



对外经济贸易大学  
UNIVERSITY OF INTERNATIONAL BUSINESS AND ECONOMICS

## ***Unit 18***

# **New Economy and E-commerce**

**新经济与电子商务**

# ✓ Learning objectives

- In this unit students will learn words and expressions related to e-commerce and new economy.
- 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.

# Answers to the 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.

# Answers to the comprehension questions

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.

# 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: sentence 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.

# Third listening: sentence imitation

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.