

Unit 18

New Economy and E-commerce

新经济与电子商务

✓ Learning objectives

1. In this unit students will learn words and expressions related to e-commerce and new economy.
2. Students will be able to talk about the concepts and issues related to e-commerce and new economy, like e-commerce security, features of the new economy, etc.

📖 Background reading

Notes:

1. catch someone off guard: to surprise someone 使某人吃惊
He's used to being interviewed and it seems that no question catches him off guard.
2. converge: to come together towards the same point 汇聚; 融合
Our interests appear to converge at this point.
3. diverge: to separate or go on in different directions 分歧; 岔开
This is where our opinions diverge (from each other).
4. adage: an old wise phrase; proverb 谚语; 格言
5. G7 countries: Seven of the world's leading countries that meet periodically to achieve a cooperative effort on international economic and monetary issues. The G-7 includes France, Germany, Japan, the United Kingdom, the United States, Canada and Italy. 七国集团
6. OECD: Organization for Economic Cooperation and Development. An organization that acts as a meeting ground for 30 countries which believe strongly in the free market system, The OECD provides a forum for discussing issues and reaching agreements, some of which are legally binding. 经济合作和发展组织
7. taper off: to slow down or decrease gradually
Interest in the scandal seems to be tapering off.
8. virtual: Simulated; performing the functions of something that isn't really there 虚拟的
9. procurement: the acquisition (purchase) of goods, works and services which meet the customers' and service users' needs 采购
10. cohesiveness: the state or quality of cohering or sticking together 凝聚力; 凝聚力
11. cross-holding of stocks: defined as the case where one company owns stock in a second company 交叉持股
12. fall apart: to break down; collapse 崩溃; 破裂; 破碎

13. render: cause to become 使成为; 致使
14. cozy: close; friendly; intimate 密切的; 互相勾结的 (贬义)
15. reps: representatives 代表
16. hallmark: a distinctive characteristic or attribute 显著特征
17. deregulation: the removal of government controls from an industry or sector, to allow for a free and efficient marketplace 放松管制
18. uptake: understanding; apprehension 掌握; 理解

Answer to comprehension questions:

1. What is the direct contribution of ICT equipment and software production to growth?
The contribution of ICT to US growth from 1996 to 1999 was more than 20% (1.1 percentage points out of a growth rate of 4.9 %). For the two other Anglo-Saxon G7 countries, the United Kingdom and Canada, the picture was similar. And despite all the talk that technology would put workers out of jobs, these dynamic economies have reduced their unemployment rates to among the lowest in the OECD area.
2. What is the total impact ICT equipment and software production on the deeper reaches of the US economy?
Productivity figures provide a clue. The long-term trend in productivity was 1.4% growth per year between 1973 and 1995. This figure more than doubled to 2.9 % after 1995. The timing of this trend-change coincides with the emergence of electronic commerce.
3. What effect will ICT have on conventional industrial sectors and on national competitiveness?
Take company procurement, for example, of parts, components, raw materials and fuels. The Internet has opened up the possibility of doing business with the best possible suppliers, no matter where they are located. A deal can be concluded in several minutes, without the need for costly business trips.
4. Why is outsourcing the hallmark of new economy?
As the industry and service sectors embrace electronic commerce more fully, dislocation of redundant white-collar workers will occur on a large scale. In order to survive, white-collar employees will have to develop new skills and expertise. They may even have to “outsource” themselves. Primarily used in advertising and publishing, outsourcing is now spreading into the central functions of firms, such as personnel and cash flow management.

Translation of background reading

电子商务：一场有力的革命

信息通讯技术和电子商务不仅开始改变商业的模式，而且影响了世界经济的结构。

美国的表现突出，令众多竞争对手猝不及防。事实上，全世界的决策者们一

直对此感到疑惑；毕竟，我们不正是生活在一个贸易、投资、人员和技术的流动将各国相连的全球性市场上吗？那在这样的环境下，各国经济运作情况应该是趋同而非相异的。

虽然没有单一的理由去解释这一趋势，但大多数人认同一支根本性的新的力量在起作用而信息和通讯技术为其核心。比起到处出现的有关电脑的词语，有关信息通讯技术的统计数据更具说服力。根据美国联邦储备委员的经济学家信息来源，1996至1999年间信息与通信技术对美国增长的贡献率为20%以上（在4.9%的增长率基础上上升了1.1个百分点）。对于西方七国集团中另外两个国家，英国和加拿大来说，情况也类似。虽然人人都在谈论技术导致工人失业，但是这些国家的充满活力的经济使他们的失业率降低至经合组织地区的最低水平。而相反，此前，日本与法国、德国和意大利这三个主要欧洲大陆国家在信息与通信技术投资和总产出方面增长相当低。

这是信息与通信技术设备和软件的生产对增长所做出的直接的贡献。但是信息与通信技术对深层的美国经济有什么总体影响呢？从生产率方面的数据可略见一斑。1973年至1995年生产率的长期趋势是每年增长1.4%，而趋势变化的时机正好与电子商务的兴起相吻合。

在以前的商业周期期间，生产率往往在复苏的头几年显示出急剧提高，但随着成熟阶段的到来生产率增长速度减缓。这一次，尽管目前的扩张期持续了很长时间，生产率仍然加速提高。

商业网

虽然就新的电子商务形式有大量的宣传，从网上书店到虚拟交易所，但所谓的网络公司的爆炸性扩张只是事物的一个方面而已。信息与通信技术对传统工业部门和国家竞争力的影响是显著的。

就以零部件、原材料和燃料的公司采购为例。因特网为与异地最好的供给商做生意提供了可能。一笔交易可在几分钟内达成，无须费用高昂的商务旅行。其结果是，企业之间长久以来精心培育的业务关系，尤其是日本和德国成功的关键所在——由于交叉持股票而更加巩固的这种关系——如今却分崩瓦解了。电子商务使得这种密切关系商业模式过时。

随着电子商务更充分地运用于工业和服务部门，将会出现白领工作者被裁员的大混乱局面。这已经发生了，例如，在银行业。所有工作都会变得不安全，不过，尤其脆弱的当是那些主要任务为传递信息的办公室职员的职位，如公司代表，某类经纪人及其他中介。甚至中层管理者的职位都有可能不保。为了生存，白领雇员将不得不去获取新的技能和技术。他们也许不得不把自己“外包”出去。

事实上，大大小小公司的外包行为是新经济的一个显著特征。最初运用于广告和出版业的外包现正逐渐向公司的核心业务渗透，如人力资源管理和现金流量管理。

对金融服务和通信业管制的放松与电子商务的利用紧密相关，银行和金融投资公司成为这一新技术的最富挑战性的使用者。很快，大多数的金融贸易和服务将以在线方式提供。网络地址将变得和街道地址一样重要——甚至对某些企业来说，有过之而无不及。那可能意味着分公司的关闭，信息技术设备和咨询业务的繁荣。

Part A

First listening: listen for the gist

What is the main idea of news item one?

The New Economy has hit China, driven by the Internet and e-commerce. China has made a good start in both areas. While being constrained by factors such as a small base of registered users, high costs of using the Internet, government control of information access, and so on, the high growth potential of the two sectors is still well recognized by foreign multinationals. However, China prefers a smooth and orderly process of market opening based on a more effective regulatory regime such as licensing arrangements.

What is the main idea of news item two?

Merchants are set to lose \$2.8 billion this year because of online fraud, according to a survey released by CyberSource Corp. Companies with online revenues of between \$5 million and \$25 million annually are being hit the hardest. Most merchants are so far relying on two basic means of fighting fraud: address verification systems and checks of the card verification number.

Second listening: listen for specific information

In this part the teacher has great freedom and flexibility to ask students questions, to clarify any difficult language points, to add in supplementary materials as background knowledge or in-depth understanding of the listening materials.

- ◆ Notice how these expressions are related to the Internet and e-commerce.

Internet subscribers, registered users, online information access, information technology, dot.com companies, online transactions, online revenues, electronic payment, credit card, MasterCard, SecureCode, Visa, the card issuer, the card holder, security and privacy, online fraud, address verification systems, card verification number

Ask students to do True (T) or False (F) questions for news item one. Compare answers. Explain why it is true or false.

Ask students to fill in the blanks with the correct words. Compare answers.

Third listening: sentences imitation

Ask students to use the following active vocabularies to form sentences as what they have heard from listening (Dictate then remember).

1. exponentially -- Since its debut, subscribers to the Internet grew exponentially from a mere 1,600 in 1994 to 16.9 million in mid-2000.
2. to register -- E-commerce transactions registered a total revenue of 200 million Yuan in 1999, or twice as much as in 1998.
3. exorbitant -- Internet businesses are also losing money due to exorbitant charges for telephone lines, an uncertain regulatory environment, and direct competition

from the telecommunications operators dominating the market.

4. to be set to -- Merchants are set to lose \$2.8 billion this year because of online fraud, according to a survey released by CyberSource Corp.
5. to hit hard -- The survey, conducted by Austin-based Mindwave Research Inc., found that companies with online revenues of between \$5 million and \$25 million annually are being hit the hardest.

Part B

First listening: listen for the gist

What is the main idea of this listening?

In this interview, Dr. Theerasak Thanasankit talked about the factors that influence the use and adoption of e-commerce in a country. In his opinion, different countries have different telecommunication infrastructures, different e-commerce policies, different cultures and so on, which will influence the level of adoption of e-commerce.

Second listening: listen for specific information

In this part the teacher has great freedom and flexibility to ask students questions, to clarify any difficult language points, to add in supplementary materials as background knowledge or in-depth understanding of the listening materials.

- ◆ Notice these expressions that are related to the factors influencing the adoption of e-commerce.

indigenous cultures and values, telecommunication infrastructure, banking facilities, management attitudes, organizational culture, the distinctiveness of the people and their behavior, government regulations, E-commerce policy

Ask students to fill in the table with correct information to make a summary of the interview. Compare answers.

Ask students to answer the following questions. Compare answers.

Third listening: sentence imitation

Ask students to use the following active vocabularies to form sentences as what they have heard from listening (Dictate then remember).

1. to focus on -- His research focuses on the influence of indigenous cultures and values on the use, adoption and implementation of information systems, especially in e-commerce.
2. to diffuse -- The way that e-commerce is diffused and adopted in a particular industry or country is different from one country to another.
3. to clear transactions -- In some countries, the banking industry plays an active role in adoption of e-commerce and encourages businesses to clear their transactions electronically.
4. to be unique to -- The issues of e-commerce implementation are unique to organizations and the country they are located in.

5. to enforce ... on -- Cultural conflicts may happen when trading partners enforce their own values and processes on its suppliers and/or trading partners.
6. to cater to -- Where a country declares itself as a multicultural society, it is important to cater to other minority groups, who prefer to interact using their own languages rather than using the official language.

Part C

First listening: listen for the gist

What is the main idea of this listening?

Until recently, many businesses have been reluctant to report the amount of e-commerce activity that their company does. One reason for this silence has been due to their preference for privacy. Another reason has been due to the general lack of Internet-based e-commerce activity, which for many firms had been non-existent prior to 2001. The announcement of e-business initiatives is now seen as a way for a company to demonstrate its ability to think strategically and develop a long-term vision for success in the new economy.

Second listening: listen for specific information

In this part the teacher has great freedom and flexibility to ask students questions, to clarify any difficult language points, to add in supplementary materials as background knowledge or in-depth understanding of the listening materials.

◆ Notice how these expressions are related to the reporting of e-commerce activity. E-commerce initiatives, information disclosure, preference for privacy, business secret, lack of E-commerce activity, pilot stage, a new metric to consider, a long-term vision, an image of being in-tune with the times

Ask students to fill in the blanks with the correct words. Compare answers.

Ask students to fill in the table with exact figures. Compare answers.

Third listening: sentence imitation

Ask students to use the following active vocabularies to form sentences as what they have heard from listening (Dictate then remember).

1. to be reluctant to -- Until recently, many businesses have been reluctant to report the amount of e-commerce activity that their company does.
2. to gain insight -- Most corporations do not want competitors to gain insight about how they are improving their operations.
3. to pilot -- With the exception of a few e-business leaders that have been engaged in e-commerce for some time, most businesses were still only piloting their e-commerce initiatives through the end of last year.
4. to come to the fore -- But as cost-cutting and a focus upon efficiency have come to the fore, so too have companies become more willing to speak of their e-commerce activity.

5. to project an image -- Businesses that can point to their growing e-commerce activity are able to project an image of being in-tune with the times, and show their preparedness for tougher competition in the future.
6. to capture -- Eastman Chemical has already conducted 13 percent of its sales electronically in 2001 and stated its goal to capture more than 50 percent of its sales through electronic channels over the next three to four years.
7. to keep ... abreast of -- Those corporate leaders who are not shy about reporting e-commerce activity have begun to keep their shareholders abreast of their e-business initiatives in their companies' annual reports.
8. to roll out -- With a new round of annual reports for 2001 about to start rolling out later this year, it will be interesting to see what other companies have to say.

Acting out

If the teacher would like to organize a debate on new economy, you can divide students into groups of four. In each group there is one representative, who will summarize the group's view.

What is new economy about?

When we talk about the new economy, we're talking about a world in which people work with their brains instead of their hands. A world in which communications technology creates global competition - not just for running shoes and laptop computers, but also for bank loans and other services that can't be packed into a crate and shipped. A world in which innovation is more important than mass production. A world in which investment buys new concepts or the means to create them, rather than new machines. A world in which rapid change is a constant. A world at least as different from what came before it as the industrial age was from its agricultural predecessor. A world so different its emergence can only be described as a revolution.

By the New Economy, we mean two broad trends that have been under way for several years. The first is the globalization of business. The second trend is the revolution in information technology.

Three Forces Driving the New Economy

1. Knowledge – intellectual capital as a strategic factor; a set of understandings used by people to make decisions or take actions that are important to the company
2. Change – continuous, rapid and complex; generates uncertainty and reduces predictability
3. Globalization – in R&D, technology, production, trade, finance, communication and information, which has resulted in opening of economies, global hypercompetition and interdependency of business