

Analysis of Foreign Trade Development and Technical Services Building Construction

Behzad Nasri

Department of Sport science, Sari branch, Islamic Azad University, Sari, Iran

Abstract: Achieving a high rate of economic growth for a country that is in the early stages of development is very important and due to existing fluctuations in world oil prices, a terminable feature of this underground source and national wealth nature ruling on it, make this basic question for our committed entrepreneurs and economists that which strategy can change the country's economic structure that suffered from inertia and lack of wealth produced and prepared the possible country's economic development, practically. While the industrial production value of the world's various growing countries and where many countries put non-oil exports development effective policies in a head of their economic programs, in the current situation serious and total attention towards non-oil exports in general and attention to service exports specifically as one of the most efficient types, can be the main economic development policies. However, according to the multiple species nature of issuing services, paying attention to comparison between Technical Services Export developments to other engineering services, has a special place. The volume of technical and engineering services in the country in the recent years with little attention to it could be more than predicted developing programs and this is evidence of the importance of services exports in developing countries, in their economic development.

Key words: Foreign • Trade • Development • Services • Engineering

INTRODUCTION

Technical and engineering Services can be intelligently used towards the knowledge to appropriately solve scientific problems and can be defined as such. According to this definition, it is characterized that a wide range of scientific and industrial activities located in the range of the concept of technical and engineering services [1-3].

It is clear that this classification has regularity. When we are moving from left to right, scientific and academic aspects are fading and the scientific, application and industrial aspect are added so that the left side is the university and the right side is the market. In an overall look, we could separate industry into two parts: hardware and software. It is clear that a necessary condition for the industry is having hardware and software consistently. But, today we know the importance of the software sector which is more important than the hardware sector in respect to its flexibility and industrial growth also depends mainly on the software sector growth, on the other hand, it can be said that the engineering services as the use of intelligence engineering-man-knowledge to appropriately solve scientific problems in side of

management is the most essential software effects of industry and in fact industrial growth without growth of this category is basically impossible. Technical Services have the spirit of the inanimate industrial hardware body that make them dynamic and give them mobility. Some of our agriculture crops such as saffron are unique in the world for their quality. Just for inattention to its category that a manifestation of lack of attention to technical and engineering services, in attracting foreign market, these corps could not compete with products of other countries. This is while our country in terms of man power has good potency and leading this force to the engineering part and then utilizing these forces can bring a great leap in the industry and consequently in the country's economy. In fact, engineering services are industrial development [3-6].

Importance of Technical Services: Country's oil and gas is the main source of country's income. According to the estimation, the amount of usable extracted oil reserves between 40 to 132 billion barrels. In addition, the reserved gas is nearly 27 trillion cubic meters. These numbers are not intolerable and limited and therefore after terminating these reserves, the country could establish its position if from now seeking solutions that will transform the

economic structure and the possibility of achieving economic development, practically. While Industrial productions' value in the various world countries is beginning to grow, many countries put the effective non-oil exports development policies in the head of their economic programs. Non-oil exports consist of two axes generally goods export and services export for which prosperity in each of these export areas depends on a wide range of micro and macro components of each other. Fundamental problems in the field of goods export in developing countries such as competitive problems like low quality, high prices and poor after sales service, marketing, etc., caused thought to be attracted towards the export of services. Services exports have not many of the problems that goods exports have. There are many eyewitnesses that services export development indirectly helped to the goods exported on a wide scale. For example, Turkey sold over 85 tons of its artifacts to tourists that came to visit their country each year, which profited at least six to seven billion dollars of foreign currency income for them. The tourist industry development in this country has helped this country's invisible goods exports development (including luggage trade) and has caused billions of dollars in consumer goods to be transferred to other countries. In the WTO classification, services are divided into the twelve branches that equality in attention to them can be seen from the Figure 1.

Engineering Services Export Interests:

- Engineering Service are considered of the professional and specialized services in added value part that one of the parts of the total services, so increasing the technical and engineering services result in increasing the total added value.
- Despite the high growth of population and young people existence that cause the compulsive capacity increasing in universities, job opportunities are not moved contemporary with them; so always so the number of unemployed educated are added. Establishing the engineering and technical services providing units and providing facilities for its exporting can be guided experts to this position and we could increase the total employment levels by a low capital [3-6].
- Creating a collection of units that sciences and engineering capabilities collection came together in order to improve the quality of the presented sciences in the units which totally result in enhancing the in professional information, improving employee work and high potential man power with top education. In addition, the presence in world markets and the necessity for new sciences research and development and acquisition, increasing territorial knowledge and also creating means for strengthening new technology proper administration of organization and technical personnel.

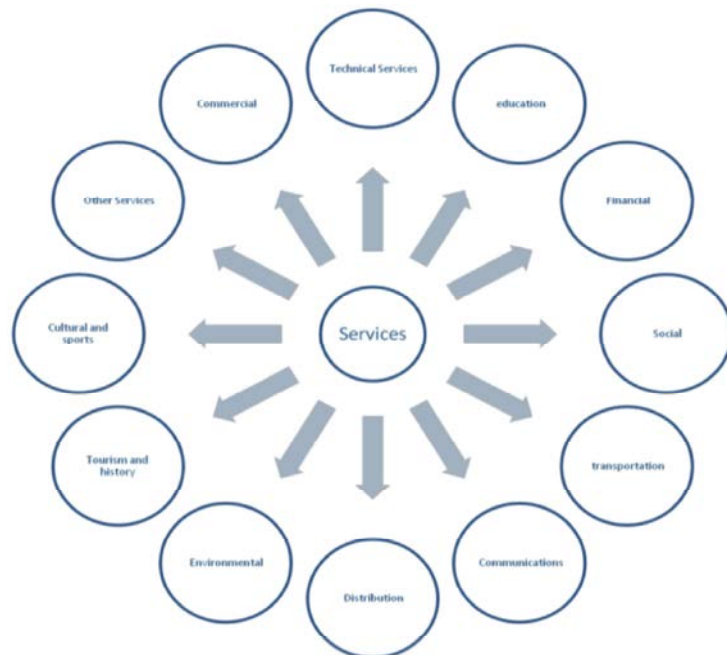


Fig. 1: WTO Classification on services branches of the same importance

- High foreign currency bringing of this field of export can be used for foreign currency problems eliminating, filling the gap between volumes of saving and preparing country's necessity investment.
- Successful countries in the export of engineering services, including some neighboring countries are allocated three to four billion dollars or more credits annually for exporting this services and finally achieve 2 to 3 times this figure. Furthermore, activation of engineering designing part as industry development infrastructure in the country could be reduced foreign currency cost in the short-term considerably which will be operated as complement for foreign currency income development policy [5-9].
- If the circle of technical and engineering services spreading to foreign countries, we can use from foreign experts for economic and industrial purposes.
- Foreign experts by providing physical conditions of cooperation with technical and engineering services companies can cooperate with active companies in this field, based on approved laws and regulations of the Islamic Republic of Iran, despite moving away from their country.
- Achieving and supporting software dimension of products and improving hardware dimension.

Axis Objectives:

- Foreign currency achievement and diversify to foreign currency sources.
- Getting rid of high dependency of country's foreign currency budget to petroleum export incomes.
- Creating new job opportunities for large forces that will enter to the market during the future years.
- Actualized the country's capacity and potential facilities in various aspects with the aim of benefiting from its incomes in order country's economic, social and scientific development of and preparing welfare for the community.

Engineering Services Export Problems: Totally, creating and developing technical and engineering services in our country is faced with several problems. From culture building in education to university education, from establishing companies to municipality taxes, insurance, tax, customs, banking warranty, competing with foreign companies, the law of "maximum use of technical and engineering ability" (51%), tenders and standards and scientific and engineering guild formation, are all issues that each of them need to seriously and completely study

and survey and solve problems in a proper manner in order to generate more growth level, but we limit ourselves to discussions about technical and engineering services export and try to resolve representation of problems and requirements of this sector.

Technical Services Export: The country's technical and engineering services export volume in 2002 was over 570 million dollars as the standard charts shows, in this year industrial projects with 394 million dollars, water supply networks with 92 million dollars, electricity with 38 million dollars, the reconstructive and structural project with 35 million dollars in sequence allocated first to fourth technical and engineering services export priority of the Iranian companies [9-10].

In 2003, in regard to more facilities for domestic projects implementation, companies attention changed from outside projects to domestic projects due to confidence of carrying out the projects inside the country that had followed more intellectual comfort, without cultural contrasts and, on the other hand, adequate knowledge of the affairs, rules and regulations implementation relating to technical and engineering projects.

Technical and engineering services export rate in this year, almost reached 50% of that of the previous year i.e. 2002 and decreased for \$ 256 million. As the standard documents, the export priority of industrial projects decreased from 394 million dollars last year to 16 million dollars this year and one of the major reasons is that companies pay more attention to industrial projects implementation, particularly in the Assaluyeh region (South of Iran). Technical and Engineering services export in 2007 exceeded over 1.6 billion dollars that still in spite of its increase, its growth rate decreased in the past three years. In this year, industrial projects with 701 million dollars, reconstructive projects with 501 million dollars and electrical projects with 152 million dollars allocated first to third place in the country's technical and engineering services export priority in exports of the country. Technical and engineering services export during the six years. During this period of industrial projects, construction projects and electrical projects allocated the first to third place in the country's Technical and engineering services export [8-10].

Country's Standard System Depauperation: Many countries referred their work to the firm, which from a standards view has proportional performance. Of course, this point should be considered that absence of a strong

Table 1: Statistics relating to the warranty exchange issuance from 2002 until the end of 2007

Row	Demand Type	Total
1	Prepayment warranty ceiling nomination	94
2	Middle payment warranty ceiling nomination	3
3	Obligations Warranty ceiling nomination	103
4	Caution money deficits Restoration warranty ceiling nomination	12
5	Credit Line Certificate ceiling nomination	35
6	Foreign currency warranties extension	5

standard system in the country cause of not so little inconsistency among instrument maker engineering companies products and this is one of the important methods of marketing, i.e. group marketing that exporters should have noted in order to preventing problems [10-14].

Bank Guarantees Providing for Foreign Projects:

In order for an employer to accept the giving of his work to a firm, first a requested guarantee for work implementation under the treaty condition must be initiated and accepted. This guarantee is issued by banks. Guarantor bank guarantees the job applicant company credit to the bank, which sponsored the employer. Our technical and engineering services exporters' problem is that our domestic banks did not give any guarantee easily and this caused that sometimes an Iranian company, in spite of its ability to implement the project, fails to participate or win in tenders (Table 1).

CONCLUSION

Services export development will transform the structure of the country and not only make variation in foreign currency revenue, but also reduce the country's economic vulnerability of goods price oscillation and reliance on limited and intensive markets and there is no place for creativity, talent and originality in growth and also for utilizing experience and proficiencies. It should be noticed that most of the presented solutions due to the differences between software engineering companies (computer) with other engineering companies are different from each other.

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