газет и журналов по экономике. Наличие нескольких близких по тематике статей позволяет рассмотреть основную тему раздела с различных углов. Более того, в конце каждой главы имеются статьи для дополнительного чтения с заданиями (Supplementary reading), что облегчает отбор учебного материала для магистрантов с различным уровнем подготовки. Языковой материал и терминологическая лексика из текстов активизируется с помощью системы разнообразных упражнений (true-false statements; синонимы; восстановление словосочетаний, проблемные вопросы, упражнения с пропусками, дополнение предложений и т.п.), направленных на понимание и контроль содержания текстов, а также на стимулирование обсуждения проблем в пределах представленной тематики. Ко многим заданиям предлагаются речевые формулы, организованные по различным коммуникативным намерениям (согласие-несогласие; возражение; уточнение и т.п.) За ними следуют задания, направленные на выработку навыка комментирования с последующим письменным реферированием статьи. Подобные упражнения позволяют освоить методику поиска информации, совершенствовать приемы реферирования и аннотирования текстов профессиональной направленности, работы над научным исследованием и представлением его в виде презентации или доклада.

Блоки Essay writing и Making presentation, представленные в конце разделов, развивают критическое осмысление прочитанных статей, обогащают словарный запас и фоновые знания, подводя итог разделу. Заключительные задания носят творческий, коммуникативный характер и обеспечивают базу лексически грамотного профессионального взаимодействия необходимого для экономиста-международника. В конце учебного пособия магистранты найдут дополнительные материалы по структурным и языковым средствам оформления

реферирования, аннотирования, презентаций, эссе.

Большое внимание в пособии уделяется совершенствованию у магистрантов компетенций, необходимых для выполнения конкретных видов устной речевой деятельности на базе аутентичных современных статей из наиболее солидных экономических изданий.

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## UNIT 1. INTERNATIONAL ECONOMIC ORGANIZATIONS AND INSTITUTIONS

**International Economic Organizations** play a vital role in the global economy. The most famous include the World Bank, International Monetary Fund and World Trade Organization which were either established or conceived at the Bretton Woods Conference in 1944. Since then numerous other regional organizations have been formed including several led by China and Russia in recent years. The three major international economic organizations are the World Bank, the International Monetary Fund (IMF), and the World Trade Organization (WTO). The WTO emerged out of the General Agreement on Tariffs and Trade (GATT) in 1995; it is an arrangement across countries that serves as a forum for negotiations on trading rules as well as a mechanism for dispute settlements in trade issues. By contrast, the World Bank and IMF deal with their member countries one at a time. They have little influence with industrial countries but can affect developing countries during times of economic crisis and when those countries seek additional foreign exchange resources. The International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IRBD or World Bank hereafter) are among the most well-known and criticized international organizations primarily because of the influence they exert over member countries' economic choices. Both organizations were created at the end of World War II and have played a critical role in the evolution of the global economic and financial system.

### Pre-reading activity

**Task 1.1. Before you read discuss these questions** .Work in pairs or groups and discuss the questions. Use the following expressions to present your opinion: *In my experience... As far as I'm concerned... Speaking for myself... In my opinion...*

1. What are the aims of international economic organizations?
2. Can you think of any group(s) of countries associated with WTO, IMF, which enjoy membership?
3. Do you think IMF has traditionally been a generous institution in spreading economic development?
4. How open is the IMF to outside scrutiny and participation ?
- 5.What is the IMF's mission and how has that changed over time?

**Task 1.2. Consult a dictionary and practice the pronunciation of the following words and word combinations, translate them into Russian and quote the sentences in which they are used in the texts 1 and 2. Submit the examples of your own:** financial institutions, development, trade policy, monetary policy, to monitor, short-term loans, balance of payments, emerging market economies, developing countries, government subsidies, supervise trade, the Doha Development Round, the GATT agreements, make loans ,the domestic economy, bilateral free trade .

## **Reading**

### **Text 1. International Monetary Fund (IMF)**

International Monetary Fund (IMF), created at the Bretton Woods Conference in 1944, began operations on 1 March 1947. It had its inception on 1 July 1944, when delegates of forty-four nations met at Bretton Woods, New Hampshire, and proposed two associated financial institutions—the IMF, with \$8 billion capital, and the International Bank for Reconstruction and Development. A recurrence of the restrictive trade policies, exchange instability, and international lending abuses that had characterized the interwar era was feared. After World War I, nations had sought monetary stability by returning to the gold standard, but in many instances the gold standard took the form of a weak version of the gold exchange standard. Its breakdown contributed to the 1929–1936 economic debacle.

The IMF's original purpose was to support world trade by reestablishing a stable international system. To this end, it was given the mandate to monitor the exchange rate policies of member countries and provide short-term loans in case of balance of payments problems.

Since the IMF and member nations accepted the dollar as equal to gold, the growing number of dollars in their central bank reserves, especially after 1958 and in turn the consequence of chronic U.S. government deficits, stimulated worldwide inflation. The gold exchange standard broke down in 1968–1971, notably after the United States ceased redeeming dollars in gold on 15 August 1971, thereby severely damaging the prestige of the IMF.

With the collapse of fixed exchange rates in 1973, the dominant role of the IMF was to provide financial support for member countries. As of 1993, it had 178 members and had become a major financial intermediary. Its involvement is virtually required before international bankers will agree to refinance or defer loans for Third World countries. The IMF was also instrumental in providing

funds for the emerging market economies in eastern Europe following the breakup of the Soviet Union in 1991. The fund also provides information to the public, and technical assistance to governments of developing countries.

The IMF can make loans to member countries through standby arrangements. Depending on the size of the loan, the fund imposes certain conditions. Known as IMF conditionality, these measures often interfere with the sovereignty of member countries with regard to economic policy. IMF conditions can require devaluation of currencies, removal of government subsidies, cuts in social services, control over wages, trade liberalization, and pressure to pursue free-market policies. IMF conditionality has been criticized as being too severe, imposing hardship on debtor countries. Because IMF policies are imposed by an international agency consisting of industrialized countries, they give the appearance of maintaining the dependency of the Third World.

## **Text 2. World Trade Organization (WTO)**

The World Trade Organization (WTO) is an organization that intends to supervise and liberalize international trade. The WTO is responsible for monitoring national trading policies, handling trade disputes, and enforcing the GATT agreements, which are designed to reduce tariffs and other barriers to international trade and to eliminate discriminatory treatment in international commerce. In an effort to promote international agreements, WTO negotiations are conducted in closed sessions; many outsiders have strongly criticized such meetings as antidemocratic. Unlike GATT, the WTO is a permanent body but not a specialized agency of the United Nations; it has far greater power to mediate trade disputes between member countries and assess penalties.

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 attempting to complete negotiations on the Doha Development Round, which was launched in 2001 with an explicit focus on addressing the needs of developing countries. As of June 2012, the future of the Doha Round remains uncertain: the work programme lists 21 subjects in which the original deadline of 1 January 2005 was missed, and the round is still incomplete. The

conflict between free trade on industrial goods and services but retention of protectionism on farm subsidies to domestic agricultural sector (requested by developed countries) and the substantiation of the international liberalization of fair trade on agricultural products (requested by developing countries) remain the major obstacles. These points of contention have hindered any progress to launch new WTO negotiations beyond the Doha Development Round. As a result of this impasse, there has been an increasing number of bilateral free trade agreements signed.

The WTO is headquartered in Geneva and also holds international ministerial conferences; it has 153 members. WTO's current Director-General is Roberto Carvalho de Azevêdo , who leads a staff of over 600 people.

## COMPREHENSION

**Task 1.3. Read the texts about IMF and WTO and give extensive answers to the questions.**

**Use the following expressions to present your answers:** *It is clear from..that..; I presume...It is argued that...In fact...Speaking about...We can say that...Having thoroughly studied...*

1. How do these two financial organizations main goals differ?
2. How can IMF make loans? What is the IMF's approach to helping countries that are deeply in debt?
3. What does IMF make countries do in answer of loan?
4. When and why was the image of IMF ruined?
5. What was the main reason of IMF establishment?
6. How does the WTO support GATT?
7. What hinders the WTO programmers` implementation?
8. Why was the meeting at Bretton Woods so important for international community?

**Task1.4. Read the statements below and decide if it is true (T) or false (F)according to the information in the texts 1 an 2.Find the part of the text that gives the correct information.**

*Begin with: Yes, it`s true I guess..., I don`t think it is true; I am afraid it is wrong .....In my opinion it is true that...*

1. WTO agreements must be signed by member countries and go through the parliaments
2. The IMF loans don`t demand any conditions from debtor countries.
3. The International Bank for Reconstruction and Development was established after 1958 and in turn the consequence of chronic U.S. government deficits.
4. The needs of developing countries remain the major obstacles for WTO development.

5. The WTO provides regulation of trade only for member countries.

**Task 1.5. Collocations. Match the nouns as they occur together in the texts 1 and 2. Use them in sentences of your own.**

1. economic	institutions
2. financial	company
3. international	assistance
4. gold	subsidies
5. exchange	sector
6. raise	standard
7. public	rate
8. government	capital
9. technical	trade
10. agricultural	policy

## **Reading**

### **Text 3. The IMF and the World Bank**

March 27, 2015

The International Monetary Fund (IMF) and the World Bank are institutions in the United Nations system. They share the same goal of raising living standards in their member countries. Their approaches to this goal are complementary, with the IMF focusing on macroeconomic issues and the World Bank concentrating on long-term economic development and poverty reduction. The International Monetary Fund and the World Bank were both created at an international conference convened in Bretton Woods, New Hampshire, United States in July 1944. The goal of the conference was to establish a framework for economic cooperation and development that would lead to a more stable and prosperous global economy. While this goal remains central to both institutions, their work is constantly evolving in response to new economic developments and challenges.

The IMF's mandate. The IMF promotes international monetary cooperation and provides policy advice and technical assistance to help countries build and maintain strong economies. The IMF

also makes loans and helps countries design policy programs to solve balance of payments problems when sufficient financing on affordable terms cannot be obtained to meet net international payments. IMF loans are short and medium term and funded mainly by the pool of quota contributions that its members provide. IMF staff are primarily economists with wide experience in macroeconomic and financial policies.

The World Bank's mandate. The World Bank promotes long-term economic development and poverty reduction by providing technical and financial support to help countries reform particular sectors or implement specific projects—such as, building schools and health centers, providing water and electricity, fighting disease, and protecting the environment. World Bank assistance is generally long term and is funded both by member country contributions and through bond issuance. World Bank staff are often specialists in particular issues, sectors, or techniques. The IMF and World Bank collaborate regularly and at many levels to assist member countries and work together on several initiatives. In 1989, the terms for their cooperation were set out in a concordat to ensure effective collaboration in areas of shared responsibility.

1..... During the Annual Meetings of the Boards of Governors of the IMF and the World Bank, Governors consult and present their countries' views on current issues in international economics and finance. The Boards of Governors decide how to address international economic and financial issues and set priorities for the organizations.

A group of IMF and World Bank Governors also meet as part of the Development Committee, whose meetings coincide with the Spring and Annual Meetings of the IMF and the World Bank. This committee was established in 1974 to advise the two institutions on critical development issues and on the financial resources required to promote economic development in low-income countries.

2..... The Managing Director of the IMF and the President of the World Bank meet regularly to consult on major issues. They also issue joint statements and occasionally write joint articles, and have visited several regions and countries together.

3..... IMF and Bank staffs collaborate closely on country assistance and policy issues that are relevant for both institutions. The two institutions often conduct country missions in parallel and staff participate in each other's missions. IMF assessments of a country's general economic situation and policies provide input to the Bank's assessments of potential development projects or reforms. Similarly, Bank advice on structural and sectoral reforms is taken into account by the IMF in its policy advice. The staffs of the two institutions also cooperate on the conditionality involved in their respective lending programs.

The 2007 external review of Bank-Fund collaboration led to a Joint Management Action Plan on World Bank-IMF Collaboration (JMAP) to further enhance the way the two institutions work together. Under the plan, Fund and Bank country teams discuss their country-level work programs, which identify macro-critical sectoral issues, the division of labor, and the work needed in the coming year. A review of Bank-Fund Collaboration underscored the importance of these joint country team consultations in enhancing collaboration.

4..... The IMF and World Bank also work together to reduce the external debt burdens of the most heavily indebted poor countries under the Heavily Indebted Poor Countries (HIPC) Initiative and the Multilateral Debt Relief Initiative (MDRI). The objective is to help low-income countries achieve their development goals without creating future debt problems. IMF and Bank staff jointly prepare country debt sustainability analyses under the Debt Sustainability Framework (DSF) developed by the two institutions.

5..... In 1999, the IMF and the World Bank launched the Poverty Reduction Strategy Paper (PRSP) approach as a key component in the process leading to debt relief under the HIPC Initiative and an important anchor in concessional lending by the Fund and the Bank. While PRSPs continue to underpin the HIPC Initiative, the World Bank adopted in July 2014 a new approach to country engagement that no longer requires PRSPs while focusing on the elimination of extreme poverty and promotion of shared prosperity. The Fund continues to rely on the PRSP to provide the link between a Fund-supported program and the poverty reduction and growth objectives of a member country.

6..... Since 2004, the Fund and the Bank have worked together on the Global Monitoring Report (GMR), which assesses progress towards the 2015 UN Millennium Development Goals (MDGs). New Sustainable Development Goals (SDGs) will replace the MDGs in 2015 as the basis for the post-2015 development agenda. The Fund and the Bank will support the implementation of the new SDGs and contribute to monitoring progress toward their achievement.

7..... The Assessing financial stability IMF and the World Bank are also working together to make financial sectors in member countries resilient and well regulated. The Financial Sector Assessment Program (FSAP) was introduced in 1999 to identify the strengths and vulnerabilities of a country's financial system and recommend appropriate policy responses. (www.imf.org and www.worldbank.org.)

## **COMPREHENSION**

**Task 1.6. Go over the text again to match the sub-headings (a – g ) with the extract (1-7)**

- a) Reducing debt burdens;
- b) Assessing financial stability;
- c) Management consultation;
- d) High-level coordination;
- e) Reducing poverty;
- f) Staff collaboration;
- g) Monitoring progress on the MDGs.

**1.7. Read the texts about IMF and WTO and give extensive answers to the questions. Use the following expressions to present your answers: *It is clear from...that..; I presume...;It is argued that...;In fact...;Speaking about...;We can say that...;Having thoroughly studied...***

1. What are the purposes of the Bretton Woods Institutions?
2. What is the current relationship between the IMF and World Bank? Do their functions overlap?
3. Where does the IMF get its money?
4. What are the World Bank's current role and major challenges and opportunities?
5. How does the IMF help the poor?

**6. Task 1.8. Read the text. Translate it orally**

**Text 4. BRICS**

The acronym "BRICs" was initially formulated in 2001 by economist Jim O'Neill, of Goldman Sachs, in a report on growth prospects for the economies of Brazil, Russia, India and China – which together represented a significant share of the world's production and population.

In 2006, the four countries initiated a regular informal diplomatic coordination, with annual meetings of Foreign Ministers at the margins of the General Debate of the UN General Assembly (UNGA). This successful interaction led to the decision that the dialogue was to be carried out at the level of Heads of State and Government in annual Summits. As of the First Summit, held in Yekaterinburg in 2009, the depth and scope of the dialogue among the Members of BRICs – which became BRICS in 2011 with the inclusion of South Africa – was further enhanced. More than an acronym that identified countries emerging in the international economic order, BRICS became a

new and promising political-diplomatic entity, far beyond the original concept tailored for the financial markets. After the Yekaterinburg Summit, five annual Summits were held (Brasilia, 2010; Sanya, 2011; New Delhi, 2012; Durban, 2013; and Fortaleza, 2014). The leaders of the member countries have been holding at least one annual meeting. In Durban last year, the first cycle of Summits was completed, each member country having hosted a meeting of leaders. In this period, BRICS has evolved in an incremental manner, in areas of consensus amongst its members, strengthening its two main pillars: (i) coordination in multilateral fora, with a focus on economic and political governance; and (ii) cooperation between members.

Regarding the first pillar, the efforts towards reforming the structures of global governance, especially in the economic and financial fields – Financial G-20, International Monetary Fund, World Bank – receive a special emphasis, as well the reform of political institutions, such as the United Nations. Intra-BRICS cooperation has also been gaining density: a broad agenda has been developed, comprising areas such as finance, agriculture, economy and trade, combating transnational crime, science and technology, health, education, corporate and academic dialogue and security, among others.

In that context, the financial sector receives a special focus as a new front of cooperation. At its 6th Summit, the BRICS established the New Development Bank, aimed at financing infrastructure and sustainable development projects in the BRICS and other developing countries. The new institution will count initially with a subscribed capital of US\$ 50 billion.

Likewise, the BRICS also concluded the agreement that creates the Contingent Reserves Arrangement (CRA), a fund with an initial sum of US\$ 100 billion, which the BRICS countries will be able to use to forestall short-term liquidity pressures. One of the objectives of the CRA is to contribute to international financial stability, by providing an additional line of defense to the BRICS. The establishment of the Bank and the CRA conveyed a strong message on the willingness of BRICS members to deepen and consolidate their partnership in the economic-financial area.

The Fortaleza Summit launched a new cycle for the BRICS. Brazil will follow up on the initiative, aiming at incrementally increasing existing cooperation. The meeting's particular focus on social inclusion and sustainable development gave visibility to policies implemented by member countries, and to the contribution of the BRICS' economic growth to poverty reduction. The theme "inclusive growth, sustainable solutions" is not only in line with the member countries' social policies, but also highlights the need to tackle challenges in the social, economic and environmental

fields, and creates new opportunities for the BRICS in different areas, including the negotiations on the post-2015 development agenda.

For Brazil, BRICS has a special significance: it comprises four of the country's strategic partners, all of which have a strong regional leadership and growing participation in the global economy. Brazil is now in charge of the group's presidency, and will lead the implementation of the Plan of Action to be approved on the occasion. In view of BRICS' informal nature, the role of Secretariat is played by its pro tempore presidency. BRICS is cautiously and incrementally being consolidated, gradually moving forward the institution-building process. [www.brics5.co.za/about-brics](http://www.brics5.co.za/about-brics).

## COMPREHENSION

**Task 1.9. Read the text again. How are the ideas within the text linked? Underline the words which help the author do it. Comment on every link.**

**Task 1.10. Get ready to give a presentation based on the text. (Appendix 1) Find extra information about BRICS organization to expand on the major points, summarizing the economic outlook for BRICS as a new and promising political-diplomatic entity.**

## Language review

**Task 1.11. Read the following article and decide with answer A, B, C, D best fit each gap.**

### **Brics to open alternatives to World Bank, IMF**

By Valentina Pop, BRUSSELS, 10. Jul 2014

Brazil, Russia, India, China, and South Africa (the so-called Brics) are ..... (1) alternatives to the World Bank and the International Monetary Fund, which they find too biased towards Europe and the US. The "New Development Bank" to rival the World Bank will be launched at a Brics summit in the Brazilian city of Fortaleza next week, with all agreed except where to put the main headquarters, Russian finance minister Anton Siluanov said Wednesday (9 July). The project will see each of the Brics ..... (2) €1.4 billion to the bank's funds over the next seven years, with the bank's maximum capital set at €73 billion. The bank will fund mainly ..... (3) projects. It will be a small rival to the €163 billion-strong World Bank, but it marks the departure of a US and Europe-dominated international financial system. Siluanov also ..... (4) plans for a separate

Brics project: an alternative to the International Monetary Fund (IMF). This would be set up as a joint contingency..... (5) between the five Brics countries to the tune of €73 billion. "We have ..... (6) an agreement that, in the current conditions of capital volatility, it is important for our countries to have this buffer a so-called "mini-IMF" - a financial organisation which could quickly react to capital ..... (7), providing liquidity in ..... (8) currency, in particular in US dollars," Siluanov said. The pool will become available in 2015 and will see each of the Brics countries .....(9) as much of a proportion of the total capital as it would be allowed to withdraw, except for China (the largest donor) and South Africa (the smallest), which will be allowed to withdraw half and double their contributions, respectively. Brics nations have grown increasingly frustrated at the priorities of the IMF, particularly during the euro-crisis, where a disproportionate amount of the fund's money went to ..... (10) in southern Europe.

- |     |                  |              |                   |              |
|-----|------------------|--------------|-------------------|--------------|
| 1.  | A. to establish  | B. to found  | C. to open        | D. to build  |
| 2.  | A. put           | B. send      | C. contribute     | D. invest    |
| 3.  | A. entertainment |              | B. infrastructure | C. local D.  |
|     | new              |              |                   |              |
| 4.  | A. asked         | B. said      | C. rejected       | D. confirmed |
| 5.  | A. pool          | B. sum       | C. purse          | D. company   |
| 6.  | A. done          | B. reached   | C. enjoyed        | D. taken     |
| 7.  | A. suffer        | B. ceiling   | C. limit          | D. outflow   |
| 8.  | A. hard          | B. large     | C. light          | D. big       |
| 9.  | A. go to         | B. put in    | C. take in        | D. came out  |
| 10. | A. cash shops    | B. interests | C. projects       | D. bailouts  |

### Read the text

#### Text 5. Russia's accession to the World Trade Organization (WTO)

The document, which makes Russia the global trade body's 156th member, was signed in Geneva on December 16, 2011 after 18 years of negotiations. Russian President Vladimir Putin signed a federal law that authorizes the protocol on July 21.

The Economic Development Ministry said the WTO membership will lower prices for both imported and domestic goods. According to the World Bank, the admission will give Russia an additional 3.3 percent of GDP annually for the first three years, with the figure likely to increase

later. Critics have claimed that Russia's accession to the WTO is detrimental to the country's national sovereignty and security and could ruin entire sectors of the domestic economy.

The improved competitive environment in Russia after its accession to the World Trade Organization will help modernize the domestic economy, Prime Minister Vladimir Putin said on Wednesday. "I expect that tighter competition will spur modernization of our economy," Putin said in his final report as prime minister to the State Duma, the lower house of Russia's parliament. Russia needs to join the world trade club to upgrade its production capacities, said Putin who is to return to the Kremlin in May after four years as premier. "We won't be able to modernize our economy without accession to the WTO. Until they (Russian producers) feel real competition, they will not invest in modernization," Putin said.

Russia's Economic Development Ministry plans to grant preferences to domestic producers under state procurement programs to compensate for their losses from lower import duties after Russia joins the WTO, the Kommersant business paper reported on Monday, citing the ministry's draft resolution. The list of products that will get special treatment include pork, sugar, agricultural machinery and paper. After Russia joins the WTO this summer, it will have to lower the import duties on these products, opening the door wide open for cheaper imports. The ministry intends to compensate these losses with its newly proposed changes to the state procurement system.

Russia's state orders currently account for 13 percent of the country's gross domestic product. Belarus and Kazakhstan may also enjoy the same preferences as Russia's partners in the Customs Union between the three ex-Soviet states. Russian hog farmers have turned to the Russian government with requests to protect the sector against foreign rivals, claiming Russia's accession to the WTO and the subsequent lowering of import duties will cause mass bankruptcies amongst Russian agricultural producers. In mid-February, the Russian Union of Industrialists and Entrepreneurs asked the Russian government to allocate some 400 billion rubles (\$13 billion) to protect the domestic agriculture.

Some Russian producers may suffer in the short-term from Russia's entry in the WTO but the Russian government is looking for tools to protect key sectors of the economy, such as agriculture, carmaking and agricultural machinery production. (*Ria-novosty*)

## **COMPREHENSION**

**Task 1.12. Read the article and give extensive answers to the questions. Use the following expressions to present your answers: *it is clear from... that...; I presume... It is argued that... In fact... Speaking about... We can say that... Having thoroughly studied...***

1. What does the article deal with?
2. Where was it published and when?
3. Does the abstract contain any introduction or conclusion?
4. What was the purpose of the writer (to inform, to describe, to criticise)?
5. Is the language the writer uses argumentative?
6. Who do you think will find the information of this abstract interesting?

**Task 1.13. Find the Russian equivalents of the following:**

domestic goods; get special treatment; the global trade body; foreign rivals; the import duties draft resolution; the state procurement system; spur modernization of our economy; suffer in the short-term; to allocate.

**Task 1.14. Match the synonyms a-h to 1-8.**

- |                  |                   |
|------------------|-------------------|
| a) to receive    | 1) to be worth    |
| b) to suppose    | 2) to demonstrate |
| c) to value      | 3) to guess       |
| d) to show       | 4) to rise        |
| e) to cost       | 5) to measure     |
| f) to increase   | 6) to get         |
| g) to accumulate | 7) to get back    |
| h) to return     | 8) to save up     |

**Task 1.15. Go over the article. Critically evaluate it. Give your own pros and cons on Russia's accession to the World Trade Organization.**

## **Text 6. Why Is WTO Accession Important?**

11 July 2012. By Ben Aris

Russia finally ratified the WTO protocol on Tuesday, June 10, and is now a fully paid-up member of the world's biggest trade club. Why is accession important? Membership comes at a very real

monetary cost: Economic Development Minister Andrei Belousov put a number on it, telling Duma deputies that WTO accession could mean \$13 billion of lost revenues to imported competition through 2014.

But the Kremlin is willing to accept this in exchange for increased competition in the marketplace that is designed to force Russian companies to modernize and work more efficiently. That is the most widely quoted benefit from accession, but there are more and less obvious benefits. It is hard to assess just how important the increase in competition will be.

The state is struggling to push through reforms to liberalize the market, but it is hoped that the pressure of competition will highlight where the weaknesses are and change the nature of reforms from theoretical speculations of what Russia "should do" to a more pragmatic "what we need to do" basis. There will be specific issues that have created weaknesses that inbound importers will exploit to Russian companies' detriment.

However, what is less widely acknowledged is that Russia is already in a great position to capitalize on WTO accession in that it already runs the most open trade and capital account regimes of any of the significant global emerging markets. There is already a steady stream of consumer-related businesses arriving in Russia, such as all the fast-food companies that arrived last year, like KFC and Burger King. But this stream could turn into a flood as Russia is already on the verge of becoming the largest consumer market in Europe, and the first trade barriers to fall following yesterday's vote will be those on consumer goods. But maybe the biggest and most important benefit that WTO membership will bring is that it should bring the cost of goods down.

## **COMPREHENSION**

### **Task 1.16. Discuss the text.**

Is there an introduction in this text? Where does it end?

Is there a conclusion? If so, where does it start? Explain your answer.

What was the purpose of the writer (to inform, to describe, to criticise)?

### **Task 1.17. Translate the item.**

#### **Annotation of the book: Global Economic Institutions**

Willem Molle; Erasmus University, Rotterdam.

Globalization can have positive effects in many areas. This statement should not be as controversial as it often seems. In order for it to realize its potential, however, global institutions must be competent to deal with the problems caused by globalization. This book examines global economic institutions critically. It presents an accessible, fluid history of globalization and explains how global public goods should be defined, how global economic institutions work, and it looks at the effect that major organizations such as the WTO, IMF, UNEP, etc., have on trade, finance, the environment, and so on. The beauty of *Global Economic Institutions* lies in its unique approach and the author's ability to explain complicated economic and political systems and terms with commendable clarity and style. Students and academics interested in international business and economics will find this book a useful tool. Researchers, business consultants, policy-makers and so forth may yet come to see this volume as indispensable. (Willem Molle is Professor at Erasmus University, Rotterdam. Willem Molle is Professor at Erasmus University, Rotterdam, and Director of ECORYS Research and Consulting, Rotterdam, the Netherlands.)

### **Supplementary reading**

#### **Text 7. History of the EBRD**

The European Bank for Reconstruction and Development (EBRD) was established to help build a new, post-Cold War era in Central and Eastern Europe. It has since played a historic role and gained unique expertise in fostering change in the region - and beyond.

#### Commitment to entrepreneurship

The EBRD is committed to furthering progress towards 'market-oriented economies and the promotion of private and entrepreneurial initiative'. This has been its guiding principle since its creation at the beginning of the 1990s and, new challenges and the welcoming of new countries to the EBRD world notwithstanding, will continue to be its mission in years to come.

#### A turning point in the history of Europe


The EBRD was set up in haste to meet the challenge of an extraordinary moment in Europe's history, the collapse of communism in its East. In fact, a mere 18 months elapsed between the first mooted idea of a European bank, by President François Mitterrand of France, in October 1989 and its opening for business with headquarters in London in April 1991. Urgency and the ability to respond to momentous events swiftly and decisively, whether it be the end of the Soviet Union, financial crises or the 'Arab Spring,' have been among the EBRD's hallmarks from the start. During the frenetic years of the early 1990s the EBRD's emphasis on the private sector as the main

driver for change in Central and Eastern Europe was vindicated many times over. This was the period that established the EBRD's reputation as an expert on transition to the open market. It was heavily involved in areas such as banking systems reform, the liberalisation of prices, privatisation (legalisation and policy dialogue) and the creation of proper legal frameworks for property rights, all vital ingredients for change.

#### Expanding the EBRD's region of operations

Such reforms were supported by sound advice, training and technical expertise, and supplemented by major investments in the private and public sectors. With domestic capital on its own insufficient to finance transition, the EBRD helped to bring in external capital from both private and public sources. Such experience has stood the EBRD in good stead when it has expanded its original region of operations into new countries such as Mongolia (in 2006), Turkey (2009), Jordan, Tunisia, Morocco, Egypt and Kosovo (in 2012), Cyprus (2014) and Greece (2015). It is currently active in more than 30 countries from central Europe to central Asia and the southern and eastern Mediterranean. The Czech Republic is the only member to have 'graduated' from the EBRD and no longer receives investment from the Bank. The EBRD's understanding of how a market economy works and engagement with other international financial institutions also allowed us to play a crucial role in stabilising the region and planning for recovery after the shock of the global financial crisis in 2008.

#### The EBRD's unique mandate

Uniquely for a development bank, the EBRD has a political mandate in that it assists only those countries 'committed to and applying the principles of multi-party democracy [and] pluralism'. Safeguarding the environment and a commitment to sustainable energy are also central to the EBRD's activity. The EBRD serves the interests of all its shareholders - 65 countries plus the European Union and the European Investment Bank - not just those countries which receive its investments (€9.4 billion in 2015). We all stand to gain from the EBRD region's closer and deeper integration into the global economy. 

#### Essay Writing

**Write an essay on one of the topics below. Refer to Appendix 2 to revise essay writing skills.**

**Read your essay to the group. Discuss it.**

1. Russia's participation in international organizations in the field of economic and financial cooperation.

2. What are the reasons of The Asian Infrastructure Investment Bank (AIIB) creating? Can we say that the picture of world financial system is being redrawn now with the appearing of AIIB?
3. Outline the main factors which lead to globalization.
4. Advantages and disadvantages of Russia`s membership in the WTO.
5. How do multinational corporations benefit from IMF policies.
6. European economic integration: Main ideas, institutions and European Union policies.
7. Future challenges and proposals for International Economic Organization.
8. Economic agents, ethics and International Economic Organisations

## UNIT 2. COMPANIES

**A company** is a form of business organization. It is an association or collection of individual real persons and/or other companies, who each provide some form of capital. This group has a common purpose or focus and an aim of gaining profits. This collection, group or association of persons can be made to exist in law and then a company is itself considered a "legal person". Choosing a type of company which suits the financial condition and expansion vision of the initiator becomes very crucial before starting a company. **A sole proprietorship** is one of the most simplest and uncomplicated of all companies. This kind of business organization has a single person who owns and controls it. He is the one who makes sure the entire business functions smoothly and is also accountable for any profit or loss the business makes. **Partnership firms** involve a business organization formed between two or more people. All these members are known as partners and are joint owners of the entire business organization. The partners are accountable for any profit, loss, or liability of the business organization. An important feature of this company is that all partners enter into a pre-defined agreement regarding profit sharing and loss bearing, before starting their venture. Irrespective of the capital brought in or the profit-loss sharing percentage of a partner, he can be asked to pay off total debts of the company, as the partners have a joint as well as several liability in the organization. **Limited Liability Company (LLC)** This is one of the more recent types of companies which has come into being. A limited liability company is a mix of business corporation and partnership and provides greater flexibility by blending the benefits of both. Similar to partnership firms, an LLC can be as simple or complicated as the partner wants it to be. According to rules of the state, partners in an LLC get limited liability or unlimited liability. Of all the types, **the business corporation** is the most complex. Whenever a business corporation is incorporated or registered with the government, a new separate entity is created. This is distinct from the owners and therefore irrespective of the personal financial condition of all shareholders, the organization continues to function until dissolved. The shareholders, or owners, decide and elect directors who form necessary policies and rules for the proper functioning of the organization.

### Pre-reading activity

**Task 2.1. Before you read discuss these questions.** Work in pairs or groups and discuss the questions. Use the following expressions to present your opinion: *In my experience... As far as I'm concerned... Speaking for myself... In my opinion...*

1. What do you mean by the term business?
2. What forms of companies exist in Russia?

3. Which comes first, the product or the customer?

**Task 2.2. Consult a dictionary and practice the pronunciation of the following words and word combinations, translate them into Russian and quote the sentences in which they are used in the text. Submit the examples of your own:** soft drink; to ban; to capture; truckloads; abstinency; enemy; sparkling beverages; commitment to smth.; associates; bottling partners; enhance; inclusive; footprint; sustainable communities; still brands; spirits; beverage distribution system.

## **Reading**

### **Text 1. How Coca Cola Spread Throughout the World**

The Coca-Cola Company (NYSE: KO) is the world's largest beverage company, refreshing consumers with more than 500 sparkling and still brands. The sugary black soda drink was first created in 1886 in Atlanta, Georgia. The company started expanding in its early years and by 1900 it had spread to Asia and Europe. Throughout World War II American troops were provided with Coca Cola and at that time it was manufactured in over 60 factories around the world. It became a global symbol of Americanism.

Not everyone, however, welcomed Coca Cola. In the 1950s the French captured truckloads of bottles and smashed them on the ground. Currently, there are only two countries where Coca Cola cannot be bought: Cuba has been banned from selling Coca Cola since 1962 and people in North Korea have not been able to buy the soft drink since the Korean War in 1950. Both countries are not allowed to officially trade with the US. In the Middle East the company fought hard to get back into the market after it had been banned in Arab countries. This came about because Coca Cola sold their product to enemy Israel as well. In contrast, Pepsi became more popular and dominated the Arabian market. Recently Coca Cola has been allowed on sale again in Burma, or Myanmar, after sixty years of abstinency.

Led by Coca-Cola, one of the world's most valuable and recognizable brands, the Company's portfolio features 17 billion-dollar brands including Diet Coke, Fanta, Sprite, Coca-Cola Zero, vitamin water, Powerade, Minute Maid, Simply, Georgia and Del Valle. Coca Cola is the No. 1 provider of sparkling beverages, ready-to-drink coffees, and juices and juice drinks. Through the world's largest beverage distribution system, consumers in more than 200 countries enjoy company's beverages at a rate of 1.9 billion servings a day.

With an enduring commitment to building sustainable communities, Coca-Cola is focused on initiatives that reduce environmental footprint, support active, healthy living, create a safe, inclusive work environment for its associates, and enhance the economic development of the communities where the company operates. Together with bottling partners, the company ranks among the world's top 10 private employers with more than 700,000 system associates.

## COMPREHENSION

**Task 2.3. Read the text and give extensive answers to the questions. Use the following expressions to present your answers:** *It is clear from...that..; I presume...It is argued that....In fact...Speaking about....We can say that....Having thoroughly studied....*

1. Was Coca-Cola welcomed fully all over the world?
2. Why was Coca-Cola banned in Arab countries?
3. How many countries are involved in trade with Coca-Cola?
4. What initiatives does Coca-Cola support to save environment?
5. What type of company is Coca-Cola?

**Task 2.4. Go over the text and decide if it is true (T) or false (F) according to the information in the text. Find the part of the text that gives the correct information. Begin with:** *Yes, it's true I guess..., I don't think it is true; I am afraid it is wrong...*

1. Coca-Cola is the No. 1 provider of pure water, spirits and tea drinks.
2. By 1900 the company expanded all over the world.
3. Coca-Cola didn't become dominated the Arabian market.
4. The Coca-Cola Company tries to take part in many charity actions saving environment.
5. Coca-Cola keeps mono brand policy.

**Task 2.5. Summarise the main points from the article in your own words.**

**Task 2.6. Match the synonyms a-h to 1-8.**

- |                  |                  |
|------------------|------------------|
| a) to lend       | 1. interest rate |
| b) initial sum   | 2. to gain       |
| c) debtor        | 3. amount        |
| d) percentage    | 4. value         |
| e) to accumulate | 5. to loan       |

- |                |               |
|----------------|---------------|
| f) sum         | 6. borrower   |
| g) to maintain | 7. principal  |
| h) worth       | 8. to keep up |

**Task 2.7. Now write an abstract of the article you have read. Take into account that an abstract is a shorten version, containing only essential points (Appendix 1).**

**Task 2.8. Summarise the main points from the article below in your own words. Determine if there is enough data included to support the authors claims.**

## **Text 2. Xiaomi: The Chinese phone giant taking a bite out of Apple**

OSCAR WILLIAMS-GRUT

Thursday 08 January 2015

Can you name the world's third biggest smartphone maker? The company that sold 61 million handsets last year? Most in the UK would struggle to pronounce Xiaomi, if they know the name at all. The Chinese company is a sensation in its home market, going from a standing start four years ago to overtaking Samsung as the market-leader today. Earlier this week, Xiaomi (it's pronounced sh-ow-me) announced that its sales grew by 227 per cent last year, while revenue jumped by 135 per cent to £7.8bn. The news came a week after the business surpassed Uber as the world's most valuable privately held company. Xiaomi raised \$1.1bn at a valuation of \$45bn, compared to Uber's \$40bn price tag. "The astonishing bit about Xiaomi is its growth," says Marina Koytcheva, director of forecasting at CCS Insight, a market research company specialising in the mobile industry. "In an industry where the leaders Apple and Samsung are seeing their growth slow, the market is looking for new hero companies. Xiaomi looks like one of those."

The business's trick is to offer high-spec phones at low prices. Xiaomi's smartphones rival those of Apple and Samsung's in terms of performance, as well as mimicking their designs. Even Xiaomi's website echoes Apple's. But whereas an iPhone 6 costs \$649, Xiaomi's highest performance device, the Mi3, costs just \$320. "[Xiaomi] combines features of Apple's strategy and Amazon's strategy," says Ms Koytcheva. "It looks to create beautiful devices that people want and people eagerly wait to buy. But at the same time it sells them just at cost." The company isn't alone in offering Apple or Samsung-like devices at cheaper prices in China, but Xiaomi has combined this with a clever use of the web to create demand and build a brand. The phones are only sold online and new devices are

initially offered during a limited window, with buyers having to pre-register. This creates more demand through scarcity. In the three months to November, 30.2 per cent of all phones sold in China were Xiaomi devices, according to data released this week by Kantar Worldpanel, compared to 12.2 per cent a year earlier. Xiaomi is the brainchild of Lei Jun, an entrepreneur often dubbed “China’s Steve Jobs” and who, along with Alibaba’s founder Jack Ma, is the face of the new, tech savvy China. “He’s headed software companies, he founded the online bookstore that became the equivalent of Amazon in China, he chaired a company that did mobile software and he has also done a lot of venture capital investments in all areas of tech,” says Mr Roy.

Having conquered China, the company is now expanding overseas, targeting emerging markets such as India and Brazil. Xiaomi poached top Google executive Hugo Barra to head its international expansion in September 2013 and one of Barra’s first moves was to rebrand the company internationally as simply Mi. Most agree that Xiaomi is unlikely to launch in the UK or other developed nations anytime soon, with the market for growing more slowly here and stiff competition from deeply entrenched incumbents. Xiaomi’s backers include Singapore’s sovereign wealth fund and renowned Russian venture capitalist Yuri Milner, who has invested in Facebook, Twitter, Spotify and Alibaba. The company’s investors are betting that Xiaomi can enjoy similar success outside China and there are early signs of success – a flash sale of its Mi3 phone in India sold out in just four seconds in October. But expansion could bring problems. Ms Koytcheva highlights the potential problem of intellectual property rights overseas, citing Ericsson’s recent legal challenge of Xiaomi in India over alleged patent infringements. Another issue is profitability. Xiaomi doesn’t disclose its profits but most analysts believe its razor-thin margins on phones and tablets means it is unlikely to be generating much excess cash. (The Independent)

## Language review

**Task 2.9. Read the text about James Harris. Decide which answer a, b, c, d best fits each gap.**

A Young Businessman

Although he is only twelve, James Harries has his own antiques..... (1) and a flower shop.

“He has a good eye for a ..... (2),” say his mother. “He was only 8 when he bought that for 5p.”she points to a china statuette ..... (3) \$4,000. “James gets most of his stock of antiques from ..... (4) sales. Last year he bought a necklace for 10p which ..... (5) to be valuable. He sold it for \$8,000.” James didn’t get on at school so his parents hired a private tutor. “Other children think I’m strange because I earn my own living and I don’t want to join in their

games.” James explains the success of his flower shop: “My prices have risen less than those of my..... (6) this year. Also I’ve got a special offer for wedding parties. I give them a Rolls Royce for the day if they spend more than \$100 on flowers. My employees don’t particularly like working for a 12-year-old, but I pay their .....(7) so they can’t complain!” With his high ..... (8), James could afford many luxuries, but he prefers to save his money. “I ..... (9) as much as I can. I have a lot of plans for the future and I will need to be rich to ..... (10) them out.”

- |                     |               |                  |               |
|---------------------|---------------|------------------|---------------|
| 1. a) business      | b) job        | c) work          | d) way        |
| 2. a) tips          | b) discount   | c) bargain       | d) bonus      |
| 3. a) over          | b) pay        | c) on account of | d) worth      |
| 4. a) stock         | b) store      | c) jumble        | d) science    |
| 5. a) put out       | b) turned out | c) took out      | d) pulled out |
| 6. a) a competitors | b) friends    | c) relatives     | d) partners   |
| 7. a) rewards       | b) wages      | c) tips          | d) fees       |
| 8. a) credit        | b) losses     | c) benefit       | d) income     |
| 9. a) keep back     | b) put aside  | c) sort out      | d) count up   |
| 10. a) carry        | b) draw       | c) make          | d) pick       |

**Task 2.10. Here are some words and phrases used in English to join sentences. They express different meanings:** contrast, exception, comparison, addition, reason, purpose, result. **Put the words into the correct column according to their meaning.**

Apart from	except for	although	in relation to	
despite	even though	in spite of	along with	
besides	furthermore	since	so that	
in order to	so	while	so as to	because
owing to	whereas	due to	because of	as
nevertheless	also	alike	as a result	

**Task 2.11. Use the linking words to complete the sentences:** *From my perspective; As long as; Thus; On the other hand; in particular; perhaps.*

1.....I can remember, my favorite question has been, "What if?" As a child, I could turn any subject into a serious discussion following this question. 2. This is why I chose the University of South Carolina – the faculty of Arts and Sciences, ..... 3. I know that, ..... , stereotypes claim that creativity is not a skill one can obtain through training and thorough studying; it is presumed that talent and skills should be natural 4 ....., personally I see nothing wrong in studying to become a writer or to be proficient in any other creative profession. 5 ....., it is a perfect opportunity to transform my accumulated knowledge and experience into a greater understanding; this way is much faster than comprehending my subject by the trial and error method.6. ...., studying in your university is my chance to achieve my goals and dreams faster and easier.

**Task 2.12. Complete the sentences with: *in, of (3), towards, up, for, from, on, with.***

1. Thank you for ideas. We all approve ..... your suggestions.
2. Burberry stands ..... tradition and quality.
3. The PR campaign will consist ..... three key elements.
4. The company has succeeded....breaking into the UK market.
5. Before stopping for lunch, let`s see if we can conjure ..... some ideas for the lunch.
6. We are ultimately all working ..... the same goal.
7. The organization benefited ..... outsourcing its production overseas.
8. Our brand is associated ..... luxury.
9. Let`s work together ..... this project.
10. Please don`t make a habit ..... coming in so late.

**Task 2.13. Now write an abstract of the article you have read. Take into account that an abstract is a shorten version, containing only essential points. (Appendix 1).**

### **TEXT 3. BMW to assemble Mini cars in India**

BMW began selling the Mini in India last year .BMW is to begin building the Mini in India, in a move that suggests confidence in the country's emerging car market. The German carmaker said Mini Countryman models would be rolling off the production line at its plant in the port city of Chennai later this year. It described India as an "increasingly significant market" for the BMW Group, Car sales in India have grown rapidly in recent years, attracting investment from major brands. BMW has operated its own sales company in India since 2007, and began selling the Mini in the country in 2012.It sold just over 300 Minis in the first year. BMW said the decision to move

production there was in line with its "production follows the market" strategy. Analysts suggest the move will help BMW save on import duties.

The Mini factory in Cowley will remain at the heart of the carmaker's operations. BMW Group is increasingly making cars close to where its customers are. The Indian market is central to Mini's growth strategy. India charges 100% tariffs on the import of fully built cars, but just 30% on cars assembled domestically from imported parts.

Currently, the Mini is built in the UK and Austria, while BMW's Chennai plant already makes several BMW models for the Indian market. Mini's move suggests growing confidence in the Indian market, where car ownership is just 1.5 cars per 100 people in one of the world's fastest growing economies.

But although sales have risen strongly in recent years, the latest figures suggest the market is experiencing a sharp slow-down. Figures released last week by the Society of Indian Automobile Manufacturers showed sales fell by 6.7% over the last 12 months - the first fall in a decade.

That has forced some domestic brands to cut production and showroom prices. Now the German automaker is contemplating local assembly for the MINI, which is currently available in four models – the Cooper priced at Rs. 32,57,060/-, the Cooper S priced at Rs. 36,51,210/-, the Cooper Convertible priced at Rs. 39,31,210/- and the Cooper Countryman priced at Rs. 41,98,210/- (all prices on-road, Mumbai).

All four models of the MINI Cooper could be locally assembled in India at BMW's Chennai facility, starting from mid-2013. This will result in the prices being decreased significantly, resulting in a big boost in demand for the MINI Cooper. By that time, MINI will have to fend off competition from the new and updated Volkswagen Beetle, which was showcased at the 2012 Auto Expo. The Beetle will be offered with a diesel heart and BMW could also plonk in a diesel engine in the entry level Cooper hatchback to boost volumes. Fiat in all likely hood plans to bring in the 500X crossover to India, which competes with the MINI Countryman in Europe.

## **COMPREHENSION**

### **Task 2.13. Read the definition and find the words in the text:**

1. make a proposal, declare a plan for something
2. to connect or put together the parts of something, such as a toy or machine
3. to make (something) more modern

4. in a way that is large or important enough to be noticed or have an effect
5. relating to, or made in your own country
6. a tax collected on imports and some exports by the customs authorities of a country
7. a type of product manufactured by a particular company under a particular name
8. a person who analyzes or who is skilled in analysis :
9. to try to get or win something (such as a prize or reward) that someone else is also trying to win : to try to be better or more successful than someone or something else
10. a careful plan or method for achieving a particular goal usually over a long period of time.

## **Text 4. Working at Starbucks**

Business review

What size would you like? Would you like a pastry with your coffee? Perhaps you would like to try that drink cold? If you like this beverage so much, you should definitely try our promotional (and more expensive) beverage. Sir, I can certainly make your drink over if it is not to your liking. These are just a few of the proper customer service responses expected and provided by Starbucks' baristas. After five years, four managers and three district managers, I learned that it is not only creating the ultimate coffee beverage, but also providing excellent service that ensures customers leave the store completely satisfied and eager to return — maybe next time with friends or family. Starbucks Coffee Company demands Five-Star customer service from all partners, and it is this service that separates Starbucks from other coffee shops. The goal is to provide for all customers a «third place» environment — a place of relaxation that is away from home and work. While many complain of the expensive java prices, it is this environment that keeps customers coming back for more.

But Starbucks not only aims to please the customers, it also provides its employees, whom are known as partners within the company, with a safe, comfortable, and profitable environment. Perks include: stock options, health benefits for part-time employees, an annual review which could result in a raise, as well as easy mobility to move up to managerial positions. In exchange for these employment benefits, partners have to endure long and intricate training that requires newly hired partners to read and answer questions on each of the stations the job is divided into — Drip, Register, Espresso, Frappachino, Bean and Customer Service — before they can get any hands-on training.

Starbucks Coffee Company has not been able to become such a success without having hardworking and dedicated partners. Training initially begins with what I would like to call «Starbucks University». After finally completing the courses at «Starbucks University», the partner then graduates behind the bar. The manager or assistant manager is assigned to showing the new partner the ropes, but even their hands-on experience is divided similarly to the book. The barista is taken through each station and after they practice a few times, they are given a test; for instance, if the barista was being shown how to make a cappuccino, he or she has to make the drink to standard independently. If done correctly, the partner can move onto the next station; if not, they must continue at this station until they have passed drink-making abilities.

While training to become a Starbucks barista may appear to be a bit much, Starbucks has not been able to become one of the most successful coffee retail stores by taking this business lightly. It is not good enough to just be able to make a Cappuccino or a Caramel Frappachino. It is essential to make each and every customer feel welcome and appreciated so that they will not only come back, but so that they have truly experienced Starbucks as a «third place» — a home away from home.

**Task 2.14. What kind of image does Starbucks project to their customers (friendly, official, luxury)? What are the different methods a company can use to find new employees?**

**Task 2.15. Write a letter of application in answer to the advertisements given below or choose any on <http://jobs.economist.com/>. Give relevant information about yourself and say why you think you could do the job well. Write 100 – 120 words. Don't forget that a letter of application usually includes:**

1. An introductory paragraph saying which job you want to apply for and how you heard about it.
2. Some important details about yourself-age, nationality, education, qualifications.
3. Information about present occupation or last place of work
4. Previous place of work.
5. Your reasons for application of this exact job and why you think you would be good at it
6. A concluding paragraph mentioning anything you have enclosed and hoping for a favourable reply.

**Use the following information:**

**Position profile:** 1. Assistant Economists (x2) Recruiter Oil & Gas Authority Location Aberdeen, Aberdeenshire (GB) Salary £25,759 - £30,251 (Aberdeen), £27,819 - £34,331 (London)

On 1 April 2015, the new Oil and Gas Authority (OGA) became an Executive Agency of the Department of Energy and Climate Change (DECC) with headquarters in Aberdeen. In 2016, the OGA will become a Government-owned company. As a new regulatory body comprising of circa 180 staff, the OGA is seeking to recruit two Assistant Economists. These are key positions within the Economics Unit which is led by the Head of Economics and will contribute to the OGA's drive to maximise economic recovery of the UK's hydrocarbon resources.

**The combined duties of the posts will include the following:**

- Identifying analytical and data gaps for OGA purposes and working on wider data, analysis and modelling issues; analysing economic data, research and supporting policy development.
- Be responsible for running and updating OGA economic models of the UKCS and communication of outputs.
- Undertaking rigorous economic assessments of key production hubs to explore the drivers of continued investment.
- Contribute to economic appraisals of Field Development Plans.
- Assist in providing economic analysis of requests from oil and gas operators for cessation of production.
- Where relevant: respond to requests for data, and other external requests from industry, civil society and academia; present ad-hoc and standard economic research, analysis, forecasts, and recommendations in formats effective for various internal and external stakeholders.
- The focus for the Aberdeen based one role will be more heavily on case work, applying economic principles & guidance in specific disputes, and working with the field teams, while the focus for the London ones will be more around modelling and policy read across.
- Assist the Economics team in meeting routine obligations of the OGA by working closely with Whitehall Departments, playing key role in decision making and options analysis.

**The successful candidate will have:**

- At least a 2.1 honours bachelors degree (or equivalent) in economics or related discipline. Masters degree desirable.
- Ability to translate complex economic/technical material into user friendly explanations.
- Strong economic modelling skills

For further information and to apply, please visit [Civil Service Jobs - Assistant Economists](#)

**Position profile:** Analyst, Data Management and Reporting

**Recruiter** - European Bank for Reconstruction and Development (EBRD) **Location** - London (Central), London (Greater) (GB)

**Salary** - Not specified **Posted** 10 Feb 2016 **Sector** - Banking and finance; **Profession** - Analyst

**Data Management and Reporting (DMR)** is a team within Risk Policy & Analytics, which itself is part of Risk Management. The Team's primary function is aimed at managing Risk data and

selected IT systems in order to support Risk and other stakeholders throughout the Bank. The Analyst, Data Management and Reporting (DMR) is a subject matter expert, a reporting specialist using data warehouse tools, with understanding of data types, data related processes, data aggregation rules, IT system interdependencies, as well as ability to interpret and assess the reliability of the underlying data. The Analyst should have a good understanding of the underlying policies and data and be responsible for Treasury daily compliance checks and the escalation of compliance breaches in line with the Treasury & Risk Management Guidelines (TRMG) policy.

### **Knowledge, Skills, Experience & Qualifications**

- Ability to handle large data sets and draw conclusion based on data analysis
- Understanding of data management and data governance principles
- Proven experience in data management, analysis or reporting, preferably acquired within a
- Ability to understand and interpret legal and policy documentation, understand how this translates into fundamental risk data concepts and quickly identify information critical to the maintenance of risk data.
- Excellent written and spoken English; other languages a plus.
- University degree in Economics, Finance, Business or related subject and/or equivalent experience.

**Text 5. Read the article below and outline the key points.**

### **New Rolls-Royce boss begins his reign with profit warning**

JAMIE DUNKLEY

Tuesday 07 July 2015. The Independent.

Warren East's reign as chief executive of Rolls-Royce got off to an eventful start as he unveiled the company's third profit warning in less than 18 months.

The former head of Arm Holdings, who only replaced John Rishton on Friday, blamed weak oil prices and lower demand for its engines for the latest downgrade, in which it cut forecasts for 2015 and warned of further headwinds in 2016. The latest warning centres on the company's marine and jet engine units, and means 2015 pre-tax profits are now expected to be between £1.32bn and £1.47bn, compared with £1.4bn to £1.55bn previously. Rolls warned that its marine business was likely to suffer next year as well. The news saw shares in the FTSE 100 giant tumble 6 per cent, or 54p, to 802.5p, wiping £992m off its value.

The decision to make the announcement so swiftly was made at a board meeting at Rolls-Royce's Buckingham Gate headquarters on Sunday and followed a review by its new finance director, David Smith, which uncovered another round of bad news for long-suffering shareholders. Mr Smith's analysis uncovered a host of cash problems stemming largely from Airbus's decision in February to cut production of its long-haul A330 workhorses from nine a month to six. The profits warning rounds off an eventful 18-month period for the group, which has seen it hit by a series of setbacks, including jobs cuts – 2,600 of which were announced last November. Analysts have described it as an “annus horribilis”.

Mr East said he was “disappointed” by the announcement and “the impact this will have on our investors and employees”. He plans to undertake his own review of the company over the coming weeks and would not rule out further job cuts or a dividend cut. He added: “We are bringing this news to the market now, perhaps rather earlier than you might have expected or you might have seen from Rolls-Royce in the past. I hope that is part of the tone for the style of communication that we are going to expect now I've joined.” Rolls is also being investigated by the Serious Fraud Office over allegations of corruption in Indonesia and China, and in February was dragged into a bribery scandal involving Brazil's state oil producer Petrobras amid allegations that it had used backhanders to win a \$100m (£64m) contract.

Mike van Dulken, the head of research at Accendo Markets, said: “Rolls-Royce shareholders are delivering a No vote of their own. The bad news is a blow for new chief executive Warren East – poor guy, only his second day on the job – who could do little wrong in the top job at the microchip architect Arm Holdings”. He speculated that Mr East was “kitchen sinking it” or “cleaning the slate” to lower market expectations. The company said it planned to scrap a £1bn share buyback, despite being half-way through the programme.

Brenda Kelly, the head analyst at London Capital Group, said: “A new chief executive may be in place but it is the same story of investor disappointment as profit forecasts misfire for Rolls-Royce. The halting of a proposed £1m share buyback is not sitting well with investors.”

## **Abstract Writing**

### **Task 2.16. Translate the abstract into Russian.**

Topics in Microeconomics: Industrial Organization, Auctions, and Incentives

Elmar Wolfstetter

This book in microeconomics focuses on the strategic analysis of markets under imperfect competition, incomplete information, and incentives. Part I of the book covers imperfect competition, from monopoly and regulation to the strategic analysis of oligopolistic markets. Part II explains the analytics of risk, stochastic dominance, and risk aversion, supplemented with a variety of applications from different areas in economics. Part III focuses on markets and incentives under incomplete information, including a comprehensive introduction to the theory of auctions, which plays an important role in modern economics.

### **Task 2.17. Translate the abstract into English**

В статье представлен анализ положения малого и среднего бизнеса в России. Приводится сопоставление целевых установок в этой сфере с результатами последнего мониторинга Всемирного банка и данных отечественной экспертизы. Показано, что действующая технология прогнозирования экономического роста слабо ориентирована на учет предпринимательской активности населения. Предлагается разработать процедуры, позволяющие количественно оценивать влияние уровня развития малого бизнеса на экономический рост, и включить такую оценку в качестве обязательной при прохождении процедуры принятия нормативных актов, влияющих на развитие малых форм предпринимательства.

### **Task 2.18. Translate the book description into English.**

## **Organisational Anatomy**

A Manager's Guide to a Healthy Organisation

Author(s): Oleg Konovalov; Subject: Business, Finance and Economics

This book offers a discussion of a new management concept, "Organisational Anatomy", which views organizational processes and functions from a biological perspective. This approach naturally explains the ongoing internal and external organizational processes and optimum configuration of different organisations. Organisations are live creatures which are breathing, functioning, moving and developing inside their specific environments. Biological examples offer a useful way of making sense of complex ideas, because they can be related to everyday existence. As such, this

allows the reader to intuitively understand the organisations where they work and with which they interact. By classifying different types of organisations and linking at their biological functions, Organisational Anatomy links existing theories and discusses five archetypes of organisations, namely producers, knowledge-dependent, location-dependent, donor-dependent and state-affiliated organisations. By looking into their specific features, the characteristics of organisations of different ages and levels of maturity, the access and utilization of resources, and the development of productive external relations, this book allows insights into the role of each function in achieving superior business performance. The Organisational Anatomy approach allows the development of a holistic picture, and will allow businesses to achieve higher performance and recognize problems and difficulties by considering organizational pathologies and diseases.

## **Text 6. Zara owner Inditex faces fines in Brazil over poor working conditions claim**

Tuesday 12 May 2015

Zara's parent company, Inditex, could be fined up to \$25m (£16m) by the Brazilian government, which says it has failed to deal with employment abuses in its supply chain. Inditex signed an agreement with the Brazilian labour ministry in 2011 to improve conditions for workers, but the ministry found evidence that 7,000 workers had been poorly treated since 2012.

Problems identified at 67 factories covered by a labour ministry report published by the São Paulo-based pressure group Repórter Brasil, included 84 accidents or cases of illness at work, 22 cases of "excessive work" – where people were working longer than 16 hours a day or not having a single day off in a week.

In the wake of the scandal, Inditex promised it would thoroughly check on conditions for workers and cooperate with suppliers to improve matters. The ministry's latest report claims that instead of improving conditions in factories which had been checked and found wanting, Inditex cut off relations. It claimed that, as a result 31 companies were forced to close.

The company said the vast majority of the incidents flagged by the government were minor infringements, such as seating issues, and it had already worked to improve conditions in its supply chain. Meanwhile, it said the government report contained inaccuracies.

The Spanish retailer, which is signed up to a global deal to protect supply chain workers with the union IndustriALL, has carried out more than 2,800 audits of its Brazilian manufacturers since 2012, a significant increase on previous years.

Inditex's clothing only made up 15% of the production of the factories covered by the labour ministry's report. Five of the factories mentioned have never been Inditex suppliers while others have since been excluded from its supply chain.

The company said the Brazilian government should have alerted Inditex to any problems at an earlier stage so that they could be dealt with. "Under Inditex's 2011 agreement with the labour inspection department in Brazil the authorities are obliged to communicate issues, and provide Inditex with 10 days to resolve them. Inditex has been solving any issues as soon as it finds them," the company said.

However, the centre for research on multinational corporations, the Dutch campaign group, said Inditex's demand for low prices and tight delivery deadlines, inevitably led to an "obscure supply chain" in which human rights abuses could occur.

*(The Guardian)*

**Task 2.19. Role-play the situation.** Your company is negotiating an alliance with a company, which insist that employees only work 36 hours per week. If your company goes ahead with the alliance, the employees will not have to take a salary cut but they will not be allowed to work overtime. Ordinary workers will lose some of their earning potential. If the alliance goes ahead you will be obliged to adopt their policy of working a 36 hours week. Is possible for two companies merge and work together?

**Task 2.20. Read the sample of BSH Hausgeräte GmbH group company profile in order to create your own profile. Find out what kind of information in the company's profile is important and should be mentioned:**

### **Company profile**

BSH Hausgeräte GmbH is the largest manufacturer of home appliances in Europe and one of the leading companies in the sector worldwide. The group was founded in 1967 as a joint venture between Robert Bosch GmbH (Stuttgart) and Siemens AG (Munich). Since the beginning of 2015 BSH exclusively belongs to the Bosch Group. In 2014 it posted annual revenue of about 11,4 billion Euros. Today, BSH operates 42 factories in 13 countries in Europe, the US, Latin America and

Asia. Together with a global network of sales and customer service subsidiaries, the BSH family is today made up of nearly 80 companies in around 50 countries, with a total workforce of about 53,000 people.

Within the brand portfolio the main brands are Bosch and Siemens<sup>1</sup>. With its eight special brands (Gaggenau, Neff, Thermador, Constructa, Viva, Ufesa, Junker and Zelter), BSH caters to the individual wishes of consumers. Four regional brands (Balay, Pitsos, Profilo and Coldex) ensure a broad presence in their respective home markets.

The Group's product portfolio spans the entire spectrum of modern household appliances. It extends from stoves, ovens and extractor hoods to dishwashers, washers and dryers, from refrigerators and freezers to small appliances (Consumer Products) such as vacuum cleaners, coffee machines, electric kettles, irons and hairdryers.

Protecting the environment and the climate has been an integral part of the Group's corporate strategy for decades. BSH's energy - and water-saving household appliances make a significant contribution toward conserving resources. The transfer of know-how within the BSH Group serves to set global standards on the environmental protection front too. BSH is committed to the Guidelines on Environmental Protection the principle of sustainability, and thus to the responsible handling of resources. BSH has also set itself the goal of achieving a 25 percent reduction in specific resource consumption in manufacturing and administration by 2015.

In 2015 the independent Top Employers institute certified BSH as one of the "Top Employers Europe" for the third time in a row. This title is awarded to global companies that qualify for Top Employers in at least five nations. As in the previous year, we achieved this in Belgium, Germany, the Netherlands, Poland, Spain and Turkey and for the first time also in China. In Germany, BSH has been certified once again as "Top Employer Germany" as well as "Top Employer Engineers". To learn more about career opportunities with BSH, please go to the section Jobs & Careers

**Task 2.21. Prepare the profile of a famous company.** Present its name, headquarters, chairman, business activities, and main markets. Exchange the information with your partners.

**Task 2.22. Prepare a report or an informative presentation about a company for some visiting foreign clients. (Appendix 1)** Give an effective informative presentation to your group. Producing a report or a presentation, remember to ensure its integrity. All the references and connections should be clear to your audience. You shouldn't go beyond your topic.

## SUPPLEMENTARY READING

**Text 7. Make a precis and an annotation on the article.** It is generally supposed that a precis should be a third of the passage given. The original passage is not to be reduced in length, a precis should be in the language of the precis-writer (Appendix 1) , paying attention only to essential points.

### Clunky Dorsey

#### The firm's returned boss has yet to turn it around

Feb 13th 2016 | SAN FRANCISCO |

FAITHFUL followers of Twitter believe that Jack Dorsey, one of the social network's founders, is the only person capable of turning around the struggling firm. Mr Dorsey (pictured below, during a recent Old Testament beard experiment) returned as its boss last year, taking over from Dick Costolo, who had led the company during a chaotic round of executive departures and strategic changes. True believers hope Mr Dorsey will be a reincarnation of the late Steve Jobs, who returned from exile to restore Apple to greatness. So far, however, Mr Dorsey has yet to perform miracles. On February 10th Twitter reported lacklustre earnings for the first full quarter that he has been back in charge. It now has 320m monthly users, no more than it had in the previous quarter, and it is unlikely to turn a profit until 2019. When Twitter went public in 2013, some believed it could become larger than Facebook, an older rival. Mr Costolo promised to build the "largest daily audience in the world". Its prospects looked bright. Unlike Facebook, which began as a service on desktop computers, Twitter has always been popular on mobile devices, so it did not have to cope with a difficult transition. However, it has become clear that Twitter will never become the giant it was supposed to be. The pace at which it is adding users has slowed far sooner than it did at Facebook (see chart). Mark Zuckerberg's outfit, which now has 1.6 billion monthly users, has grown swiftly by buying potential competitors such as Instagram, a photo-sharing site. One sign of Twitter's ill health is that its number of users in America has stayed flat, at around 70m, for a full year, suggesting that it is approaching a ceiling in the world's most important advertising market. Three problems have been hampering Twitter's growth. First, there has been too much turnover of executives. At least 20 have left in the past two years. This has made it impossible to decide and act on a consistent strategy. Second, the reports about management turmoil have heightened an

impression among some potential advertisers that the platform is not as mature as Facebook or Google, and thus is not worth taking as seriously. Third, new users find Twitter too fiddly compared with the alternatives (including Instagram and messaging services such as WhatsApp), which discourages them from continuing to use it. That said, many users and advertisers do still value Twitter. It is one of the best ways to reach people who influence the public's conversations about brands, says Laura Desmond of Publicis Groupe, a giant advertising firm. However, to expand its audience, Twitter is in the difficult position of needing to keep long-time users happy while it makes changes that will increase its appeal to new ones. Mr Dorsey's changes so far include "moments", a new function which offers users a selection of the day's top stories; and giving more prominence to tweets that Twitter's algorithm judges more relevant. But more radical steps will be needed. Twitter is not the only tech firm with which investors, concerned by rich valuations and a gloomy economic outlook, are losing patience. In this volatile market, being a listed company with slowing growth is as bruising an experience as being attacked by trolls on social media. Yahoo and Yelp, two other struggling internet firms, have also been battered by the market. On February 4th LinkedIn, a professional networking site, beat analysts' expectations for its quarterly earnings but forecast that its growth rate would slow significantly. This sent its shares down 44% the next day, wiping nearly \$11 billion off LinkedIn's stockmarket valuation. The sagging share prices of Twitter and other fallen internet stars have inevitably prompted takeover speculation. Twitter's market capitalisation is now around \$10 billion, less than a third of what it was a year ago. That makes it affordable for quite a number of firms. News Corporation, whose boss, Rupert Murdoch, is an active tweeter, recently denied rumours it might bid. Mr Dorsey is unlikely to want to sell up yet: he wants his flock to keep the faith, and still hopes to pull off a miracle. Three problems have been hampering Twitter's growth. First, there has been too much turnover of executives. At least 20 have left in the past two years. This has made it impossible to decide and act on a consistent strategy. Second, the reports about management turmoil have heightened an impression among some potential advertisers that the platform is not as mature as Facebook or Google, and thus is not worth taking as seriously. Third, new users find Twitter too fiddly compared with the alternatives (including Instagram and messaging services such as WhatsApp), which discourages them from continuing to use it. That said, many users and advertisers do still value Twitter. It is one of the best ways to reach people who influence the public's conversations about brands, says Laura Desmond of Publicis Groupe, a giant advertising firm. However, to expand its audience, Twitter is in the difficult position of needing to keep long-time users happy while it makes changes that will increase its appeal to new ones. Mr Dorsey's changes so far include "moments", a new function which offers users a selection of the day's top stories; and giving more prominence to tweets that Twitter's

algorithm judges more relevant. But more radical steps will be needed. Twitter is not the only tech firm with which investors, concerned by rich valuations and a gloomy economic outlook, are losing patience. In this volatile market, being a listed company with slowing growth is as bruising an experience as being attacked by trolls on social media. Yahoo and Yelp, two other struggling internet firms, have also been battered by the market. On February 4th LinkedIn, a professional networking site, beat analysts' expectations for its quarterly earnings but forecast that its growth rate would slow significantly. This sent its shares down 44% the next day, wiping nearly \$11 billion off LinkedIn's stockmarket valuation. The sagging share prices of Twitter and other fallen internet stars have inevitably prompted takeover speculation. Twitter's market capitalisation is now around \$10 billion, less than a third of what it was a year ago. That makes it affordable for quite a number of firms. News Corporation, whose boss, Rupert Murdoch, is an active tweeter, recently denied rumours it might bid. Mr Dorsey is unlikely to want to sell up yet: he wants his flock to keep the faith, and still hopes to pull off a miracle. *(From the print edition: Business The Economist)*

## ESSAYS

**Write an essay on one of the topics below. (Appendix 1).Read your essay to the group. Discuss it.**

1. Russia`s three top companies.
2. What can companies do to hold down their labour costs in times of inflation?
3. Multinational companies.
4. Think global, act local. Ways any company can be socially responsible and prosperous.
5. Role of small business in economy of Russia.
6. Company Structure Market
7. Organizational Structure of a Company
8. Marketing Activities of a Company

## UNIT 3. E-COMMERCE

**E-commerce** (sometimes called web-based commerce) is the term used to describe the activity of doing business on the Internet. It includes business-to-business, business-to-consumer, and even consumer-to-consumer transactions that involve the buying and selling of goods and services, the transfer of funds, and even the exchange of ideas. E-commerce includes functions such as marketing, manufacturing, finance, selling, and negotiations. The phrase can also refer to downloading software, accessing games, or downloading content such as journal articles and books.

Business-to-business transactions are commonly accomplished through Electronic Data Interchange (EDI). This protocol is now used by most Fortune 1,000 companies. EDI enables large organizations to transmit information over private networks; it has also found a role on corporate web sites (intranet). Business-to-consumer e-commerce can provide customers with convenience and access to a wide range of goods and services, while allowing businesses to reach large or unique markets. Components of business-to-consumer e-commerce include security measures, "shopping carts," payment options, and marketing.

### Pre-reading activity

**Task 3.1. Before you read discuss these questions.** Work in pairs or groups and discuss the questions. Use the following expressions to present your opinion: *In my experience... As far as I'm concerned... Speaking for myself... In my opinion...*

1. Have you ever had on-line shopping?
2. How will on-line be used for banking and payment today and near future?
3. How E-commerce works?

**Task 3.2. Consult a dictionary and practice the pronunciation of the following words and word combinations, translate them into Russian and quote the sentences in which they are used in the text. Submit the examples of your own:** relief; pinched state finances; amendment; consequences; sales-tax revenue; legislative efforts; cyberspace; internet retailers; retail sales.

### Text 1. Click and pay

*by Economist | WASHINGTON, DC*

THE past few years have brought little relief for pinched state finances. But on March 22nd 75 senators, including majorities of both parties, approved an amendment to a proposed federal budget which, if enacted, would allow states to collect taxes on sales by internet retailers based in other states. It makes no economic sense to tax sales in shops and over the internet differently. In 1992 the Supreme Court ruled that states could not force out-of-state retailers to collect tax on sales to residents unless Congress, which oversees interstate commerce, said so. Only retailers with a physical presence—a “nexus”, in the legal jargon—in the state could be taxed. The economic consequences were relatively minor before Amazon and eBay appeared. Since 1994, mail-order and internet sellers have grown from 2% of total retail sales to 7%. In the past five years, while retail sales have risen by 10% and total state and local taxes by 9%, sales-tax revenue is up just 2%. The National Conference of State Legislatures reckons that the court’s prohibition cost states \$23 billion in lost taxes last year. States have tried to find ways round the court’s ruling. Retailers and state and local governments have long recognized that the ideal solution would be for Congress to allow states to tax the internet. But previous legislative efforts have stirred furious opposition from anti-tax activists and discomfort among many Republicans, who think this sounds like a new tax. Although the activists remain opposed, Republicans are increasingly sympathizing with retailers and with local governments that are trying to build public works, such as sewers, while their tax base migrates into cyberspace. “You can’t flush your toilet over the internet,” says Mike Enzi, a Republican senator from Wyoming who spearheaded the amendment with Dick Durbin, a Democrat from Illinois.

### **Reading tasks**

**Task 3.3. Read the questions below and find the answers in the text. Use the following expressions to present your answers:** *It is clear from...that..; I presume...It is argued that...In fact...Speaking about...We can say that...Having thoroughly studied...*

1. Why is a new amendment so important for states?
2. What have stirred furious opposition from anti-tax activists and discomfort among many Republicans?
3. Will the states benefit from the new law?

**Task 3.4. Are these statements true or false? Begin with:** *Yes, it’s true I guess..., I don’t think it is true; I am afraid it is wrong.*

1. The National Conference of State Legislatures reckons that the court's prohibition cost states only \$ 3 billion in lost taxes this year
2. Majorities of both parties, approved an amendment to a proposed federal budget which, if enacted, would allow states to collect taxes on sales by internet retailers based in their states.
3. Many Republicans were against an amendment, trying to avoid a new tax.

**Language review**

**Task 3.5. Explain in brief what the acronyms below stand for.**

*USP, NIC, B2B, B2C, C2B, JIT, PLC and C2C*

**Language review**

**Task 3.6. Look through the terms in the left-hand column and their definitions in the right-hand column. Match the terms with the correct definitions. Translate them.**

- |                    |  |
|--------------------|--|
| 1. unit cost       | a) bringing together of two or more companies.   |
| 2. the amendment   | b) the budget for federal government   |
| 3. cyberspace      | c) buying and selling of goods and services through the use of cell phones or other wireless devices |
| 4. federal budget  | d) when two companies combine to form one new company  |
| 5. mobile commerce | e) provision of basic banking services to individuals and companies                                  |
| 6. consolidation   | f) the electronic medium of computer networks, in which online communication takes place             |
| 7. retail banking  | g) change in the words or meaning of a law or document   |
| 8. merger          | h) total cost divided by the number of items that are handled.                                       |

**Task 3.7. Read the article below about Amazon, an online retailer. Choose the correct word to fill each gap, from A, B or C.**

**AMAZON MOVES INTO SOUTH AFRICA**

LAST month, Amazon, an online retailer, (0) ..... that it had opened a software development centre in Cape Town, South Africa. Amazon chose South Africa (1) ..... of its pool of IT workers and good infrastructure. (2) ..... to a recent study, South Africa is well placed to (3) ..... from the trend of firms (4) ..... business processes, such as customer care, to cheaper places. This could (5) ..... 100,000 jobs in South Africa as well as (6) ..... a useful \$90m-175m in foreign investment

by 2008. Demand from American and British firms to do this (7) ..... forecast to rise from \$10 billion now to maybe \$60 billion by 2008, 40% of (8) ..... is likely to be in banking and insurance. That is more (9) ..... countries such as India, China and the Philippines — which meet (10) ..... of the demand today—are likely to be able to (11) ..... .That is (12) ..... IBM has decided to open a global call-centre for international corporate clients in Johannesburg. [Adapted from: *Offshoring – Into Africa – Economist.com*]

- |                  |               |                |
|------------------|---------------|----------------|
| 1. A) because    | B) as         | C) result      |
| 2. A) Regarding  | B) Concerning | C) According   |
| 3. A) improve    | B) help       | C) benefit     |
| 4. A) moving     | B) pushing    | C) translating |
| 5. A) employ     | B) make       | C) create      |
| 6. A) attracting | B) appealing  | C) requesting  |
| 7. A) has        | B) is         | C) will        |
| 8. A) what       | B) which      | C) whose       |
| 9. A) that       | B) with       | C) than        |
| 10. A) many      | B) much       | C) lot         |
| 11. A) deal      | B) cope       | C) handle      |
| 12. A) why       | B) when       | C) how         |

## **Text 2. E-commerce is changing how retailers use real estate, panelists say**

(SCT Newswire Articles)

E-commerce is changing how retailers use real estate, Wall Street analysts said today at the ICSC 2013 Real Estate Capital Marketplace Conference, in New York City. E-commerce has allowed many retailers to open stores in locations and properties they'd never considered before, said Matt McClintock, vice president and senior retail softlines analyst at New York City-based Barclays Equity Research. He said a retailer might not consider a small market such as Greensboro, N.C., for a new store based purely on brick-and-mortar sales projections, but if a retailer factors in existing and potential e-commerce activity in the trade area, a new Greensboro store might be approved. The down side of this trend, for landlords at least, is that retailers will probably not want to open new stores in saturated markets, he added. E-commerce is also influencing some traditionally mall-based chains to open shop in power centers and other open-air properties. Teen apparel chain Aeropostale, for example, is moving into more strip centers where it can ship goods to nearby e-commerce customers and still serve brick-and-mortar shoppers, he added. "Combining e-commerce and

bricks-and-mortar strategies makes sense,” McClintock said. And space needs may increase as well, he added, pointing out that Urban Outfitters’ CEO said earlier this week that the retailer may increase its average store size to showcase more merchandise based on e-commerce shoppers’ preferences for a wider range of goods. Other chains may want certain stores to have more space for displaying and storing items that are in high demand among e-commerce customers but not frequently purchased in-store, he added.

When it comes to apparel retailers, Gap, Urban Outfitters and Macy’s are at the forefront of omni-channel retailing, McClintock said. Gap, in particular, has seen its stock price surge in the past year due more to making it easier for customers to shop than staying ahead of fashion trends, McClintock said. For example, the retailer’s e-commerce site shows customers nearby stores that stock a certain item and allow the customer to reserve the item online and pick it up in the store. “Gap is done opening and closing stores,” he said. “Its future sales growth will come from increasing the effectiveness of omni-channel selling.” Amazon, ebay and Google will continue to be the biggest online-only threats to brick-and-mortar stores, panelists agreed. Smart retailers will use their real estate portfolios to compete on convenience and delivery, said Meredith Adler, senior research analyst for supermarket, drug and dollar stores at Barclays Equity Research. Supermarkets in particular are vulnerable to increased competition from Amazon, because few of them see the online behemoth as a threat and have therefore not implemented strong omni-channel strategies, she added. “Nobody expects Amazon to make any money,” Adler said. “But other retailers still have to.”

**Task 3.8. Go over the text to answer the following questions:**

1. What was the author main purpose in writing this article?
2. Who do you think this article meant for?
  - a) general readers
  - b) investors
  - c) economists
3. Is there an introduction in the article?
4. Is there a conclusion?

## Abstract Writing

### Task 3.9. Translate the abstract into Russian.

#### THE ROLE OF FINANCIALIZATION IN THE FORMATION OF GLOBAL FINANCIAL CRISIS

IVÁN BÉLYÁ CZ

The article deals with a new model of market economy created in the past three decades, arising because of financial liberalization and deregulation and meant as the control of economic processes based on financial basis. Financialization represents a substantial move from direct investments to production capacities towards open financial markets. Critics of this process see as a main problem that financial economy becomes independent from production financialization creates an artificial financial economy. After financial liberalization and deregulation finance and speculation became more closely intertwined than ever. Leveraged financial speculation becomes very risky and limitless because financial leverage of institutions and the debt of financial investors increased out of proportion. As a result of all these factors financial institutions become extremely fragile. Analysing cause and effect the author discusses the role of weak regulation, the political economy implications of financialization and its role in the rise of financial crisis. Final conclusions are not optimistic. According to the author's opinion the leading role of financialization in the financial system became one of the most important influencing factors of the financial crisis and as such there is a pronounced possibility of the initiation of similar crises, as the superficial treatment of the crisis did not eliminate its fundamental causes.

### Task 3.10. Answer to the following questions:

1. What does this abstract deal with?
2. Is it based on the author's own research?
3. Is it descriptive or informative?
4. The author's purpose was:
  - a) to inform
  - b) to describe
  - c) to criticize
5. Is this abstract intended for:
  - a) specialists

- b) general readers
- c) investors
- d) students

**Task 3.11. Translate the item.**

Annotation of the book:

Economics is the UK and European adaptation of Greg Mankiw's classic textbook, expertly adapted by Mark Taylor so as to be even more relevant to a UK and European audience. A major strength of the original – that the authors present economics from the viewpoint of a reader completely new to the subject has been maintained. Research shows that the book appeals particularly well to the more applied, business-oriented courses. The conversational yet precise writing style is superb for presenting the politics and science of economic theories to tomorrow's decision-makers. The book stands out amongst all other principles texts by encouraging students to apply an economic way of thinking in their daily lives. Economics is written to provide students with a robust conceptual understanding of the subject using contemporary approaches to theory where possible. It follows the structure of the original book while reflecting European economic structures and institutions and adapting the language and cultural references for a European readership. In the first Part, the opening chapter sets out ten important principles, which are revisited throughout the text. The second chapter is an introduction to thinking like an economist and the third introduces interdependence and gains from trade. The following Parts cover microeconomics (19 chapters) and macroeconomics (15 chapters), with the latter Part preserving Mankiw's trademark long run-short run approach. Economics uses the euro as the basic currency referred to throughout the book. Case studies, examples, In The News and For Your Information features largely refer to the European and UK economies. Major changes in content are evident in Chapter 12 on the taxation system, Chapter 29 on the monetary and financial system and in a new Chapter on common currency areas and European Monetary Union (Chapter 36).

**Task 3.12. Before you read discuss the question:** What are some of the problems faced by financiers who invest in projects in developing countries?

**Text 3. Mobile Banking on the Increase in Developing Countries**

Mobile banking is becoming more and more popular in countries of the Third World. While in developed countries almost all people have bank accounts, only a small part of the population in underdeveloped countries has access to banks.

In mobile banking a person who wants to send money does so by sending the amount via text to the receiver's phone number. The person who receives the money goes to an authorized local shop that and withdraws the cash. There are many examples for mobile banking in the Third World. Hospitals in Tanzania send money to women so that they can pay for the bus fare to the hospital. In Afghanistan the government pays its policemen by mobile phone. Coffee plantation owners in East Africa send workers their money via text.

Mobile banking has become popular where there are few banks but where most of the people have a mobile phone. The potential market is especially large in South America where only 35% of the people have bank accounts but 90% have mobile phones. Many mobile phone companies are taking over banking services in underdeveloped countries. In the last two years almost one million people in six African countries have signed up with European mobile operator Orange. In Kenya and Tanzania, British operator Vodaphone has 20 million customers who send money to other people in the country and abroad. In Pakistan, Norwegian mobile phone company Telenor has been offering mobile banking since 2008. People can withdraw money at almost 11,000 shops throughout the country. Pakistan itself has only a little over 8,000 banks. Money transfers are limited to \$120, with Telenor taking 5% of the amount.

The number of mobile banking customers is expected to rise in Third World countries from currently 60 million to almost a billion in 2015. Over 80% of these costumers live in Latin America, Africa and Asia. In the developed world mobile banking has not become a serious option because most customers have bank accounts and transfer their money via Internet banking. As more and more Americans and Europeans buy smartphones mobile banking will probably increase.

**Task 3.13. Read the statements below and decide if it is true (T) or false (F) according to the information in the texts 1 an2.Find the part of the text that gives the correct information.**

*Begin with: Yes, it`s true I guess..., I don`t think it is true; I am afraid it is wrong .....*

1. Mobile banking has become popular in the European countries because most customers haven`t bank accounts and transfer their money via cell phones.

2. Mobile banking has become popular where there are not many banks but where most of the people are not educated.

3. Mobile banking rose in developing countries to almost a billion last year.

4. The act of doing financial transaction on a mobile device is known as mobile banking.

5. In Kenya and Tanzania people do not trust British operator and transfer money by mail. But in Pakistan Vodaphone has been offering mobile banking for 15 years.

**Task 3.14. Summarize the main points from the article in your own words. Make a list of advantages and disadvantages of internet banking.**

### **Abstract Writing**

**Task 3.15. Read the abstract to answer the questions below**

"Price Competition and Market Structure: the Impact of Cartel Policy on Concentration in the UK",  
Journal of Industrial Economics, vol. 48 (2000), pp. 1-26.

Abstract: This paper examines the impact of firms' conduct on market structure. It studies the evolution of concentration in UK manufacturing following the abolition of cartels using a theoretical framework based on Sutton's theory of market structure and a panel data set of four-digit industries over 1958-1977. The econometric results suggest that the intensity of price competition has a positive effect on concentration in exogenous sunk cost industries as well as in advertising-intensive and R&D-intensive industries. The concentration-market size relationship, while negative in exogenous sunk cost industries, breaks down in industries with high advertising or R&D intensity.

1. What is this abstract about?
2. Is it based on the author`s own research?
3. Is it descriptive or informative?
4. The author`s purpose was:
  - a) to inform
  - b) to describe
  - c) to criticize
5. Is this abstract intended for:
  - a) specialists
  - b) general reader
  - c) investor
  - d) students

**Text 4. Read the article and outline the key points.**

### **Countdown starts to mobile payments for all**

15 January 2013

Paying a friend or business on your mobile as easily as sending a text is set to become a mainstream option in spring 2014, when the Payments Council's new mobile payments service launches.

The new service will enable secure payments to be made directly to or from an account without the need to disclose the sort code and account number, by simply using a mobile phone number as a proxy. Eight financial institutions<sup>1</sup> - representing 90% of UK current accounts - have already committed to offering the new service from spring 2014, with discussions continuing for more institutions to join. While there are existing ways to pay using a mobile, the collaborative Payments Council project marks the first service with the potential to link up every bank account in the country with a mobile number. Shortly before launch, participating financial institutions will invite customers to register via their online banking service, mobile app or other approved method to provide their mobile phone number and confirm which account they want to link it to. More details about the industry-wide registration process and precise launch date will be announced in due course.

Over 5,000 consumers participated in Payments Council research<sup>2</sup> which revealed that the service is likely to prove most popular with smartphone users, who accounted for two thirds (67%) of those surveyed. One in three smartphone users said they were either definitely or extremely likely to sign up to the new service at launch. The new mobile payments service will move money directly between accounts using tried and tested payment schemes: the Faster Payments service, which processed more than 800 million online and phone banking payments in 2012; and the LINK network, which processed 3.1 billion real-time ATM transactions last year. Over the next year, the Payments Council's delivery programme is continuing the work needed to set rules defining minimum service standards for security, speed and other technical requirements. This includes comprehensive end-to-end testing, preparing and implementing the pre-launch registration campaign and speaking with other interested financial institutions to ensure the service is made available to the highest possible number of customers. (*Plus Journal*)

1. What is your opinion of the mobile payments project?
2. Use the article to describe the system of mobile payments in Russia.

### **Supplementary reading**

**Text 5. Make a precis and an annotation on the article.**

**The German start-up factory Rocket Internet has Britain in its sights**

After listing on the Frankfurt Stock Exchange in October, at a value of €6.5bn, Rocket Internet is doubling down on its mission of creating new internet companies, particularly here in the UK. “We already have two new businesses in the pipeline for 2015 and the aspiration is to launch five or six next year,” says Rocket’s UK managing director, Ian Marsh. “We’ve got to the point now where we can launch a company in 60 days.”

Rocket, with headquarters in Berlin, brings a factory assembly line approach to starting internet businesses, spotting ideas that are working and replicating them in other countries. “We’re constantly scanning for good ideas, especially in the US,” says Mr Marsh. “You get a lot of good ideas in the US that don’t get brought to Europe. A classic one is online fashion.” In 2008, Rocket created Zalando, a rival to Asos that has become Europe’s biggest online fashion retailer. The company was valued at €5.3bn when it floated in Frankfurt in October. Rocket’s well-honed method for creating a company goes like this: get together a team, incorporate a new company and then hand them cash, typically in the millions, to turn ideas into reality. Along the way it provides office space, guidance and boring, but essential, things such as back office support.

Rocket has launched seven businesses in the UK since opening an office in London three years ago, although as yet none have broken into the mainstream. Three of Rocket’s UK businesses started up in just the last year – a lunchtime hot meal delivery service Eat First, on-demand laundry business ZipJet and on-demand storage business SpaceWays. Mr Marsh says Rocket is keen to treat the UK as its Petri dish for ideas in Europe. “If you look at consumer appetite, the size of the market, the speed of adoption and the wealth of both talent and investment – the UK is critical. If something works here then it makes sense to export it at least across Europe and potentially further afield thereafter.” From just two people in 2012, Rocket now employs 150 staff in the UK and is moving to an office on Oxford Street in the new year. All of Rocket’s businesses bar one operate out of its offices. “There are two key benefits,” explains Mr Marsh. “One is shared services. The second thing is sharing learning.”

Despite the international outlook and German parent company, Mr Marsh says the UK start-ups will all pay tax here, although he points out: “Obviously these companies are losing a lot of money so they won’t be paying tax for a while.” Rocket Internet is the brainchild of the Samwer brothers – Marc, Oliver and Alexander – a trio of square-jawed German entrepreneurs who made their money selling businesses to eBay and Groupon. In 2007, they decided to professionalise their model of copying successful businesses in new markets by establishing Rocket Internet. The company has since churned out more than 100 businesses across the world and attracted investment from the likes of JPMorgan, Warner Music owner Len Blavatnik and even Tesco. “Rocket is basically saying

you can make companies a lot more efficiently if you have certain systems and processes in place – it’s a bit German,” says Mr Marsh. “It contrasts quite a lot with the romantic story of, ‘I came up with an idea, I sat in my garage, I persuaded all my family to put money in and then I finally cracked it’. That’s very impressive and noble, but the internet is a young industry and it’s perhaps been the age of the glorious amateur. There’s an increasing professionalisation of it. ”This professionalisation is reflected in Rocket’s hiring practices. Mr Marsh says they typically recruit people from “professional backgrounds – blue-chip companies, banks or consultancies” to run their Rocket businesses. Mr Marsh himself came from a corporate background. He working at private equity group Bain Capital and consultant McKinsey before being tapped to run Rocket start-up Payleven, a clone of US company Square which provides portable card readers. “A lot of running a company in the tech space is old company – logistics, customer care, etc,” he says. “The fact your customer is only interacting with the business through an app is just one thing.” Mr Marsh insists that the “founders” Rocket hires are more than just glorified office managers. “Yes, you have got help, you have got some money, you’ve got a concept. But it’s the founders that really flesh it out.” Critics charge that Rocket is simply a “clone factory”, that churns out businesses built to be sold to competitors. Mr Marsh insists this is not the case, pointing out that, post-IPO, Rocket is responsible to shareholders who favour long term.

**Task 3.14. Get ready to present the information of text in the form of presentation.**

## ESSAYS

**Write an essay on one of the topics below. (Appendix 1). Read your essay to the group.**

**Discuss it.**

1. List the major benefits of E-commerce
2. E-commerce in Russia: development and problems
3. The Successful Companies through E-Commerce
4. Advantages and disadvantages of e-banking .
5. Engaging of companies in e-commerce to expand their retail channels.
6. E-bookshops.
7. Social issues of e-commerce.

## UNIT 4. GLOBAL ECONOMY

**The world economy or global economy** is the economy of the world, considered as the international exchange of goods and services that is expressed in monetary units of account (money). In some contexts, the two terms are distinguished: the "international" or "global economy" being measured separately and distinguished from national economies while the "world economy" is simply an aggregate of the separate countries' measurements. Beyond the minimum standard concerning value in production, use, and exchange the definitions, representations, models, and valuations of the world economy vary widely. It is inseparable from the geography and ecology of Earth. It is common to limit questions of the world economy exclusively to human economic activity, and the world economy is typically judged in monetary terms, even in cases in which there is no efficient market to help value certain goods or services, or in cases in which a lack of independent research or government cooperation makes establishing figures difficult.

### Pre-reading activity

**Task 4.1. Before you read discuss these questions. Work in pairs or groups and discuss the questions. Use the following expressions to present your opinion:** *In my experience... As far as I'm concerned... Speaking for myself... In my opinion...*

1. Outline the external factors which shape the business environment. Which of these factors do you think will be the most influential over the next five years?
2. What general influences affect the level of activity in the economy?
3. How can government initiatives help to stimulate business activity?

**Task 4.2. Consult a dictionary and practice the pronunciation of the following words and word combinations, translate them into Russian and quote the sentences in which they are used in the texts 1 and 2. Submit the examples of your own:**

step up; a gear; productive capacity; ageing populations; coming out; mediocre; go away ;to tackle; a drag on growth; to soar; slump; uneven; the knock-on effects; emerging market economies; a cause for concern.

### Reading

#### **Text 1. IMF projects faster global growth but warns of risks**

Tuesday 14 April 2015

Global growth will step up a gear over the next two years according to the International Monetary Fund, following the collapse in oil prices and the easing of austerity programmes in developed countries. However, it warned that the “complex forces” that affected global activity in 2014 – including wild swings in exchange rates and collapsing commodity prices – were still shaping economic events.

Longer-term issues have also depressed the “productive capacity” of many countries, the IMF said, including large debt mountains and ageing populations in Europe, Japan and the US. Earlier on Tuesday, the World Trade Organisation (WTO) cut its forecasts for global trade growth this year to 3.3%, down from 4%. It said growth in 2014 fell below its forecast of 3.1%, coming out at 2.8%. “We expect trade to continue its slow recovery but with economic growth still fragile and continued geopolitical tensions, this trend could easily be undermined,” said WTO director-general Roberto Azevêdo.

The predictions come only a week after IMF boss Christine Lagarde said that the global recovery could be described as mediocre at best. She said the threat of a “new mediocrity” was unlikely to go away without a concerted effort by governments to tackle longstanding issues that placed a drag on growth. The dollar has soared on world exchanges over the last year while the yen and euro have slumped. Sterling has risen against most currencies, but declined sharply this year against the dollar. In the latest report, the IMF said growth would prove to be uneven through this year and next as poorer developing nations slowed and more developed nations accelerated.

It said: “Relative to last year, the outlook for advanced economies is improving, while growth in emerging market and developing economies is projected to be lower, primarily reflecting weaker prospects for some large emerging market economies and oil-exporting countries.”

It identified several countries as a cause for concern, especially should the US increase interest rates and the dollar rise to even higher levels. A drought in Brazil has seriously damaged South America’s largest economy, sending it into recession this year before a mild and still-fragile recovery in 2016, the IMF said. Meanwhile, the tiger economies of south-east Asia, which have grown quickly through trade with China, are expected to suffer from the knock-on effects of slower growth in the world’s second largest economy.

*(The Guardian)*

**Task 4.3. Read the texts about problems that affected global activity and answer these questions. Use the following expressions to start your answer: *As I see it...*; *From what I read...* *If I remember correctly...***

1. Which country was damaged by natural disaster?
2. What is the main drag for development according IMF boss Christine Lagarde?
3. What problems the world economy face are mention in the article?
4. How do fluctuations of exchange rate affect the economy of countries?
5. Are there any requirements for improving the situation?

**Task 4.4. Go over the text and decide if it is true (T) or false (F) according to the information in the text. Find the part of the text that gives the correct information. Begin with: *Yes, it's true I guess...*, *I don't think it is true; I am afraid it is wrong...***

1. China's economy has never had any impact on regional business.
2. Global growth prospects have practically flat-lined, recent data have disappointed and indicators point to slower growth in major economies.
3. The yen has jumped on world exchanges over the last year while the dollar and euro have gone down.
4. According to the International Monetary Fund the downgrade reflects a broad range of disappointing incoming data for the fourth quarter of 2015.

**Task 4.5. Write out the words and phrases describing trends from the article. Add your own words that describe *a rise and increase in economy*.**

### **Language review**

**Task 4.6. Complete the sentences with prepositions: *to (4); over; of (2); from (3); by (4); with.***

1. The investment industry suffers ...(1) number of problems.
2. The labour market has improved .
- ...(2) the past twelve month private employment has risen ...(3) 2.3 million.
3. The unemployment rate has fallen ....(4) 6.6 percent.
4. The sales is forecast to grow ...(5) 3.1 in 2015.
5. The country reported third-quarter GDP growth ....(6) 7.3%, down ....(7) 7.5% in the previous three quarters.
6. The country agreed ....(8) a series of five-year reforms that began with the IMF.
7. ....(9) an investment .....
- ...(10) \$35 million, the Tashir group has opened a shopping center in the Grand Marina multicomplex in Sochi.
8. The Swiss economy emerged from recession in mid-2009, and expanded ....(11) 3.0% in 2010 and ....(12) 1.9% in 2011.
9. However, economic growth slowed

....(13) 0.9% in 2012. 10. The vacancy rate has more than tripled during the crisis, ....(14) 2–3 percent ....(15) 10–15 percent, according to various estimates.

**Task 4.7. Match the words and expressions describing trends with their definitions:**

1. gradual rise; 2. steep drop; 3. fluctuations; 4. peak; 5. sharp increase; 6. steady recovery; 7. massive reduction; 8. slight decline; 9 spike; 10. slow-down.

A. describes something that goes up very fast;

B. describes something that comes down very fast;

C. describes something that comes down by a large amount;

D. describes something that goes up slowly over a (long) period of time;

E. describes something that goes down a little bit;

F. describes the time when something stops going up and starts going down;

G. describes something that is still going up but less and less quickly;

H. describes a time when something goes up a lot for a very short time;

I. describes something that stops going down and then goes up at the same speed for a (long) period of time;

J. describes a time when something goes up and down many times.

**Task 4.8. Translate the text into Russian:**

The European Union and the USA will soon begin formal talks on a free trade agreement, paving the way for the biggest trade deal in history. The two trading blocs currently account for around half the world's economic output. European Commission President Jose Manuel Barroso said discussions could start by the end of June. The talks will involve rounds of negotiations on the many sticking points between the two economic powerhouses. Europe is likely to want greater access to many key American industries such as telecommunications and transport. The USA forbids foreign ownership of these. The USA will want more involvement in European agriculture, which may not please EU farmers. EU-US trade is presently worth around €455 billion / \$613 billion a year. Estimates are that a trade deal could boost their annual GDP by 0.5%. Mr. Barroso said: "A future deal between the world's two most important economic powers will be a game-changer, giving a strong boost to our economies on both sides of the Atlantic." He added: "These negotiations will set a standard...for the development of global trade rules." US President Barack Obama was equally enthusiastic about a deal, which he spoke about in his State of the Union

address to the US Congress on Tuesday. He said an agreement would, "boost American exports, support American jobs and level the playing field in the growing markets of Asia".

**Text 2. Read the article to understand the main ideas. Make a precis and an annotation on the article.**

## **The pros and cons of aid to developing economies**

Kenneth Rogoff, Monday 6 January 2014

The huge gap between the world's richest and poorest countries remains one of the great moral dilemmas for the west. It also presents one of the greatest challenges for development economics. Do we really know how to help countries overcome poverty?

In his eloquently written and deeply researched new book *The Great Escape: Health, Wealth, and the Origins of Inequality*, Princeton University's Angus Deaton urges caution. For those interested in world poverty, it is unquestionably the most important book on development assistance to appear in a long time. Deaton suggests that far too often, western aid serves to assuage donors' guilt rather than improve recipients' plight. This is particularly the case when naive assistance serves to reinforce a dysfunctional status quo. Although Deaton supports select initiatives, particularly for delivering medical and technological knowledge, he questions whether the vast majority of aid passes the basic Hippocratic litmus test of "first do no harm". For starters, assessing and implementing aid policy requires developing tools to gauge accurately where need is greatest. Economists have developed some useful indicators, but they are vastly less precise than politicians and the media seem to understand.

Most experts agree, and Deaton concurs, that at least a billion people on the planet live in desperate circumstances resembling conditions that prevailed hundreds of years ago. Our failure to alleviate their plight is morally reprehensible. But where, exactly, are the greatest concentrations of poor people? Data is hard to come by and even harder to interpret. Attempts to convert national incomes into a common denominator are fraught with complications. To take one prominent example, there is a 25% margin of error on purchasing-power-parity comparisons between GDP in the United States and China. In other words, we cannot say whether Chinese output today equals 55% of US GDP or 92%. So much for precise forecasts of the date when China will overtake the US as the world's largest economy; we won't even know for sure when it happens! This problem is hardly unique to comparisons of China and the US; it applies with perhaps even greater force when comparing incomes of the poor in Mumbai with those of the poor in Freetown. Another major

problem is measuring progress in a given country over time. How can one compare cost-of-living indices in different periods when new goods are constantly upending traditional consumption models? Consider the impact of cell phones in Africa, for example, or the internet in India. Deaton goes on to offer a revealing critique of some of the most hyped and fashionable approaches to improving aid. For example, the "hydraulic model" of aid – the idea that if we simply pumped in more aid, better results would gush out – ignores the fact that funds are often fungible. Even if aid is narrowly targeted at say, food or health, a government can simply economise on expenditures that it might have made anyway and redirect them elsewhere – for example, to the military. Direct delivery of medical help is one of the best options, but it still can be a huge drain on already-scarce local resources – hospitals, doctors, and nurses. An influx of western NGOs often bids talent away from nascent businesses that could help the country long after the NGOs reset their priorities and move on.

Indeed, there is a striking parallel between the problems caused by aid inflows and the "natural resource curse" (or "Dutch disease" as it is sometimes termed in western countries), whereby inflows into one economic sector – typically oil or minerals – drive up economy-wide prices (including the exchange rate), rendering other sectors uncompetitive. Moreover, a great deal of this aid is delivered in kind and for strategic reasons, often supporting ineffective and kleptocratic governments. Deaton observes that, in general, western countries developed without receiving any aid. (Perhaps America's post-second world war Marshall Plan in Europe is an exception, but that aid was intended more for reconstruction than for development.) China and India, too, have succeeded in lifting hundreds of millions of people out of poverty with relatively little western aid (particularly China). Deaton argues that aid providers must be extremely careful not to interfere with political and social forces that, over time, can generate organic – and therefore more lasting – internal change.

Another intellectually fashionable approach is to conduct small randomised trials to examine, say, the effectiveness of school-attendance incentives or immunisation campaigns. Deaton rightly argues that this approach, now enshrined in World Bank procedures, is of very little use for understanding how to help a country develop more broadly. The results are often specific to a particular country's circumstances, and there is no reason to presume that they would scale up when fully confronted with a developing country's governance problems. The fact that people in several African countries appear to be worse off now than in 1960 is far more related to despotism and internal conflict than it is to the effectiveness of aid-delivery programmes. Despite these caveats, Deaton's message is fundamentally positive. For most of mankind, now is a better time than ever before to be alive. The

path to development remains for others to follow. Highly targeted western aid and advice can help, but donors must take more care not to stand in the way of the beneficiaries of their assistance. (*The Guardian*)

Kenneth Rogoff, a former chief economist of the IMF, is Professor of Economics and Public Policy at Harvard University

**Task 4.9. Scan the text to answer to the questions. Use the following expressions to start your answer: As I see it....; From what I read...If I remember correctly....**

What is the author main purpose in this articles?

- To present different approaches to estimate the effectiveness of aid-delivery programmes
- To analyse the problems of aid to developing economies
- To express his own attitude to the problem
- To give a review of a new book.

**Task 4.10. Find and write out linking words and phrases from the article. Submit the examples of your own with them.**

**Task 4.11. Find the synonyms for the words from the article and translate the sentences with them in the text.**

*Downturn, balance sheet, emerging markets, threats, to store up, goods, pitfalls, to call in, to go bust, slump, tackling, trigger, to scramble, dried up, a knock-on effect, to tumble, to estimate.*

**Text 3. Translate the article. Make a precis and an annotation on it.**

### **The five fears stalking the global banking industry**

**China, emerging markets, the Eurozone , oil and commodities all pose a threat to the banking sector this year**

Wednesday 10 February 2016 06.00 GMT Last modified on Wednesday 10 February 2016 08.05 GMT

Banking shares have come under pressure this week as investors express fears that the sector will be badly hit by a global economic downturn. Financial institutions have strengthened their balance

sheets since the 2008 financial crisis, but they could be in for a turbulent year if potential flashpoints such as emerging markets or the energy sector produce a cascade of debt defaults. Here are the five biggest threats to the banking sector

## **China**

A property boom and frenzy of manufacturing in the aftermath of the 2008 financial crash kept the global economy motoring, but stored up huge private debts that investors fear will soon destabilise the Chinese economy. Beijing is working hard to wean itself off being the world's source of cheap manufactured goods, but it is a painful transition, full of pitfalls. Some banks have called in bad loans, forcing firms to go bust. But these are rare, leaving international investors to fear that more are in the pipeline, without knowing the extent of the problem. Some analysts fear Beijing is covertly depreciating the (1) ..... That would spark a currency war and a wave of competitive devaluations. The stock market is dominated by individual investors who treat the market like a casino.

## **Emerging markets**

The list of developing nations suffering the after effects of the slowing global economy and the slump in oil prices grows every week. Last year, Brazil slid into a recession made worse (2) ..... Venezuela's ailing post-Hugo Chávez administration is expected to default on its loans after oil revenues dried up. Nigeria, Russia and the Middle Eastern producers are also badly hit by falling oil prices, leaving government budgets under water. The Fed raised rates in December and could do so again soon, jeopardising the finances of large corporations that borrowed heavily in dollars. East Asian economies Malaysia, Thailand and South Korea, which depend on trade with China's manufacturing sector, are suffering a dramatic slowdown as the world's second-largest economy focuses on tackling corruption and boosting consumer demand. **Eurozone**

When the European Central Bank cut its already ultra-low main interest rate from 0.15% to 0.05% in the autumn of 2014, the Ukraine crisis was cited as a risk to Europe's hopes of recovery. Since then, the Syria crisis and the exodus of refugees to Europe's shores has become a more serious threat to the stability of the 19-member currency bloc and the ECB has cut rates further and hinted of more to come next month. (3) ....., fears that European banks have returned to their bad old ways and become embroiled in risky lending has come to dominate discussions in the City. Bank shares, led by Deutsche Bank and Barclays, dived this week as investors scrambled to buy safer assets. Some countries are suffering more than others. Finland has fallen into a recession

deeper than anything Portugal experienced. France is lagging and Italy's burst of activity last year is waning. Worse, Germany's industrial output has come under pressure from the decline in trade along the Silk Road that leads back to China.

## **Oil**

Oil companies had \$1.6tn of syndicated loans in 2014, although that does not take into account repayments or loans that were never drawn. Both numbers are likely to have increased significantly since the BIS last crunched the numbers. Debts have ballooned in part because of the boom in shale oil and gas extraction in the US. Companies borrowed heavily to fund investment in shale when the oil price was high. Now that prices have tumbled, those debts look increasingly unsustainable. America's second-biggest natural gas firm, Chesapeake Energy, threatens to provide the first significant example of a big company driven under by debt. It was forced to deny this week that it was on the verge of bankruptcy, with debts of \$10bn and a market value of just \$1.2bn. There is also a knock-on effect in countries (4)..... Falling oil revenues result in lower tax receipts, which could force greater austerity and depress economic activity further, triggering debt defaults across a variety of businesses.

## **Commodities**

In a report at the end of last year, credit rating agency Moody's warned of a "spike in defaults" among commodity companies, as well as oil producers. "The sheer volume of commodity-related debt poses challenges because it means that credit losses from commodity investments will be substantial for many investors," said Mariarosa Verde, Moody's group credit officer. The group said \$2tn of bonds had been issued by mining companies since 2010, many of them now rated as junk, meaning there is a high risk investors will not get their money back. Mining companies have suffered badly because(5).....One of the hardest hit has been commodities giant Glencore, which has \$36bn of net debt and a market value of \$20bn. Observers have warned that because Glencore's metals trading arm deals with so many companies around the world, it poses a risk. If it were to fall into severe financial trouble, it might trigger a Lehman Brothers-style event, creating a domino effect of debt similar to the banking crisis of 2008. Bank of America has estimated that the financial sector's exposure to Glencore could be as high as \$100bn – and that's just one company. The company has insisted that it has plenty of financial room for manoeuvre if things get tight and it has since moved to cut its debts. But ultra-low commodity prices could cause big problems for more than just the banks and investors who lend to mining firms.

*(The Independent)*

**Task 4.12. Go over the text again to fill the gaps 1-5 with the missing halves of the sentences A-E.**

A) that rely on oil reserves for income

B) by a corruption scandal that could topple the government

C) they spent big when metals prices were high and cannot sustain their operating costs now that prices are low

D) to gain a competitive advantage while it moves towards a more western-style consumer economy

E) While stock markets have welcomed cheaper borrowing costs.

### **Abstract Writing**

**Task 4.13. Translate the Abstract into Russian**

### **Nigeria in the Global Economy**

Abstract

This paper provides a perspective on Nigeria's global economic position and integration into the world economy. While other emerging market economies have benefited from globalization, there is concern that African countries continue to be marginalized. Among African countries, Nigeria is one of two major countries with strong potential to harness the opportunities and meet the challenges that the global economy could provide. Nigeria has the largest population in the continent and has been growing rapidly, due in part to gains from economic reforms and rising prices of oil. However, Nigeria's integration into the global economy has been below potential. While it has improved its global rankings on indicators of competitiveness, business climate, and productivity in the past five years, it still ranks below most of its peer group on these indicators. It is among the poorest countries in the world in terms of social indicators despite oil wealth. Further integration into the global economy would require sustained policy reforms, improved governance, and public-private investments in social, human, and physical infrastructure. **Keywords:** Nigeria, globalization

**Task 4.14. Read the article and outline the key points. Is China the only country facing a falling stock market?**

**Text 3. China's stockmarket crash**

CHINA is certainly not the first country to try to prop up a falling stockmarket. The central banks of America, Europe and Japan have all shown form in buying shares after crashes and cutting interest rates to cheer up bloodied investors. But the circumstances and the manner of China's intervention of the past ten days make it an outlier, worryingly so. The trigger in China's case is perplexing. Yes, the stockmarket is down a third over the past month, but that has simply taken it back to March levels; it is still up 80% over the last year. Growth, though slowing, has stabilised recently. Other asset markets are performing well. Property, long in the doldrums, is turning up. Money-market rates are low and steady, suggesting calm in the banking sector. The anticipated correction of over-valued stocks hardly seems cause for much anguish.

Yet China's intervention has screamed of panic. Had the central bank stopped at cutting interest rates—justifiable support for the economy when inflation is so low—that would have been reasonable. Instead, there has been a spectacle of ever-more drastic actions to save the market. Regulators capped short selling. Pension funds pledged to buy more stocks. The government suspended initial public offerings, limiting the supply of shares to drive up the prices of those already listed. Brokers created a fund to buy shares, backed by central-bank cash. All the while, state media played cheerleader. Far from saving the market from drowning, the succession of life buoys only pushed it further under water. The CSI 300, an index of China's biggest-listed companies, fell almost 10% over seven trading days after the rate cut. ChiNext, an index of high-growth companies that is often described as China's Nasdaq, fell by 25%.

Theories have flourished about why the government has waded in so heavily. The apparent desperation is, some believe, a sign that officials see a looming economic collapse, and are trying to staunch the wound before social upheaval ensues. That story is intriguing, but it is not the most likely.

Lost in all the drama about the stockmarket is that it still plays a surprisingly small role in China. The free-float value of Chinese markets—the amount available for trading—is just about a third of GDP, compared with more than 100% in developed economies. Less than 15% of household financial assets are invested in the stockmarket: which is why soaring shares did little to boost consumption and crashing prices will do little to hurt it. Many stocks were bought on debt, and the unwinding of these loans helps explain why the government has been unable to stop the rout. But this financing is not a systemic risk; it is just about 1.5% of total assets in the banking system.

If economic stability is not in peril, why then the panic? The most compelling explanation is politics. The government has staked much credibility and prestige on the stockmarket. When the

going was still good, the official press was chock-a-block with articles about how the rally reflected the economic reforms that Xi Jinping, China's top leader, was set to push. The sudden end to the rally is the first major dent in the public standing of the Xi-Li team. The botched attempts to stabilise the market only make them look weaker, giving succour to their critics. But the biggest concern about the panicked policy response is what it says about the government's agenda. The economic hopes invested in Messrs Xi and Li stemmed from their pledge in late 2013 to let market forces play a "decisive role" in allocating resources. The actions of the past ten days have made abundantly clear that it is still the other way around: the Chinese government wants a decisive role in markets. The failure of share prices to do their bidding is, in that respect, welcome. It shows that the Communist Party, powerful though it may be, cannot indefinitely bend markets to its will. Chinese leaders should heed that lesson and get on with the challenges of liberalising their economy.

**Task 4.15. Find synonyms of the following words from the article:**

1. crash
2. to trigger
3. drastic
4. concern
5. to stabilize
6. to perform
7. to pledge
8. to back
9. decisive
10. failure

**Task 4.16. Quote the sentences in which these multi-word verbs are used in the article and translate them:** get on; to prop up; to cheer up; to take back; to drive up; to push under; to fall over; to turn up.

**Task 4.17. Here are the words and phrases we need to talk about trends using charts and graphs. Organize them under the headings:** *fall; jump a decrease; stagnate; top out; bottom out; sharp; slightly; take off; stabilize; dramatic; go up; drop; slip; level off; considerable; peak; sudden; decline; edge up; boost; plummet; low point; fluctuate; rocket; creep up; significantly.*

Up-verbs/nouns; Down-verbs/nouns; No-change-verbs; At the top-verbs; At the bottom-verbs; Degrees of change; Speed of change

Task 4.18. Use the following graph to describe the real estate market in Shanghai



Source: eHomeday

Task 4.19. Render the text into English.

Экономист предупреждает о "двойной рецессии"

По словам одного из немногих известных экономистов, предсказавших финансовый кризис, мир не решил проблем, лежавших в основе экономического спада, и может снова скатиться к рецессии, сообщает The Financial Times. Выступая в понедельник на конференции Sibos в Гонконге, Уильям Уайт, бывший главный экономист Банка международных расчетов (Bank for International Settlements), предупредил, что действия правительств, направленные на оказание скорой помощи экономике, могут привести к кризису. "Вступим ли мы в W-образную рецессию? Почти наверняка. Вступим ли мы в L-образную рецессию? Я несколько не удивлюсь", - заявил он, говоря об опасности так называемой двойной рецессии или продолжительной стагнации, такой, от которой страдала Япония в 1990-х. "Единственное, что удивило бы меня по-настоящему, - это быстрое и стабильное выздоровление с учетом того положения, в котором мы находимся", - добавил он. По словам Уайта, по всему миру центральные банки и правительства за последние два года вложили тысячи миллиардов

долларов напечатанных денег в финансовую систему и промышленность в попытке предотвратить депрессию, что может в итоге привести к инфляции

**Text 4. Translate the article. Make a precis and an annotation on it.**

## **Eurozone struggles to find joint response to Greek referendum**

Ian Traynor in Brussels; Monday 6 July 2015

Germany and France scrambled to avoid a major split over Greece on Monday evening as the eurozone delivered a damning verdict on Alexis Tsipras's landslide referendum victory on Sunday and Angela Merkel demanded that the Greek prime minister put down new proposals to break the deadlock.

As concerns mount that Greek banks will run out of cash, and about the damage being inflicted on the country's economy, hopes for a breakthrough faded. EU leaders voiced despair and descended into recrimination over how to respond to Sunday's overwhelming rejection of eurozone austerity terms as the price for keeping Greece in the currency.

Tsipras, meanwhile, moved to insure himself against purported eurozone plots to topple him and force regime change by engineering a national consensus of the country's five mainstream parties behind his negotiating strategy, focused on securing debt relief. Tsipras also sacrificed his controversial finance minister Yanis Varoufakis, in what was seen as a conciliatory signal towards Greece's creditors.

In Paris, Chancellor Angela Merkel and President François Hollande tried to plot a common strategy after Greeks returned a resounding no to five years of eurozone-scripted austerity. The two leaders were trying to find a joint approach to the growing crisis ahead of an emergency eurozone summit on Tuesday to deal with the fallout. The prospects of a happy resolution of this crisis are rapidly diminishing

But Merkel said there was no current basis for negotiating with the Greek side and called on Tsipras to make the next move. As eurozone leaders prepared for today's emergency summit in Brussels, the heads of government were at odds. France, Italy and Spain are impatient for a deal while Germany, the European commission and northern Europe seem content to let Greece stew and allow the euphoria following Sunday's vote to give way to the sobering realities of bank closures, cash shortages and isolation. Greek banks are to remain closed until Thursday at the earliest, it was

announced, with ATM withdrawals rationed to €60 daily. “The prospects of a happy resolution of this crisis are rapidly diminishing,” said the British chancellor, George Osborne, after speaking to some of the key policymakers. “If there is no signal from these meetings that Greece and the eurozone are ready to get around the table again, we can expect the financial situation in Greece to deteriorate rapidly.”

The commission had nothing positive at all to say about Sunday’s Greek referendum, while Germany’s increasingly hardline social democratic leader, Sigmar Gabriel, warned that Greece was on the brink of insolvency. He accused Tsipras, the radical leftist prime minister who outmanoeuvred the rest of the eurozone with his plebiscite, of ruthlessly pursuing the Greek national interest at everyone else’s expense. His message suggested a Grexit was now inevitable as he stressed the need for EU humanitarian programmes to forestall social implosion in Greece.

Tsipras is expected to table new bailout proposals on Tuesday to eurozone leaders meeting in Brussels after he ditched the flamboyant Varoufakis. Over five months of negotiations, Varoufakis, a leftwing economist and neophyte politician, has rubbed his interlocutors up the wrong way, persistently arguing he is right and everyone else is wrong when it comes to dealing with the Greek debt crisis.

The detail of Sunday’s voting patterns left no doubt about the devastating verdict and the challenges it now presents to Europe’s leaders. Around 80% of voters under the age of 34 voted no on Sunday.

Germany’s Gabriel said the Greeks had simply rejected the single currency rules, while Matteo Renzi, the Italian prime minister, delivered a *cri de coeur* lamenting the desperate situation the eurozone and the EU now found themselves in. “Two political building sites need our work urgently, in European capitals and in Brussels,” he said. “If we stand still, prisoners of rules, regulations, and bureaucracy, Europe is over. Reconstructing a different Europe will not be easy ... The first one is Greece, a country in very difficult social and economic conditions. Meetings tomorrow will have to indicate a conclusive solution to this emergency.” Merkel has taken a hard line with Greece since Tsipras announced his snap referendum 10 days ago, while the French have been much more accommodating towards Athens. A brief statement issued after the leaders had dined together on Monday evening showed little sign of the two main EU leaders bridging their differences. There were no signs either of movement from the eurozone towards the main demands from Athens – a new deal writing down the Greek debt mountain, as urged last week by the International Monetary Fund. German government sources said there would be no debt reduction measures offered and that it was up to Greece, which ended negotiations with its creditors 10 days

ago and called the referendum, to make the next move. “In light of the decision by the Greek citizens, the conditions to start negotiations on a new aid programme are not met yet,” said Merkel’s spokesman, Steffen Seibert.

Valdis Dombrovskis, the most senior European commission official in charge of the euro, said the referendum result risked leaving everyone a loser. “The no result unfortunately widens the gulf between Greece and other eurozone countries ... There is no easy way out of this crisis. Too much time and too many opportunities have been lost.” A day of frantic politicking in Greece, and internationally, left few clues as to what happens next. Tsipras has persistently surprised and outmanoeuvred his opposite numbers, but without securing any net gains for a country in the throes of financial collapse. Greece’s bank holiday and the rationing of ATM withdrawals to €60 a day was extended until at least Thursday.

The country’s banks are entirely dependent on the European Central Bank to keep standing and last night the ECB toughened its stance towards Greece’s banks by demanding they put up more collateral in return for the emergency liquidity allowance which has been keeping them afloat. The ECB said its government council is “closely monitoring the situation in financial markets and the potential implications for the monetary policy stance and for the balance of risks to price stability in the euro area”. Tsipras spent much of the day with other Greek party leaders, resulting in the five-party national consensus behind his negotiating strategy committed to debt restructuring. Tsipras’s leftwing Syriza, and his rightwing nationalist coalition partner, Anel, were joined by centre-left Pasok, liberals To Potami, and centre-right New Democracy.

Now that Greece has returned an overwhelming no vote in the referendum, columnist Jonathan Freedland and economics editor Larry Elliott discuss the possible next moves for the European leaders.

Tsipras’s ‘new’ proposals are likely to lean heavily on his recently tabled third bailout ideas, which call for €29bn in new loans over a two-year period under the eurozone’s ESM permanent bailout fund, combined with a debt swap that would see the ESM buy up Greece’s obligations to the European Central Bank and convert this into longer-term loans at cheaper rates. Greece would have to commit to many of the austerity measures that were roundly rejected by voters on Sunday.

Gabriel, however, emphasised the problems of devising a new bailout under the ESM, whose rules are more exacting than those for the eurozone instrument used for the previous bailouts since 2010. The ESM rules say that a bailout can be considered for a eurozone country if its financial plight imperils the stability of the euro area as a whole. Many argue that this is not the case with

Greece, that there is little risk of contagion and destabilisation of the broader currency area. But no one really knows.

**Task 4.20. Read the article below and make a list of problems Greece face. Try to work out some policies or actions that country could take to reduce these problems.** Make use of the helpful phrases:

- There are a couple of actions Greece can take, say...
- That shouldn't be a problem.... Not everybody will agree with me, but...
- Let's look beneath the cabbage leaf... From my point of view...
- If you ask me... I support the view that...

**Task 4.21. Translate the text into Russian:**

### **Bank of Greece solicits donations on website to pay off debt**

Cash-strapped Greece has maybe given up hope that the EU will solve its financial woes, and is seeking direct handouts from benevolent donors via its central bank website. The bank set up an account called 'Solidarity Account for Repayment of Public Debt', which has been open for contributions since March 5. While Mr Tsipras isn't saying what's left in the bank, he acknowledges Greece is facing "liquidity pressure." The country's cash shortfall is projected to hit €3.5 billion in March, according to Bloomberg calculations based on 2015 budget figures. Greece's coffers are spread thin, but the country has €3-4 billion in buffer cash stored at the Bank of Greece that could be used at a pinch, according to Economy Minister George Stathakis. By the end of March, Greece needs to pay the IMF a total of €1.5 billion, €350 million of which is due on Friday. Bloomberg estimates the country is facing a €3.5-billion cash crunch in March. This projection is in line with reports from Greek banks stating they have seen the highest spike in bank withdrawals in the past month. Leaders from Greece are trying to strike a new deal with their EU creditors – the International Monetary Fund, the European Central Bank, and the European Commission. The Troika of lenders is still waiting for Greece to present a list of reforms before doling out any more cash. Greece owes its EU creditors €240 billion.

**Task 4.22. Say it in English**

МОСКВА, 11 января – РИА Новости.

Кипру необходимо продолжать проводить экономические реформы, если страна рассчитывает получить финансовую помощь от ЕС, заявила в пятницу канцлер Германии Ангела Меркель. При этом Меркель не уточнила о каких именно реформах идет речь, сообщает агентство Ассошиэйтед Пресс. Правительство Кипра уже провело ряд реформ в рамках мер по снижению дефицита бюджета, в частности, были повышены некоторые налоги и снижено финансирование госсектора. Переговоры Кипра с международными кредиторами, которые начались летом 2012 года, продолжаются до сих пор. На 17 февраля в стране назначены президентские выборы. Действующий глава государства и правительства Димитрис Христофиас не стал выставлять свою кандидатуру на второй пятилетний срок; не исключено, что меморандум о кредитовании Кипра предстоит подписывать уже новому кабинету министров. Правительство ведет торг с кредиторами относительно будущих мер экономии, включая сокращение расходов, урезание зарплат и пенсий и приватизацию телекоммуникационной и электрической отрасли. Рейтинговое агентство Moody's в ночь на пятницу понизило долгосрочный кредитный рейтинг Кипра сразу на три ступени — с "В3" до "Саа3", с негативным прогнозом. Основной причиной понижения рейтинга стало увеличение внешнего долга страны, связанное с повышенной потребностью в рекапитализации банковской системы острова. При этом в агентстве полагают, что попытка повысить долговую нагрузку в сложных условиях, скорее всего, не будет успешной, что может привести к тому, что правительство может объявить дефолт или прибегнуть к вынужденному выкупу своих обязательств.

**Task 4.23. Prepare a short economic forecast for Greece based on the article and other materials. Describe what will happen and what is unlikely to happen. Support your ideas with reasons and figures. Use the following expressions:** *To my mind....., There is no doubt that....., As I see it....., I assume that.....; From what the statistics say.....; I may be wrong but...*

### **Supplementary reading**

**Text 5. Read the article and outline the key points. Make a precis and an annotation on it.**

**Finland after the boom: 'Not as bad as Greece, yet, but it's only matter of time'**

David Crouch in Oulu. Wednesday 15 April 2015

The weakest economy in the eurozone this year might not prove to be Greece or Portugal, but Finland. The Nordic country is entering its fourth year of recession, with output still well below its 2008 peak.

The north of Finland, home to the “Oulu miracle” that was built on the twin pillars of plentiful timber and mobile phone technology, has been hit in particular. Although a paper mill still dominates Oulu’s skyline, jobs in pulp and cellulose have moved abroad, while the collapse of Nokia’s handset business knocked the guts out of the local economy. With unemployment officially at more than 17% – almost twice the Finnish average – this once-booming city of 200,000 people has gone from a poster child of prosperity to a symbol of deepening cracks in the Nordic model. “It’s not yet as bad here as Greece, but that’s only a matter of time,” says Seppo, a 43-year-old software engineer who lost job along with 500 others last summer after Microsoft, the new owner of Nokia’s mobile devices and services division, abandoned Oulu. Stockmann, the Finnish Selfridges, announced in February it would close its department store in Oulu. Meanwhile, a new flea market in the city’s indoor athletics arena drew 10,000 shoppers overnight. It will take a while for Oulu to bounce back.

Youth unemployment here is the highest in the country, says Maire Mäki, head of the city’s employment service, which encourages people to leave Oulu and seek work in Sweden and Norway. A controversial new nuclear power station in nearby Pyhäjoki, to be built by Russia’s Rosatom, will be a vital source of jobs, she adds. Talk among the political parties is about cutting Finland’s way out of recession. The country has been a cheerleader for austerity in Europe; Olli Rehn, the Finnish economics commissioner in Brussels during the eurozone crisis, was accused of imposing a “Rehn of terror” on profligate southern EU states. Now with mounting public debt at home, Finns are bracing themselves for a taste of their own medicine. Wages must not rise for the rest of the decade, early retirement should end and maternity support is too generous, says Juhana Vartiainen, head of the Government Institute for Economic Research in Helsinki and author of a recent review of Finland’s economy.

Finland is ill-equipped to face up to globalisation, Vartiainen says, while Finns are “extremely conservative and suspicious” of the market reforms he believes are necessary. The population over 65 is set to double during the next two decades; productivity has fallen behind Sweden and Germany, while trade with Russia has slumped owing to EU sanctions over the Ukraine crisis and the falling rouble.

At least Oulu is spared Finland's problem with ageing. The city is a magnet for young people in the north and has one of the youngest populations in Europe. But when voters gathered at the weekend in the city centre to hear Juha Sipilä, a millionaire businessman whose Centre party is 10 points ahead in the polls, youthful faces were conspicuous by their absence. A change of government won't make any difference – new faces, same shit

Sipilä pledges to curb “reckless” public spending and create 200,000 private-sector jobs over the next decade, double the number Finland has lost since 2008. But Amine, 22, is unconvinced – her boyfriend has been out of work for two years. “A change of government won't make any difference – new faces, same shit,” she says.

## **Text 6. U.S. Trade Gap Grows as Exports Fall Most in Three Months**

by Michelle Jamrisko, July 7, 2015

The U.S. trade deficit widened in May as exports declined by the most in three months, showing businesses were having trouble drumming up sales to overseas customers.

The gap grew 2.9 percent to \$41.9 billion from the prior month's revised \$40.7 billion, Commerce Department figures showed Tuesday in Washington. The median forecast in a Bloomberg survey of economists called for a \$42.7 billion shortfall. Exports dropped 0.8 percent on declining demand for commercial aircraft and industrial equipment.

Domestic crude production further reduced America's imported fuel bill, which dropped in May to the lowest level since February 2002. While persistent U.S. household spending led to record automobile imports, unsettled European and Chinese economies are limiting prospects for a pickup in exports. “The U.S. economy is doing better than the global economy,” said Gus Faucher, vice president at PNC Financial Services Group Inc. in Pittsburgh, whose projection for a \$42 billion deficit tied for the closest in the Bloomberg survey. “Trade is going to be a drag, but the domestic economy is strong enough that the U.S. economy will continue to grow at an above-trend pace.”

Bloomberg survey estimates from 69 economists ranged from deficits of \$38.5 billion to \$47.4 billion. The Commerce Department initially reported a \$40.9 billion shortfall for April. Exports declined to \$188.6 billion from \$190.1 billion in April. Shipments overseas were also depressed by less demand for telecommunications equipment, pharmaceuticals and semiconductors. The decrease in exports was limited by a pickup in U.S. sales of oil products and chemicals. Excluding petroleum, the deficit widened 6.5 percent in May.

## **Global Economy**

A slower global economy and a strong dollar represent hurdles for U.S. growth. The dollar's advance since June 2014 has made U.S. goods and services more expensive for overseas customers.

Greece's possible exit from the euro risks destabilizing the broader European economy. The country's voters emphatically endorsed Prime Minister Alexis Tsipras's call for a "no" to more austerity in a referendum. Now buckling under the strain of capital controls, the Greek economy has already shrunk about 25 percent over the past six years while the jobless rate is still the highest in the euro region.

In China, the Shanghai Composite Index had fallen 27 percent through July 3 from its peak in mid-June, forcing policy makers to address how to promote economic stability while liberalizing the \$10 trillion economy. Bloomberg's monthly GDP tracker shows the economy has been below the government's targeted pace of about 7 percent all year.

**Task 4.25. Translate the article. Make a precis and an annotation on it.**

### **Text 7. China economic growth lower than forecast**

China's economy, the world's second-largest, has slowed and performed worse than many analysts expected in the first three months of the year. Annual growth was 7.7% in the January to March quarter, compared with 7.9% in the previous three months. Analysts had forecast a figure closer to 8%.

China wants to spur growth after it hit a 13-year low in 2012. Industrial output rose 8.9% in March from a year earlier, much lower than analysts' targets of 10%.

Meanwhile, fixed asset investment, a key driver of China's growth, rose at an annual rate 20.9% in the first three months of year. Analysts had expected growth of more than 21%.

"The Chinese economy is showing soft growth momentum in the first quarter," said Wei Yao of Societe Generale. "All these figures showed that the economy is in a weak recovery. "Over the past few years, China has relied heavily on its exports and investment spending to maintain a strong pace of growth.

However, as economic growth in its key markets such as the US and Europe has slowed, and its exports have weakened, there have been calls for China to rebalance its economy. Beijing has

acknowledged this and has indicated that it wants to increase domestic demand to reduce its dependence on exports and achieve more sustainable growth.

At the same time, China has had to deal with a widening wealth gap, which has prompted fears of social unrest in the country. There have been calls for the new leadership, which took charge in March, to work towards a more inclusive growth model. Analysts said a slower rate of growth may actually help China, as it tries to achieve those goals.

"Given Beijing's goal of restructuring the economy, a relatively moderate economic growth is not a bad thing in the longer term," said Ms Yao of Societe Generale. She added that this "could help policymakers focus more on the quality rather than speed of the economy".

China has taken various steps over the past few months to spur growth. The central bank has cut interest rates twice since June to reduce borrowing costs for businesses and consumers and increase lending. Beijing has also approved infrastructure projects worth more than \$150bn (£94bn).

A slowdown in exports has added to calls for China to restructure its growth model

Analysts said China was likely to continue to use easy monetary policies as a tool to sustain growth, and would not raise rates or look to limit access to capital.

**Text 8. Read the text and outline the key points.**

## **Lukoil eyes return to Iran after sanctions lifted**

Published time: April 21, 2015

Russia's second largest oil and gas producer Lukoil plans to return to Iran as soon as sanctions over the country's nuclear program are lifted, according to the company's President Vagit Alekperov. The company wants to return to the Anaran oil project which the company abandoned due to Iranian sanctions in 2010, Vagit Alekperov told reporters at the IHS CERA Week 2015 Energy Conference on Tuesday. "We hope that the current political dialogues will open up investment opportunities in Iran in the medium-term," Alekperov said, adding that his company was looking at the possibility of returning to the Iranian market as it wanted to be ready for "the moment when the sanctions were removed."

Iran has between 20-30 million barrels of crude in storage that could potentially come to market in July 2015, adding to the global supply glut. The country plans to boost crude exports by as much as

1 million barrels per day once the sanctions over Tehran's nuclear program are lifted. Lukoil is also considering buying assets in Iran as well as in Mexico after 2016, putting into operation a number of huge projects during 2015-2016, according to the company head. Alekperov also said Lukoil has already reopened an office in Tehran. Lukoil was forced to withdraw from Iran in 2010, after the United States imposed economic sanctions against Tehran. Prior to that, it jointly worked with Norway's Statoil exploring the Anaran block that extends across the Iraqi border and is estimated to have an oil reserve of 2 billion barrels. The Russian company took a \$63 million loss when it abandoned the project; however, in 2013 Iran reimbursed Lukoil \$60 million.

This comes as Iran and the P5+1 group of countries- the US, Russia, China, Britain, France and Germany - are working on a final agreement over the Iranian nuclear program which has a deadline of June 30. A key point of the agreement will be the removal of a series of economic sanctions on Iran – specifically some of those that ban foreign investment in the country's oil and gas sector. Earlier in April, Iran and the international powers reached “solutions on key parameters” after eight days of talks in Switzerland. Under the deal Tehran is obliged to refrain from creating nuclear weapons. It agreed that the Natanz facility would remain as the only uranium enrichment site in the country while the Fordow facility is to be converted into a nuclear physics center with no fissile material. In 2006, the UN Security Council imposed sanctions on Iran after the country refused to suspend its uranium enrichment program. US sanctions initially targeted investment in oil, gas and petrochemicals, exports of refined petroleum products, and business dealings with the Iranian Revolutionary Guard Corps. Banking and insurance transactions, including those with the Central Bank of Iran, as well as shipping, web-hosting services for commercial endeavors, and domain name registration services have been also restricted. Tehran was accused of pursuing a clandestine nuclear weapons program by some countries, but insists that it only wants to use nuclear energy for civilian use. Currently, the sanctions include an embargo on dealings with Iran by the United States, and a ban on selling aircraft and spare parts to Iranian aviation companies.

**Text 9. Translate the article. Make an annotation on it.**

## **The Russian financial rally**

Apr 15th 2015, 16:34 BY C.W. | LONDON

NOT long ago, Russia and Ukraine's finances looked very precarious. But now one of those countries is doing a lot better. Surprisingly, it is not the country that has just been given a \$25

billion bail-out from the West. Rather, it is the oil-exporter that is subject to a plethora of Western sanctions. So why is Russia's economy bouncing back? At the end of 2014 the rouble was in freefall. By the beginning of 2015, it was worth a third less against the dollar than six months previously. Amid expectations of a deep recession in 2015, many economists thought things in Russia were going to get even worse. Ukraine, meanwhile, looked in danger of imminent default, with foreign-exchange reserves at dangerously low levels. The ongoing war had destroyed large parts of its economy, and it had not received any financial help from the West for months.

Since then, however, things seem to have got a lot better for Russia. In the last three months the rouble has appreciated by 30%. Government-bond prices have been steadily rising. On March 13th the Russian central bank cut interest rates to 14%, down from 17% in December. The Russian rally is partly down to investors' mood swings. There is a feeling in the markets that the slump in the rouble went too far, says Timothy Ash of Standard Bank. After all, the optimists say, many parts of the Russia economy look pretty strong. The Russian current account will hit a \$65 billion surplus this year. Foreign-exchange reserves, though they have fallen sharply over the past 12 months, are still very high. Externally, things are also starting to look better for Russia. American and European sanctions on Russia are losing their bite. The European Union's ones, for instance, will expire at the end of July. At that point, sanctions will lapse unless there is a unanimous decision among the 28 member states to keep them going. With Russia courting Greece at the moment, unanimity is an impossible goal. And as oil prices have stopped tumbling, Russia's economic footing looks a little more secure: oil-and-gas exports make up 70% of Russia's annual exports and 52% of the federal budget. Russia's real GDP is likely to contract by 3-5% in 2015, says Mr Ash, but the downturn is likely to be short-lived.

In contrast, Ukraine is still only bumping along. The hryvnia has appreciated a little in the past month. That may be down to the Minsk II peace accord, reached in February. The ceasefire is doing better than a lot of people had expected, although it is far from perfect. But the hryvnia is still a good 30% lower than it was at the beginning of the year.

That is because there is still very little confidence in Ukraine's economy. The International Monetary Fund's latest bail-out, agreed in March, did not offer much upfront cash. As a result, Ukraine is facing continued payments crises; the next one is likely to be caused by a \$750m wad that the State Export-Import Bank is supposed to pay on April 27th. The conditions on which the IMF are insisting in return for the cash—such as harsh public-spending cuts—may cause further economic trouble.

The next few months are going to be tough for Ukraine, even if there is no more fighting. On April 10th Standard and Poor's, a rating agency, downgraded the country's sovereign debt. Foreign-exchange reserves are still under pressure. And things could get worse. The IMF wants Ukraine to sort out its debt restructuring by June. The risk is that to meet this deadline, the Ukrainian government will have to give in to its creditors, and accept a much smaller debt write-down. (That is one of the reasons for the recent rally in Ukrainian bonds, which when viewed in this light no longer looks like such good news.)

## ESSAYS

**Write an essay on one of the topics below. (Appendix 1). Read your essay to the group. Discuss it.**

1. The Pros and Cons of Globalization
2. Effect of Global Economy on different regions of the world
3. Challenges of Global Economy.
4. Comparison between China and the U.S. in the Global Economy .
5. Poverty around the world.
6. Global Economy and Corporate Responsibility
7. Global Warming and the Global Economy
8. Outsourcing and Global economy

## UNIT 5. BANKING

A **bank** is a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly by loaning or indirectly through capital markets. A bank links together customers that have capital deficits and customers with capital surpluses. Due to their importance in the financial system and influence on national economies, banks are highly regulated in most countries. Most nations have institutionalised a system known as fractional reserve banking, in which banks hold only a small reserve of the funds deposited and lend out the rest for profit. They are generally subject to minimum capital requirements based on an international set of capital standards, known as the Basel Accords.

### Pre-reading activity

**Task 5.1. Before you read discuss these questions** .Work in pairs or groups and discuss the questions . Use the following expressions to present your opinion: *In my experience... As far as I'm concerned... Speaking for myself... In my opinion...*

1. How do banks make their profits?
2. What is the role of the banks in international trade?

**Task 5.2. Consult a dictionary and practice the pronunciation of the following words and word combinations, translate them into Russian and quote the sentences in which they are used in the text. Submit the examples of your own:** invoice; accord; a solid performance; bad loans; loss reserves; to shore up; to step down; cautious; to soar ; brokerage; regulators; analysts; contribute to; single-digit percentages; asset; fixed assets; acquisition;bill of exchange; net interest margin.

### Reading

#### Text 1. Citigroup profits see strong rise

15 April 2013

Citigroup has reported a 31% rise in first quarter profits to \$3.8bn (£2.5bn), beating analysts' expectations. The bank was helped by a solid performance at its securities and investment banking divisions. The results were also boosted by the release of funds that Citigroup had set aside for bad loans.

Citigroup's profits were \$1.23 a share, whereas analysts had predicted a figure closer to \$1.17 a share. The results included the release of \$652m in loss reserves, of which \$351m came from the Citi Holdings portfolio, which is largely made up of mortgage assets. Citigroup - which is the third largest bank in the US - said that revenues at its securities trading and investment banking arms had risen by 31% to \$6.98bn in the first three months of the year. The profit also contributed to an increase in the bank's Tier 1 capital ratio, a key requirement under the Basel 3 international banking agreements. The Basel 3 agreements were put in place to shore up the finances of banks and reduce the risk of another crisis in the sector. The results are the first under Citigroup's new chief executive, Mike Corbat, after Vikram Pandit stepped down last year. While Mr Corbat said the results were encouraging, he remained cautious. "The environment remains challenging," he said, "and we are sure to be tested as we go through the year. "On Friday, two other US banks also reported a large jump in first quarter profits. Results outside the United States were generally weaker, with income from its continuing international consumer banking business down 3 percent and profits in transaction services provided to businesses and governments outside North America down by single-digit percentages. Some of the weaker numbers abroad were the result of changes in foreign exchange rates.

Analyst Todd Hagerman of brokerage Sterne Agee said Citigroup now has enough capital to make a case to regulators that it should be allowed to pay 15 cents a share in quarterly dividend next year, up from its current, nominal one cent. Pandit, however, refused to forecast to analysts whether the company would win approval from the Federal Reserve to distribute capital in the coming round of annual stress tests. Citigroup's last capital plan was rejected by regulators in March. Pandit said that, since then, Citigroup officials have been meeting with regulators and were able "to get some access to the people who actually run the models."

Citigroup shares have soared in recent months, rising 27 percent since the end of June and gaining nearly three times as much as the KBW Banks Index. 4. In September, Citigroup agreed to sell its 49 percent interest in the brokerage to Morgan Stanley at a price that valued the unit at \$13.5 billion. At the time, it said it would take a charge to reduce its carrying value for the asset by about 40 percent. (BBC business)

## COMPREHENSION

**Task 5.3. Read the questions below and find the answers in the text. Use the following expressions to present your answers: *It is clear from...that...; I presume...It is argued that...In fact...Speaking about...We can say that...Having thoroughly studied...***

1. What performance has Citigroup demonstrated in recent months?
2. What is analyst Todd Hagerman's opinion about Citigroup winning approval from the Federal Reserve?
3. What were the Basel 3 international banking agreements taken for?
4. What factors determine the profitability of the bank?
5. How much do they pay a share?

**Task 5.4. Are these statements true or false? Begin with:** Yes, it's true I guess..., I don't think it is true; I am afraid it is wrong...

1. Citigroup's profits were higher a year ago.
2. Citigroup makes more profit by charging higher interest on loans.
3. Citigroup shares have gone up in recent months.
4. The strong numbers abroad were the result of changes in foreign exchange rates.
5. Citigroup has reported about weak performance in first quarter profits proving analysts' expectations.

### Language review

**Task 5.5. Find the Russian equivalents of the following banking terms and fill in the gaps with the correct word or expression:**

*Negotiable instrument; letter of credit; bank draft; commercial bank; account; overdraft protection; compound interest; lockbox*

1. The purchase of international ..... is a convenient feature of ANZ Internet Banking.
2. In India 20 major ..... have been nationalised, whereas in developed countries they are run like joint stock companies in the private sector.
3. Consumers who opt in for debit card ..... know the fees and can opt out at any time.
4. A ..... can be transferred from one person to another.
5. .... is the amount that a dollar invested now will be worth in a given number of periods at a given compounded interest rate per period.
6. Mellon has one of the largest bank-owned ..... networks in the country, with sites in Atlanta, Boston, Chicago, Dallas, Los Angeles and Pittsburgh.
7. The National Office agreed that securing vacation pay promises with a ..... resulted in immediate inclusion of the pay in employees' gross income.
8. The freeze on benefit payments into Cyprus ..... was announced by Treasury Minister Greg

Clark last week amid reports that the government in Cyprus was planning a levy on all accounts to fund a bailout.

**Text 2. Read and translate the article.**

**Will your credit card rewards be scrapped following new EU rules on charges?**

EMMA LUNN

Friday 24 April 2015

1..... RBS has become the latest credit-card provider to axe lucrative perks for cardholders, sparking fears that reward and cashback credit cards could soon be history. RBS has announced that it is scrapping the Your Points scheme from 1 July this year. Between RBS and NatWest, the scheme has about a million members who earn one point per £1 spent on their credit card. The points can be exchanged for shopping and travel vouchers. However, RBS and NatWest will still offer its newer Cashback Plus credit and debit card scheme, which pays up to 1 per cent cashback at certain retailers. The decision is hot on the heels of Capital One's: it has written to credit card customers informing them that it is either cutting cashback on their cards or axing it completely from 1 June. Capital One has a number of cashback cards including the World MasterCard, Luma card and the Aspire World card. It is not openly saying which cards or customers will be affected – so if you have a Capital One card, look out for a letter that will outline your individual situation.

2..... Both RBS and Capital One blame the decision on a new EU rule which caps "interchange fees". These fees are paid by retailers to card issuers when a debit or credit card is used as payment. The fee can be as high as 1.5 per cent for some transactions and the European Commission claims the charges are costing retailers across the eurozone €9bn (£6.5bn) a year. The new rules, which are due to pass into law later this month, would cap interchange fees at 0.2 per cent for debit card and 0.3 per cent for credit card transactions. But while the move will save retailers money, it will cost credit card providers and ultimately customers. RBS and Capital One aren't the only providers to have responded by cutting card perks – Avios and Nectar have cut rewards too – and they're unlikely to be the last. Andrew Hagger, of Moneycomms.co.uk, says credit card providers will either have to absorb the cut in revenue from interchange fees or pass it on to the consumer via a variety of different methods.

As well as cutting reward benefits, watering down cashback offers or increasing interest rates, consumers could find the promotional 0 per cent purchase and balance transfer deals become less prominent. There is also the possibility that we'll see more cards introducing a monthly or annual

fee. "The impact on standalone card providers [as opposed to the credit card arms of the banks] could be more pressing as they don't have the luxury of subsidising the revenue reduction by cross-selling a range of other profitable banking products," Mr Hagger says.

Credit-card firms are remaining tight-lipped about whether their reward and cashback schemes will continue to be offered when the EU cap takes effect. A Santander spokesperson told *The Independent*: "Clearly the change in the way that interchange is now calculated impacts the economics of any card business and we will need to reflect on how to ensure we maintain the right balance going forward."

3..... So what should you do to ensure that you don't lose out if your credit card company decides to respond to the changing EU rules by reducing the rewards it pays? Make sure you read any correspondence from your card company and be prepared to switch to a better deal if necessary. Cashback and reward cards can be lucrative for customers who use the cards in the right way: the golden rule is always pay off your balance in full each month, or any rewards you receive are likely to be dwarfed by the interest you pay. For those who will suffer from their cashback or reward scheme changing, there are still a number of cards with perks on offer. American Express could be a good bet for borrowers looking for a new cashback deal, as the EU cap will not apply to Amex for three years. The American Express Platinum Everyday card offers an introductory cashback rate of 5 per cent for the first three months up to a maximum £100 (£2,000 of spending). After this, it pays 0.5 per cent on spending up to £3,500 a year; 1 per cent from there up to £7,500; and 1.25 per cent on everything after that. Another option is the Santander 123 credit card, which pays 1 per cent cashback at major supermarkets, 2 per cent cashback at major department stores, and 3 per cent cashback at major petrol stations, and on National Rail and Transport for London travel (up to a spend of £300 a month). Other options include Tesco Bank ClubCard, John Lewis Partnership, M&S, and MBNA, which all offer various rewards, or ASDA Money, which offers cashback.

*(The Independent)*

**Task 5.6. Go over the text again to match the sub-headings (a – g) with the extract (1–7)**

- a) Whom to blame
- b) What should be done not lose out
- c) Reward and cashback credit cards are going to be eliminated.

**Task 5.7. Find synonyms to following words and expressions from the article:**

Options; major; could be a good bet; switch to; to axe; perks ;reward ;scheme; completely; affect; look out ;respond; consumer; takes effect.

**Task 5.8. Find the Russian equivalents of the following:**

ultimately customers; lucrative perks sparking fears Points scheme; cashback; "interchange fees"; claim the charges; watering down cashback offers pay off your balance in full; profitable banking products; a good bet; credit card transactions; subsidising the revenue reduction; an introductory cashback rate.

**Task 5.9. Render the passage into English.**

Нынешние проблемы Кипра порождены долговым кризисом еврозоны. В его банках скопилось множество проблемных активов из греческих отделений, и был утрачен значительный объем капитала во время реструктуризации греческого долга. В результате денежные обязательства банков в пять раз превысили ВВП страны, что в четыре раза больше средневропейской величины. В отсутствие независимой денежной политики или финансовых средств для снижения дефицита и спасения банков, Никосия в марте запросила у Брюсселя помощь в размере 17,5 миллиарда евро. Проявляя осторожность в отношении несостоятельного крупного банковского сектора, тройка кредиторов по спасению еврозоны – Европейская Комиссия, Международный валютный фонд и Европейский центробанк – настаивали на том, чтобы Кипр сам нашел 5,8 миллиарда евро, прежде чем ему будут предоставлены спасительные 10 миллиардов евро. 16 марта власти Кипра выдвинули встречный план собрать эту сумму с помощью одnorазового налога и «состричь» от 6,75 до 10% со счетов вкладов.

После волны народных протестов и неприятия парламентом Кипра этого плана, Европейский центробанк пригрозил прекратить финансовую помощь .

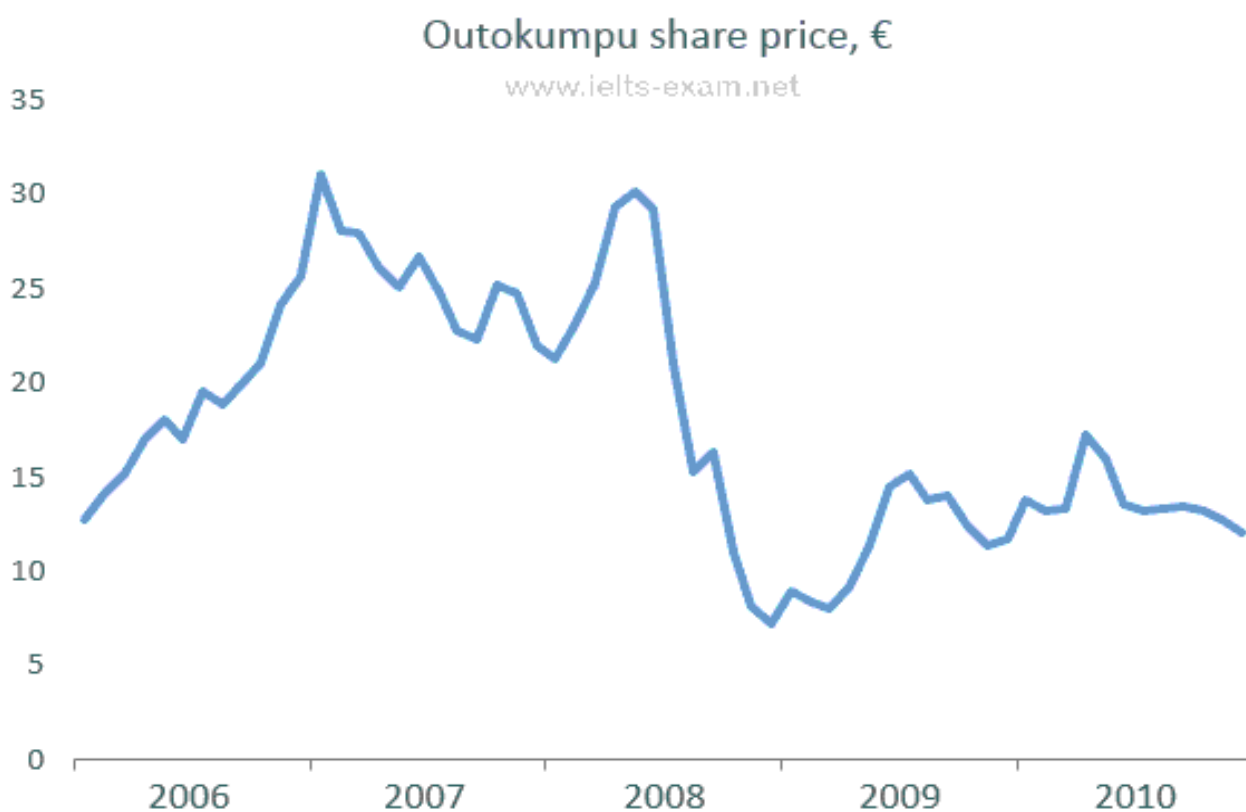
**Task 5.10. Synonym match: Match the following synonyms:**

- |                  |                 |
|------------------|-----------------|
| 1. looking after | a. techniques   |
| 2. bankrupt      | b. kind         |
| 3. psychology    | c. walkways     |
| 4. guilty        | d. participated |

- |                |                     |
|----------------|---------------------|
| 5. generous    | e. at fault         |
| 6. ways        | f. spontaneously    |
| 7. essentials  | g. caring for       |
| 8. aisles      | h. ruined           |
| 9. impulsively | i. mental processes |
| 10. take part  | j. necessities      |

**Task 5.11. Write a descriptive abstract of the article you have read. Use the vocabulary (Appendix 1) and the following structure: 1)Title, 2)Author, 3)Source, 4)Subjects, 5)Abstract.**

**Task 5.12. Describe the graph which shows the changes in the share price of Outokumpu companies in euros between January 2006 and December 2010. Use phrases: *This graph shows....; It can clearly be seen that.... Different trend can be seen..... As can be seen from the graph...***



**Task 5.13. Describe the recent increases or falls in two world currencies. Find some recent economic figures in the form of graphs or charts and describe them.**

### **Abstract Writing**

**Task 5.14. Translate the abstract of the paper into Russian**

### **Productivity growth and convergence: a stochastic frontier analysis**

Geetha Ravishankar

Journal of Economic Studies 05/2015; 42 (2). ABSTRACT. Purpose – The purpose of this paper is to assess the effect of human capital development on regional productivity growth and convergence in the Spanish provinces over the period 1991-2006. Design/methodology/approach – The stochastic frontier analysis (SFA) methodology is used to estimate production inefficiencies. This approach enables the assessment of the degree to which a given region's observed output deviates from the maximal possible. Therefore, the resulting region specific productive efficiencies are modelled as outcomes of the level of human capital. A  $\beta$ -convergence equation for the regional efficiency levels is also estimated to detect any signs of regional catching-up. Findings – The results show that increasing levels of human capital development are associated with lower regional inefficiency. All levels of education contributed to reduce the inefficiency levels, however, secondary schooling played a stronger role than primary and even higher education. There is also evidence of regional convergence towards the best practice frontier through a process that is beneficially aided by human capital development. Originality/value – The paper combines the use of the SFA to study the effect of human capital on regional productivity with the estimation of a  $\beta$ -convergence equation for the obtained regional efficiency level.

**Text 3. Look at the headline of the article. What do you think the text is about? What is its primary idea? Make a precis (summary) on the article.**

**Banks once dreaded rate rises. Are they right to look forward to them now?**

Jul 11th 2015 | NEW YORK | From the print edition

TEXTBOOKS say that banks make money by raising deposits relatively cheaply from savers and lending them, at a higher rate, to borrowers. The difference between the two rates is known in the trade as the “net interest margin” (NIM), and its size is an important factor in banks' profits. But as

the financial crisis prompted central banks around the world to lower interest rates almost to zero (and below, in a few cases), banks have been in a quandary. They cannot lower deposit rates enough to be able to lend at a decent margin, since most assume that depositors will not tolerate negative rates. Instead, they have watched the NIM shrink and tried to recoup some of the lost profits by raising fees.

America's 5,600 banks have therefore eagerly been awaiting the turn in the interest-rate cycle, in the hope that higher rates will bring a wider NIM and thus fatter profits. Since January 28th, when Janet Yellen, the chairman of the Federal Reserve, suggested the first increase was not too far off, bank shares have risen by 11%, much more than the market as a whole. In a presentation in February, JPMorgan Chase, America's biggest bank by assets, noted that in 2005-10, its net interest margin averaged 2.95%; last year, it was just 2.18%. Raising it by half a percentage point, the bank said, would increase earnings by \$10 billion.

By the same token, HSBC, a multinational bank which has a relatively small retail operation in America, predicted that an increase of a percentage point in the currently negligible price banks charge for overnight loans would add \$100m to its net income. "Custodian banks", such as Bank of New York Mellon and State Street, which have lots of ready money to invest, would also be big beneficiaries.

Rising rates, however, have not always been a heartening prospect for banks. It used to be, as in most industries, that when the price of their main input—money—went up, profits fell. A paper\* published in 2014 by three economists at the Federal Reserve Board explains why. Short-term rates are usually lower than long-term ones. Since most deposits are short-term, but many of the loans banks make, in the form of things like mortgages, are long-term, the gap between short and long rates helps to pad the NIM. But as long-term rates rise, so does the discount rate that must be applied to future earnings, depressing the value of long-term assets more than short-term liabilities. Moreover, higher rates crimp economic growth, curbing demand for loans and raising the number of defaults.

Why have banks' share prices risen, in that case? In theory, banks have learned to insulate themselves from the adverse effects of rising rates. Relatively few banks still follow the textbook model, simply taking in deposits and dispensing long-term credit, notes Frederick Cannon of KBW, an investment bank. Instead, they often sell off the loans they originate or use derivatives to hedge against rate hikes. At the same time, many are raising more funds through certificates of deposits and or other fixed-rate, longer-term instruments.

Nonetheless, notes Mr. Cannon, similar optimism about the impact of the first rate rise after a long period of rock-bottom rates proved misplaced at Japanese banks in 2006. Loan demand remained sluggish, margins narrow and share prices listless. Even if banks manage to avoid the write-downs on assets that have come with rate rises in the past, they still face another problem: the possibility that the price of attracting deposits rises more quickly than the interest they can charge on loans.

Deposits are normally assumed to be “sticky”, meaning that customers do not bother to move their money around very often in search of higher rates. Changing banks is simply too much hassle. That effect may be diminishing, however, as technology makes it easier to find and exploit better deals. What is more, other banks are not the only entities competing for savings. Money-market mutual funds, which have ceased to provide much competition to banks as the securities they must invest in provide little return, might become fiercer rivals if rates rose.

In short, bankers betting on higher interest rates may be disappointed. When banks borrow short and lend long, they are vulnerable to the revaluations rate rises bring. It would be natural to respond by providing ever less long-term credit. But in doing so, they may also deprive themselves of long-term rewards.

\*“Interest Rate Risk and Bank Equity Valuations,” by William B. English, Skander J. Van Den Heuvel and Egon Zakrajsek.

*(The Economist)*

**Task 5.15. Translate the following into Russian. Make sentences of your own using these word combinations:**

*raising deposits; the adverse effects; the “net interest margin” (NIM) ; a quandary; to recoup; money-market mutual funds; securities; revaluation; certificates of deposits; long-term credit; remain sluggish; short-term liabilities; long-term rewards.*

**Task 5.16. Make five pairs of opposites from these words or phrases:**

*withdraw; credit; profit; take out; export; deposit ; loss; debit; import; pay in.*

**Task 5.17. Render the text into English**

Американская валюта с начала года стабильно дорожает к корзине основных мировых валют. Причина — в позитивных данных по экономике США. Утром на открытии торгов доллар в среднем составил 30,72 рубля. Даже, несмотря на то, что накануне рубль укрепился

на фоне резкого восстановления цен на нефть, в долгосрочной перспективе доллар будет расти, говорит независимый эксперт Алексей Боричев: «Макроэкономическая статистика приходит с нашей стороны очень негативная для рубля, всё больше данных говорит о том, что наша экономика замедляется, зависимость нашей экономики от ресурсов цен на энергоносители — всё больше и больше. Мы будем видеть какие-то краткосрочные укрепления рубля, вызванные налоговыми периодами. Плюс, на это наложится динамика рынка. Нефть, в последнее время, падала, но вчера она немножко развернулась, укрепилась. Это окажет поддержку рублю в краткосрочной перспективе.

**Text 4. Read the headline of the article. What do you think the article is going to be about? Skim the article to see if you are right.**

## **Discomforting brew**

Feb 13th 2016 | From the print edition

WHEN governments bailed out banks during the financial crisis, they tended to insist that shareholders suffer big losses. Most bondholders, however, got off scot-free. In theory, bondholders should have lost money too—but working out just how bankrupt the banks were, apportioning the losses and risking contagion among bondholders elsewhere seemed too risky to contemplate as the financial system was seizing up.

Regulators have since pushed banks to fund their activities with less debt and more loss-absorbing capital. The simplest form of capital is equity—the money raised by selling shares or retaining profits. But trimming dividends or increasing the number of shares reduces the value of the existing ones. So bankers and regulators dreamt up a new financial instrument that would act like debt, thus sparing shareholders dilution, unless capital was urgently needed. These instruments are called contingent convertible bonds, or “cocos”, also known as additional Tier-1 securities. In exchange for annual interest of around 6-7%, investors take on the risk that, if the going gets tough, the bank may suspend interest payments, convert the bond into equity or write it off altogether.

Cocos have proved popular, given how low most bond yields are: about €91 billion (\$103 billion) of them have been issued since 2013. But this week analysts at CreditSights, a financial-research firm, questioned whether Deutsche Bank would have enough “available distributable items” (ADI, a subset of earnings from which interest on cocos must be paid) to cover the €350m due on its cocos next year. Their price promptly slumped to 70 cents on the euro (see chart). Other European banks’ cocos also suffered, although not quite as badly.

It is not unreasonable for investors to be nervous about Deutsche. It made a record loss last year. Its newish boss, John Cryan, has suspended the dividend for last year and this. Its big investment bank is a perennial underperformer. Many risks still lie ahead, from the costs of restructuring and regulatory infractions to potential losses on loans to energy firms.

If all this proves more expensive than imagined, it may exceed ADI, which has already been diminished by the bank's recent losses. The problem is more acute at Deutsche than at other banks, both because it has performed especially poorly in recent years and because the German definition of ADI is narrower than in most other European countries. (Deutsche insists it will meet the payments with ease.)

The hullabaloo at Deutsche, along with the poor performance of European banks more broadly, seems to have prompted a broader reassessment of the riskiness of cocos, argues James Chappell of Berenberg, a bank. "People have misunderstood them," he says. On top of everything else, the market for them is relatively illiquid, which makes prices more susceptible to sudden jolts.

The irony is that even those shunning Deutsche's cocos accept that its cushion of capital is relatively thick, at 11%. The problem is its profits, or rather the lack of them. In other words, its cocos appear to have been poorly designed, at risk of taking money away from investors before the bank truly faces calamity. It would not be the first time a financial innovation did not work as advertised.

*(The Economist From the print edition: Finance and economics)*

**Task 5.18. Write a precis (summary) of the text.** It is generally supposed that a precis should be a third of the passage given. The original passage is not to be reduced in length, a precis should be in the language of the precis-writer (Appendix 1) , paying attention only to essential points.

**Task 5.19. Role-play.** Imagine you are a CEO of some bank with very strong capital. Describe a project in China which you consider would be better to invest in.

### **Supplementary Reading**

**Text 5. Read the article and outline the key points.**

#### **Safaricom widens its banking services from payments to savings and loans**

Mar 30th 2013 | NAIROBI |From the print edition

SWAHILI continues to creep into the language of global finance. M-PESA, a thriving money-transfer system run by Safaricom, a Kenyan mobile-phone operator, and named after the word for “cash”, has already entered the lexicon. Having persuaded millions of Kenyans to send cash through an SMS network, Safaricom is now trying to tempt them into a savings-and-loans service called M-Shwari, after the Swahili for “cool” or “calm”.

Safaricom has nearly as many subscribers as Kenya has adults—19m people from a population of 43m. Almost 15m of them use M-PESA for everything from paying electricity bills to school fees, thanks to a simple text-based menu that is accessible on even the most basic mobile phone. The firm, which is 40%-owned by Vodafone, makes its money through transaction fees when customers withdraw or transfer cash at a network of more than 40,000 M-PESA agents throughout the country.

An M-Shwari account works along similar lines. It can be set up instantly and accessed from any mobile handset. It is operated jointly with Commercial Bank of Africa, but no branch facilities are offered. It requires no minimum balance and offers a small overdraft, with a one-off, 7.5% set-up fee. If they are refused loans, applicants are not told why. Defaulters face losing their phone number, which Safaricom reckons means more than a duff credit rating in mobile-mad Kenya.

The service has had a fast start. In its first four months 2.3m subscribers opted in to M-Shwari; about 900,000 of them have active accounts. Deposits to date total 4 billion Kenyan shillings (\$47m). One-third of customers have applied for small loans, averaging around \$12.

Marketing for M-Shwari leans heavily on a rags-to-middle-class dream. A television advertisement shows one of Kenya’s many penniless backstreet car mechanics toiling away under an old banger. He uses the service to save for a \$60 box of tools and ends up with a garage equipped with computers and staff in overalls. Bob Collymore, Safaricom’s chief executive, believes that Kenya’s unbanked sector could have savings of \$3.4 billion, much of it stuffed in jars or mattresses, earning nothing and at the mercy of thieves.

But questions remain over how many of Kenya’s financially excluded people Safaricom is really reaching. A recent survey by Bankable Frontier Associates, a microfinance consultancy, found that in a cross-section of average Kenyan towns and villages the median transaction amount was just \$1, most of it in paper money. The handful of mobile payments that showed up averaged \$75.

Safaricom is admired abroad; at home, its success is raising questions.

## **Text 6. Russia invites Greece to join BRICS bank**

Published time: May 12, 2015

Greece has been invited by Russia to become the sixth member of the BRICS New Development Bank (NDB). The \$100 billion NDB is expected to compete with Western dominance and become one of the key lending institutions. BRICS establish \$100bn bank and currency pool to cut out Western dominance

The invitation was made by Russian Deputy Finance Minister Sergey Storchak on Monday during a phone conversation with Greek Prime Minister Alexis Tsipras, according to a statement on Greece's Syriza party website. Tsipras thanked Storchak, who's currently a representative of the BRICS Bank for the invitation, and said Greece was interested in the offer. "The Prime Minister thanked Storchak and said he was pleasantly surprised by the invitation for Greece to be the sixth member of the BRICS Development Bank. Tsipras said Greece is interested in the offer, and promised to thoroughly examine it. He will have a chance to discuss the invitation with the other BRICS leaders during the 2015 International Economic Forum in St. Petersburg," the statement said.

During the 6th BRICS summit in Fortaleza in June 2014 the members agreed to forge ahead with the \$100 billion NDB, as well as a reserve currency pool worth over another \$100 billion. In March this year, Russian President Vladimir Putin ratified the NDB.

The new bank is expected to challenge the two major Western-led institutions, the World Bank and the International Monetary Fund. It will finance infrastructure projects in the BRICS countries and across other developing countries and is expected to start functioning by the end of 2015, with the headquarters in Shanghai.

Russia and Greece have been strengthening economic cooperation, as both countries have their own issues. While Russia is stuck in a so-called 'sanctions war' with the EU and the US, Greece is struggling to repay its multibillion euro debt to the troika of international lenders – the IMF, the ECB and the European Commission.

Greece is trying to find a compromise with its international creditors to have a further €7.2 billion bailout unlocked. So far Athens has been settling its IMF repayments on time. The country started repaying €750 million in debt interest Monday, but Finance Minister Yanis Varoufakis warned Greece's finances are "a terribly urgent issue," and the country could default by next month if no proper measures are taken.

Greece's government has agreed a number of strategic deals with Russia during Prime Minister Alexis Tsipras' visit to Moscow in April, including participation in the Turkish Stream project that'll deliver Russian gas to Europe via Greece.

*(Russia Today)*

## ESSAYS

**Write an essay on one of the topics below (Appendix 1). Read your essay to the group. Discuss it.**

1. Innovative consumer Banking.
2. Islamic and conventional Banking.
3. Role of the banks in corporate financing.
4. The bank I trust
5. History of Banking sector in Russia
6. International banking.
7. Central banking.
8. Information systems in Banking

## APPENDIX 1

### Реферат

Для написания реферата необходимы следующие навыки и умения: выявление основной информации в тексте, разделение текста на смысловые фрагменты, вычленение основной и существенной информации в этих фрагментах, компрессия языкового оформления

информации, лингвистическое оформление текста самого реферата в соответствии с требованиями данного жанра. Текст реферата представляет собой целостный, связный, условно самостоятельный текст, оформленный в один абзац, представляющий собой в сжатом виде всю основную информацию первоисточника. Наиболее важным собственно реферативной части является ее начало, и его формулирование может представлять особую трудность.

В состав заголовочной части входят: название работы (книги, статьи, интервью и т.д.), имя автора (авторов), полные выходные данные реферируемого первоисточника (место и год издания, издательство) и некоторые другие.

**1-й этап** – это чтение исходного текста и его анализ – обычно несколько раз – с целью детального понимания основного содержания текста, осмысления его фактической информации (изучающее чтение).

**2-й этап** – это операции с текстом первоисточника: текст разбивается на отдельные смысловые фрагменты с целью извлечения основной и необходимой информации каждого из них.

**3-й этап** – это свертывание, сокращение, обобщение, компрессия выделенной основной фактологической информации и оформление текста реферата в соответствии с принятой моделью реферата.

Смысловая структура текста реферата в общем виде включает следующие разделы:

- предмет и цель работы (исследования, обзора, комментария и т.п.);
- методы проведения работы;
- конкретные результаты;
- выводы и заключения.

Поиск основной информации по указанным разделам является задачей в обучении реферированию, поскольку именно она и формирует непосредственно содержательную сторону текста реферата.

### **1. Основные штампы (key-patterns) реферирования на английском и русском языках:**

The article I'm going to give a review of is taken from... – Статья, которую я сейчас хочу проанализировать из...

The headline of the article is – Заголовок статьи...

The author of the article is... – Автор статьи...

It is written by – Она написана ...

The article under discussion is ... – Статья, которую мне сейчас хочется обсудить...

The headline foreshadows... – Заголовок приоткрывает...

### **2. Тема. Логические части:**

The topic of the article is... – Тема статьи...

The key issue of the article is... – Ключевым вопросом в статье является...

The article under discussion is devoted to the problem... – Статью, которую мы обсуждаем, посвящена проблеме...

The author in the article touches upon the problem of... – В статье автор затрагивает проблему...

The article under discussion may be divided into several logically connected parts which are... – Статья может быть разделена на несколько логически взаимосвязанных частей, таких как...

### **3. Краткое содержание:**

The author starts by telling the reader that... – Автор начинает, рассказывая читателю, что...

The author gives full coverage to... – Автор дает полностью охватывает...

The author outlines... – Автор описывает...

The article contains the following facts..../ describes in details... – Статья содержит следующие факты .... / подробно описывает...

The author starts with the statement of the problem and then logically passes over to its possible solutions. – Автор начинает с постановки задачи, а затем логически переходит к ее возможным решениям.

The author asserts that... – Автор утверждает, что ...

The author resorts to ... to underline... – Автор прибегает к ..., чтобы подчеркнуть ...

*describes* – описывает

*depicts* – изображает

*touches upon* – затрагивает

*explains* - объясняет

*introduces* – знакомит

*mentions* – упоминает

*recalls* – вспоминает

*makes a few critical remarks on* – делает несколько критических замечаний о

The story begins (opens) with a (the) description of – описанием

*statement* – заявлением

*introduction of* – представлением

*the mention of* – упоминанием

*the analysis of a summary of* – кратким анализом

*the characterization of* – характеристикой

*(author's) opinion of* – мнением автора

*In conclusion the author dwells on* – останавливается на

*points out* – указывает на то

*generalizes* – обобщает

*reveals* – показывает

*exposes* – показывает

*accuses/blames* – обвиняет

*mocks at* – издевается над

*gives a summary of* - дает обзор

#### **4. Отношение автора к отдельным моментам:**

The author gives full coverage to... – Автор дает полностью охватывает...

The author outlines... – Автор описывает...

The article contains the following facts.../ describes in details... – Статья содержит следующие факты .... / подробно описывает

The author starts with the statement of the problem and then logically passes over to its possible solutions. – Автор начинает с постановки задачи, а затем логически переходит к ее возможным решениям.

The author asserts that... – Автор утверждает, что ...

The author resorts to ... to underline... – Автор прибегает к ..., чтобы подчеркнуть ...

Let me give an example... – Позвольте мне привести пример ...

## **5. Вывод автора:**

In conclusion the author says / makes it clear that.../ gives a warning that... – В заключение автор\статья говорит / проясняет, что ... / дает предупреждение, что ...

At the end of the story the author sums it all up by saying ... – В конце рассказа автор/статья подводит итог всего этого, говоря ...

The author concludes by saying that../ draws a conclusion that / comes to the conclusion that – В заключение автор говорит, что / делает вывод, что / приходит к выводу, что...

## **6. Выразительные средства, используемые в статье**

To emphasize ... the author uses... – Чтобы акцентировать внимание ... автор использует

To underline ... the author uses... – Чтобы подчеркнуть ... автор использует

To stress... – Усиливая

## **7. Ваш вывод:**

Taking into consideration the fact that... – Принимая во внимание тот факт, что...

The message of the article is that / The main idea of the article is – Основная идея статьи (послание автора)

In addition... / Furthermore... – Кроме того

On the one hand..., but on the other hand... – С одной стороны ..., но с другой стороны ...

In conclusion I'd like to... – В заключение я хотел бы ...

From my point of view... – С моей точки зрения ...

As far as I am able to judge... – Насколько я могу судить...

My own attitude to this article is... – Мое личное отношение к...

I fully agree with / I don't agree with... – Я полностью согласен с/ Я не согласен с...

It is hard to predict the course of events in future, but there is some evidence of the improvement of this situation. – Трудно предсказать ход событий в будущем, но есть некоторые свидетельства улучшения.

I have found the article dull / important / interesting /of great value – Я нахожу статью скучной / важной/ интересной/ имеющую большое значение (ценность)

## **II. Язык аннотации. Abstracting**

**Аннотация** представляет собой предельно краткое изложение содержания источника, дающее общее представление о его тематике. Аннотация не может заменить оригинал и ее назначение состоит в том, чтобы дать возможность составить мнение о целесообразности более детального ознакомления с данным материалом.

В этом состоит **один из существенных моментов отличия аннотации от реферата**, который, хотя и в краткой форме, знакомит читателя с сутью излагаемого в первоисточнике содержания. В отличие от реферата, который отвечает на вопрос: “**ЧТО** сказано, **ЧТО** излагается в первоисточнике?”, аннотация отвечает на вопрос: “О **ЧЕМ** говорится в первоисточнике?”

В практике обучения смысловой компрессии оригинального текста определен средний размер аннотации в 30-40 слов (3-4 предложения). Описательная аннотация включает от 3 до 10 предложений (от 60 до 100 слов). Аннотация, суммирующая тематическое содержание текста, может быть предельно краткой и состоять из 1-2 предложений.

**К аннотациям как на русском, так и на английском языке предъявляются следующие требования:**

1. Лаконичность языка, т.е. использование простых предложений (глаголы употребляются всегда в настоящем времени в действительном или страдательном залоге. Модальные глаголы, как правило, отсутствуют).
2. Строгая логическая структура аннотации.
3. Обязательное введение в текст аннотации безличных конструкций и отдельных слов, например: “Сообщается...”, “Подробно описывается”, “Кратко рассматривается...”, “Излагаются...”, “Комментируются...” и др., с помощью которых происходит введение и описание текста оригинала.
4. Недопущение повторений в заглавии и тексте аннотации.
5. Точность в передаче заглавия оригинала, отдельных формулировок и определений.
6. Использование общепринятых сокращений слов, таких как: напр., и т.д., и т.п., и др.
7. Единство терминов и обозначений.

**Основные штампы (key-patterns) аннотаций материалов, статей, текстов на английском и русском языках:**

1. The article (paper, book, etc.) deals with...– Эта статья (работа, книга и т.д.) касается...
2. As the title implies the article describes...– Согласно названию, в статье описывается...
3. It is specially noted...– Особенно отмечается...
4. A mention should be made...– Упоминается...
5. It is spoken in detail...– Подробно описывается...
6. are noted...– Упоминаются...
7. It is reported...– Сообщается...
8. The text gives a valuable information on...– Текст дает ценную информацию...
9. Much attention is given to...– Большое внимание уделяется...
10. The article is of great help to ...– Эта статья окажет большую помощь...
11. The article is of interest to...– Эта статья представляет интерес для...

12. It (the article) gives a detailed analysis of...– Она (статья) дает детальный анализ...
13. It draws our attention to...– Она (статья, работа) привлекает наше внимание к...
14. The difference between the terms...and...should be stressed – Следует подчеркнуть различие между терминами ...и...
15. It should be stressed (emphasized) that...– Следует подчеркнуть, что...
16. ...is proposed – Предлагается...
17. ...are examined...– Проверяются (рассматриваются)
18. ...are discussed....– Обсуждаются...
19. An option permits... Выбор позволяет...
20. The method proposed ... etc. – Предлагаемый метод... и т.д.

**Abstract sample:**

**The financialization of the American economy**

Greta R. Krippner

This article presents evidence for the financialization of the US economy in the post-1970s period. While numerous researchers have noted the increasing salience of finance, there have been few systematic attempts to consider what this shift means for the nature of the economy, considered broadly. In large part, this omission reflects the considerable methodological difficulties associated with using national economic data to assess the rise of finance as a macro-level phenomenon shaping patterns of accumulation in the US economy. The article develops two discrete measures of financialization and applies these measures to postwar US economic data in order to determine if, and to what extent, the US economy is becoming financialized. The article concludes by considering some of the implications of financialization for two areas of ongoing debate in the social sciences: (1) the question of who controls the modern corporation; and (2) the controversy surrounding the extent to which globalization has eroded the autonomy of the state.

## APPENDIX 2

### III. Методические рекомендации к подготовке эссе. Writing Academic Essay.

При написании эссе формируются умения излагать свои мысли, мнение по поводу изучаемых тем. Основная цель эссе – представить собственные мысли по заданной теме, обращая внимание на грамотность изложения. Магистрам предлагается писать эссе по тематике курса как в виде “for and against” так и эссе, выражающее личное мнения по международным экономическим проблемам. При написании эссе необходимо:

– четко определять содержание (какой тезис соответствует теме эссе, какие положения доказывают этот тезис, раскрывая тему, какие выводы надо сделать из всего написанного),

– соблюдать структуру, принятую для данного типа эссе, поддерживать «равновесия» между его частями (все параграфы должны быть примерно одинаковые по объему),

– правильно выбирать грамматические структуры и словосочетания, в том числе связующие слова, которые обеспечивают логичный и плавный переход от одной части к другой, а также внутри частей.

Содержание эссе должно соответствовать заданной теме и представлять собой аргументированную точку зрения, представленную в небольшом объеме – 1-1,5 страницы. В конце должны содержаться выводы.

#### **Основные штампы (key-patterns) эссе на английском:**

Many analysts\economists think... but others do not agree. Let us consider what the advantages and disadvantages of ... are. Let's consider some pros and cons of it.

Let us start by considering the facts.

Let us start by considering pros and cons of it. It is generally agreed today that ...

To begin with, ... . You can ... .

Firstly, ... / Secondly, ... / Finally, ...

One argument in support of ...

The first thing that needs to be said is ... . First and foremost ...

It is true that ... / clear that ... / noticeable that ... . One should note here that ... .

Another good thing about ... is that ... . The second reason for ... . Вторая причина ... .

It is often said that ... . It is undeniable that It is a well-known fact that ...

A number of key issues arise from the statement. For instance, ... . One of the most striking features of this problem is First of all, let us try to understand ... . The public in general tend to believe that ... .

What is more, ... . Besides, ... because it is

One cannot deny that ... . It is (very) clear from these observations that ...

On the other hand, we can observe that ... .

The other side of the coin is, however, that ... Another way of looking at this question is to ... . One should, nevertheless, consider the problem from another angle. One should, however, not forget that If on the one hand it can be said that ... the same is not true for ... . On the other hand, ... Although ... . Хотя ... .

Besides, ... Moreover, Furthermore, one should not forget that ... . In addition to ... Nevertheless, one should accept that ... .

However, we also agree that ... .

### **Connectives:**

To connect two ideas of the same kind – **and**;

To connect two contrasting ideas – **but, still, however, on the other hand, yet, nevertheless, rather to**;

To give reason – **because**;

To connect an idea with another one that follows from it – **so, therefore, consequently, accordingly**;

To grant an exception or limitation – **of course though, to be sure**;

To add another thought – **besides, also, what`s more, furthermore, in addition, again**;

To arrange ideas in order – **first, next, then, finally, eventually**;

To connect an idea with another one that points it up – **in fact, as a matter of fact, indeed**;

To add an illustration or explanation – *for example, for instance, in other words*;

To sum up several ideas – *in short, in brief to sum up*.

**Критерии оценки работы:** качество содержания, самостоятельность мышления, убедительность аргументации, грамотность, оформление работы.

## **Giving a Presentation**

### **Методические рекомендации к подготовке презентаций**

Метод презентаций, используемый в процессе изучения дисциплины «Иностранный язык профессиональной деятельности» (английский) является одним из форм организации исследовательской и познавательной деятельности, при которой успешно реализуется коллективная деятельность, позволяющая повысить мотивацию изучения иностранного языка. Презентация - это возможность для магистра выразить свои собственные идеи в удобной, творчески продуманной форме.

Подготовка презентации предполагает следующие пошаговые действия: подготовка и согласование с преподавателем темы и текста доклада; разработка структуры презентации: введение, основная часть, выводы; создание презентации – слайд шоу; доклад с использованием презентации.

### **Структура презентации:**

1. INTRODUCTION (Questions)
2. BODY
3. CONCLUSION

### **Введение-Introduction:**

Введение-возможно самая важная часть презентации, в которой необходимо приветствовать аудиторию, представиться, рассказать о теме презентации, о плане и о возможных вопросах во время презентации, а также, что немаловажно, привлечь внимание аудитории к теме презентации, заинтересовать аудиторию, расположить её к говорящему, создать позитивную атмосферу.

### **Основные штампы (key-patterns) языка презентаций на английском:**

### **1. Greeting:**

- Good morning, ladies and gentlemen
- Good morning, gentlemen
- Good afternoon, ladies and gentleman
- Good afternoon, everybody

### **2. Introducing the Topic:**

- I am going to talk today about...
- The purpose of my presentation is to introduce our new range of...

### **3. Introducing the plan:**

- To start with I'll describe the progress made this year.
- Then I'll mention some of the problems we've encountered and how we overcame them.
- After that I'll consider the possibilities for further growth next year.
- Finally, I'll summarize my presentation (before concluding with some recommendations).

### **4. Body:**

- I'd like to move on to the next point if there are no further questions ; Let's move on to ... That brings us to ...
- I'd like to turn to something completely different;
- I'd like to expand more on this .....
- Would you like me to expand a little more on that or have you understood enough?
- I don't want to elaborate any more on that as I'm short of time.
- .Going back to something I said earlier.....
- I'd like to go back to ....

**Highlighting:**

Actually; In fact, As a matter of fact, In Particular; Particularly; Especially.

**Giving Examples:**

For example, For instance, Such as.

**Questions:**

-Do feel free to interrupt me if you have any questions.

-I'll try to answer all of your questions after the presentation.

-I plan to keep some time for questions after the presentation.

-Now I'll try to answer any questions you may have.

-Can I answer any questions?

-Are there any questions?

-Do you have any questions?

**Conclusion:**

(Завершая презентацию необходимо подвести итоги, поблагодарить аудиторию за внимание и отметить, что вы готовы ответить на вопросы).

-To conclude...

-In conclusion...

-Now, to sum up...

-So let me summarise/recap what I've said.

-I'd like to conclude by leaving you with this thought ...

-Finally, may I remind you of some of the main points we've considered.

-I'd like to quickly recap the main points of my presentation.

**Recommendations:**

-In conclusion, my recommendations are...

-I therefore suggest/propose/recommend the following strategy.

**Thanks:**

-Many thanks for your attention.

-May I thank you all for being such an attentive audience.

**Критерии оценки презентации**

1. Полное соответствие содержания презентации заявленной теме. Аргументированное повествование, описание событий или изложение точки зрения. Логичное и последовательное развитие идеи. Полная смысловая завершенность и логичность высказывания.
2. Чёткая структура (вступление, основная часть, заключение).
3. Связь между компонентами устного высказывания (языковое оформление связей).
4. Богатый лексический запас, использование фразеологизмов и идиоматических выражений.
5. Правильное лексическое, грамматическое и фонетическое оформление высказывания.
6. Естественный темп речи, отсутствие заметных пауз.
7. Умелое использование презентационных приемов и навыков.
8. Использование технических средств, согласованность устной речи со слайдами мультимедийной презентации.

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