

"STEP BY STEP GUIDE TO EXPORTING" WORKSHOP

Module 3: Getting Products to Market

Shipping & Logistics - Available Options

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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

		COMME	RCIAL IN	VOICE		
Shipper (Na	ame, Full Address,	Country)	Invoice Date	e & Number	Carrier's Refe	rence Number
					ļ	
			Freight Forwarders:			
			JLB International Ltd Unit G, Sams Lane Tra			
					ding Estate	
		<u> </u>	Sams Lane		(E)(
Consignee (Name, Full Address, Country)		ss, Country)	West Bromwich, B70 7		EX	
			Tel: 0121 525 5881			
			Summling.			
			Supplier			
			Supplier Re	:		
Port of Loading:		Place of Receipt	Presenting Bank			
SOUTHAMI						
Final Destination		Exporting Carrier	Terms of Payment		Terms of Deliv	ery
KINGSTON						
Other Transport Information			Currency of Sale		Country of Origin (COO)	
Marks & Nos:					Gross	Measure
					Weight (Kg)	(Cbm)
QTY	Description		HS Code	coo	Unit Price	Total
			Sub Total:			£ -
IT IS HEREBY DECLARED THAT THIS INVOICE SHOWS THE ACTUAL PRICE		CE SHOWS THE ACTUAL PRICE	Packing Cos	st		£ -
OF THE GOODS DESCRIBED, THAT NO OTHER INVOICE HAS BEEN OR WIL		ER INVOICE HAS BEEN OR WILL E	Freight			£ -
ISSUED AND TH	AT ALL THE PARTICULARS	ARE TRUE AND CORRECT.	Other Trans	port Cost		£ -
			Handling			£ -
			Insurance			£ -
			Other (Dest	ination Clear	ance)	£ -
						£ -
Signature:					_	
	uthorized Parasers	Evnert Mene				c ·
Signature: Status of A	uthorized Person:	Export Manager	Total Invoic			£ -

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.

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