



JAMPRO
TRADE & INVESTMENT JAMAICA

“STEP BY STEP GUIDE TO EXPORTING” WORKSHOP

Module 3: Getting Products to Market

Shipping & Logistics - Available Options

Presenter: Beverly Johnson
JLB International (Shipping) Ltd

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DEFINITION

- Shipping is the physical process of transporting commodities and merchandise goods and cargo (via sea or air)
- Logistics is the management of the supply chain in the flow of goods between the point of origin and the point of consumption in order to meet market demands

CHOOSING A SUITABLE CARRIER

EXPORTING YOUR PRODUCT?

YOU MUST DETERMINE THE MOST SUITABLE
MODE OF TRANSPORT

- I. SEA (TO INCLUDE THE NVOCC) or
- II. AIR (TO INCLUDE AIR COURIER) or
- III. MULTIMODAL (TO INCLUDE TRANSHIPMENT)

FACTORS WHICH DETERMINES THE SUITABLE MODE

- ❑ FREQUENCY OF SERVICE
- ❑ TRANSIT TIME
- ❑ SHELF LIFE OF THE PRODUCT
- ❑ INLAND TRANSPORT
- ❑ TRANSHIPMENT POSSIBILITIES

LEGAL ASPECTS OF SHIPPING

► Understanding the

1. Terms of the Bill of Lading
2. Terms of the Airway Bill
3. Terms of the Multimodal Bill of Lading
4. Pro-forma/Commercial Invoice

PROFORMA INVOICE VS COMMERCIAL INVOICE

What's the difference?

- ▶ **A Pro forma Invoice** (or estimated invoice) is the document commonly used as preliminary invoices with a quotation, which shows negotiation between reached between the seller and the buyer. Its an estimated invoice sent by a seller to a buyer in advance of a shipment or delivery of goods. It notes the kind and quantity of goods, their value, and other important information such as weight and transportation charges, terms of sales and terms of delivery. Pro forma invoices.
- ▶ **It is not a confirmation of a Sales Agreement**

PROFORMA INVOICE VS COMMERCIAL INVOICE

- ▶ A **Commercial Invoice** is a document used in foreign trade.
- ▶ It is used as a customs declaration provided by Supplier/Shipper
- ▶ It's used for exporting goods across international borders
- ▶ Information on all the parties involved in the shipping transaction
- ▶ Detailed description of goods being transported, quantity & Value
- ▶ The country of manufacture
- ▶ The Harmonized System codes for each item being shipped
- ▶ Must also include a statement certifying that the invoice is true, and a signature.
- ▶ A commercial invoice is used to calculate tariffs, based on the CIF value for customs purposes of duty and taxes payable

CONSIDER THE MOST SUITABLE INCOTERMS

TERMS OF DELIVERY - A standardized set of terms intended to reduce or remove altogether uncertainties arising from different interpretation of the rules in different countries for the movement of goods and where the responsibility change hands from the seller to the buyer

EX WORKS or FOB or C&F or CIF or DDU

COSTING EXPORTS

Will the product be competitive?

ORIGIN COST (JAMAICA)

- ▶ COST OF GOODS
- ▶ INLAND TRANSPORT
- ▶ EXPORT PROCESSING
- ▶ PORT/AIRLINE FEES
- ▶ CONSOLIDATION
- ▶ WAREHOUSING
- ▶ MARINE INSURANCE
- ▶ FREIGHT (AIR OR SEA)

DESTINATION COST

- ▶ TRANSHIPMENT INSPECTION
- ▶ TERMINAL HANDLING
- ▶ CUSTOMS CLEARANCE
- ▶ STORAGE/DEMURRAGE ETC
- ▶ CUSTOMS DUTY/TAXES
- ▶ INLAND HAULAGE
- ▶ WAREHOUSING
- ▶ DISTRIBUTORS' MARK-UP

SHIPPING & LOGISTICS DOCUMENTATION

- ▶ ORIGINAL BILL OF LADING / AIRWAY BILL
- ▶ COMMERCIAL INVOICE (with HS Codes)
- ▶ PACKING LIST
- ▶ MARINE INSURANCE CERTIFICATE (UNLESS SHIPPED AT SHIPPERS / BUYERS RISK)
- ▶ LICENSE / PERMITS / CERTIFICATION REQUIRED BY EXPORTING / IMPORTING COUNTRY
- ▶ ORIGIN CERTIFICATE

Contact info.

**BEVERLY JOHNSON
JLB INTERNATIONAL LTD
(Jamaica & the UK)**

EMAIL: beverlyj@jlbshipping.com