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A Review of the Book by Pierre A. David, PhD

International Logistics: The Management of International Trade Operations, Sixth Edition

Cicero Books, LLC is the publisher of the book titled *International Logistics: The Management of International Trade Operations*, Sixth Edition, 2021, author Pierre A. David. The results of the research are presented in 22 interrelated chapters over 866 pages. The text of this comprehensive work also includes a Preface, List of Figures, List of Tables, Author's Biography, Glossary, and Index of terms used in the book. Numerous figures and tables are arranged according to the number of chapters in which they are integrated into the text, allowing the reader to better understand the subject.

The author of this high-quality textbook is Pierre A. David, professor of Business Administration at Baldwin Wallace University in Berea, Ohio. From the biography presented at the beginning of the book, we learn that the author primarily teaches courses in international logistics and international market research. He has developed many courses on international logistics and international supply chain management and has conducted international logistics training in various countries. Therefore, it is understandable that this sixth edition contains a number of new and/or innovative insights that contribute to the understanding of the importance of logistics processes in international trade.

This book is a modern work that contains numerous new and supplemented findings, concepts, definitions, and approaches. The scope and detail in the breakdown and systematization of basic knowledge and theories on international trade and logistics make this book a significant contribution to the body of knowledge not only in the field of economics but also beyond.

The book begins with the chapter on *International Trade*, whose extensive subject matter is divided into six sub-chapters and familiarizes the reader with the characteristics of *International Trade Growth*. The chronology of events that have

influenced the development of international trade is presented in the subchapter *International Trade Milestones*, in which the author reviews the results and conclusions of the Bretton-Woods Conference, the World Trade Organization, the Treaty of Rome, and the European Union; he also presents other economic agreements that have led to the development of international trade. Special emphasis was placed on the introduction of the euro and its impact on the economy. It also presents the *Largest Exporting and Importing Countries* and four drivers of international trade. An indispensable part of any significant work in the field of international business is knowledge of international trade theories, so the author pays special attention to the Theory of Absolute Advantage, the Theory of Comparative Advantage, the Factor Endowment Theory, the International Product Life Cycle, Cluster Theory, and Logistics Cluster Theory to explain the trade advantage of certain regions compared to other regions or areas. The introduction to the subject of international trade ends by outlining important characteristics of the *International Business Environment*, noting that every international business entity and every logistician should know the environment in which they operate.

The title of the second chapter is *International Logistics and Supply Chain Management*. In five interrelated parts: *Historical Development*, *Logistics and Supply Chain Management*, *Elements of International Logistics*, *The Economic Importance of Logistics*, and *International Reverse Logistics*, the author introduces readers to the complexity of logistics processes and the importance of logistics to all participants in global trade processes. In explaining the processes that have led to the development of logistics, especially the technical and technological progress supported by information and communication technology, the complexity of the processes in global logistics chains is emphasized. This is particularly evident in the presentation of information on the Logistics Performance Index, which is an indicator of the efficiency of logistics in different countries. Therefore, it is understandable that the presentation of basic information on international logistics is followed by the chapter titled *International Infrastructure*, which points out the importance of high-quality infrastructure, not only transport infrastructure but also, communication, utility infrastructure, and service infrastructure, for the efficient realization of business goals and activities on the global stage.

Before the author starts elaborating on the basic specificities of the logistic processes related to the transportation of goods, he pays special attention to the thematic units related to the legal and financial aspects of doing business in international trade. The fourth chapter, titled *International Methods of Entry*, deals with the specifics of various market entry methods abroad and provides the necessary information on possible engagements in foreign markets. In order for everything to comply with regulations and laws, it is necessary to know the legal provisions on contracts of sale, contracts of carriage, contracts of insurance, contracts between exporters and agents and other contracts, the key elements of contracts, procedures for conflict situations and possible solutions and numerous other specifics, which are presented in a simple and systematic manner in the chapter on *International Contracts* (Chapter Five).

The rules for the interpretation of trade terms adopted by the International Chamber of Commerce, better known as Incoterms®, facilitate international trade by regulating the obligations between sellers and buyers regarding the delivery of goods, underwriting obligations, documentation, insurance obligations, and other elements that accompany the delivery of goods to the buyer. The author's contribution in this book is therefore to present the main determinants of Incoterms® 2020, which came into force on January 1, 2020, and are presented in Chapter 6 titled *Terms of Trade or Incoterms® Rules*. The correct application of Incoterms® terms can contribute to more efficient operations in international trade, and thus lead to gaining competitive advantages in an increasingly competitive market.

International market operations involve numerous financial transactions and risks. Therefore, the author introduces the reader to the world of *Terms of Payment* (Chapter 7) by presenting traditional and alternative payment methods and *Managing Transaction Risks* (Chapter 8) by presenting the risk for exporters and importers in terms of the currency used in the sales contracts, Theories of Exchange Rate Determinations, The System of Currency Exchange Rates and Managing Transaction Exposure. Findings on the institutions involved in international payments were also presented. In addition, all transactions must be documented and accompanied by a large number of documents. Therefore, the ninth chapter of the book is dedicated to *International Commercial Documents*. Insights into the different types of invoices, export documents, import documents, transportation documents, and electronic data interchange have been presented in detail.

Although the importance of insurance in international business is mentioned in several places in the book, the author devotes a special chapter to *International Insurance* and points out the complexity of insurance in international business. Following a presentation of the specificities of international insurance and an introduction to the world of insurance terminology, the chapter presents *Perils Faced by International Shipments*, with special emphasis on ocean transportation and air shipments, insurable interest, insurance policies, insurance claims, the role of Lloyd's in international logistics as well as determinants of commercial credit insurance.

Logistics cannot run without transportation. The safe, fast, and efficient delivery of goods presents logistics companies with the challenge of choosing the optimal means of transport while taking into account all factors of the international environment. Therefore, four chapters of the book are dedicated to international transportation: *International Ocean Transportation* (Chapter 11), *International Air Transportation* (Chapter 12), *International Land and Multimodal Transportation* (Chapter 13), and *International Terminal Operations* (Chapter 14). Through the systematic and detailed elaboration of the specifics of each transport branch, its importance for international trade, the analysis and classification of the services provided in each transport branch, the types of means of transport available to carriers, the technical and technological achievements in each traffic branch, the safety aspects and the requirements placed on each traffic branch, it becomes clear why exporters and importers use the services of

logistics professionals when organizing the transport of goods. They enable the smooth movement of goods between different markets through their knowledge of the transport market, by providing a transport service, or by contracting different operators.

Each transportation of goods presents the exporter with the obligation to pack the goods appropriately for transportation. Therefore, the specifics of *Packaging for Export*, including the functions and objectives of packaging, the specifics of packaging in sea, air, road, and rail transport, the specifics of packing hazardous cargo and refrigerated goods, and the aspects of packaging safety are presented following the chapters devoted to transport. Since dangerous goods and refrigerated goods present logistics professionals with special challenges in organization and transportation, two new chapters are devoted to the *International Transportation of Dangerous Goods* and the *International Transportation of Refrigerated Goods*, in which the specifics of the goods themselves, their classification, the specificities of labeling, packaging, and transportation are analyzed in detail.

The chapter *International Warehouses and Distribution Centers* highlights the advantages of using warehouses and distribution centers in different countries: transportation and manufacturing savings, response time benefits, marketing benefits, and many others. Therefore, several subsections analyze warehouses functions, activities, ownership, location decision and warehouse layout options as well as safety issues.

The *International Logistics Security* chapter is devoted to programs and approaches provided by international organizations, governance, and corporations in order to create security measures to restore the vulnerability of open economies and international supply chains and reduce the threat of terrorist activities and other disruptions in international logistics.

Customs duties, non-tariff barriers, customs clearing procedures, and foreign trade zones are the focus of the chapter titled *Customs Clearance*. When importing and exporting various goods, customs formalities must be fulfilled, accompanied by appropriate documentation, and the specificities of the customs systems of different countries complicate the already complex processes involved in international business. Thus, in addition to the theoretical knowledge of customs and customs procedures presented, the author presents numerous examples of the import of goods into the United States. Subsequently, topics related to *Cross-Border Trade* are covered, since many countries that share a border have developed trade relationships with each other, and small transactions in trade between two neighboring countries, whether retail, electronic, or services are not formally recorded. Therefore, the characteristics of bilateral trade, cross-border retail trade, cross-border commuters, and electronic cross-border trade are presented in several sub-chapters.

The final chapter of this book is devoted to *Developing a Competitive Advantage*. The author points out the many challenges faced by participants in the global logistics market, especially logistics managers, and emphasizes that the challenges they face in international business should not be seen as obstacles, but as opportunities to provide

a higher level of service than competitors. Therefore, the author concludes the book with recommendations that can help to become more competitive in the international market. He addresses the challenges of communication, the metric system, cultural sensitivity, and specific strategies in certain areas.

Review and discussion questions are provided at the end of each chapter. After the review and discussion questions, the references are also listed, i.e., the sources the author has used in presenting the main information, knowledge, and data. Thus, there is no special bibliography, as each chapter contains an extensive list of references, listed chronologically according to their appearance in the text. The text is also rich in numerous tables (over 50 tables) and figures (over 250), as well as numerous examples that clearly illustrate the findings presented. The illustrations are presented correctly and comprehensibly and are related to the text.

The main features of this book are comprehensibility, simplicity, persuasiveness, and the line of argumentation. The chapters and sub-chapters are systematically linked, and the corresponding titles and sub-titles are appropriately marked with a decimal system, which greatly facilitates the understanding of complex topics. The author's language and style are clear, precise, and simple, and the concepts are logically linked. Standard terminology that is understandable and widely accepted in the social sciences was used in writing this work. The author cited the findings, data, attitudes, and thoughts of others in a standard and customary manner.

By analyzing and presenting various aspects of international logistics, the author's work emphasized the transport processes without which international trade in goods is not possible. Building on the information and data presented in previous editions, the author builds on existing knowledge and research, updating and adapting them to modern theoretical and practical phenomena. Just by comparing it with the previous edition, it is clear that new chapters have been added.

This work can be of great use to a wide range of readers and users – undergraduate and graduate students not only from economic, transport, maritime, and other higher education institutions but also from other tertiary education institutions, scientists, also all professionals, managers involved in international business processes, logistics, transport, freight forwarding, agency business and beyond. Therefore, this work represents a significant contribution to the literature in the field of international trade, international logistics, transport, and traffic, but also beyond.

