

Issues and current developments in local and international markets - 1

Export and import trading

Preparation for international market?

Buyers?

Documentation process?

Payment terms?

INCOTERMS?

Custom?

What covers....

- 1. Product development**
- 2. How to find a buyer**
- 3. How to pay money**
- 4. Packaging**
- 5. Terms of delivery**
- 6. Export documents**
- 7. Other registrations and documents**

Product Development

a) Value addition



Always try to add value. Do not send items without adding value. Through adding value, can increase the margin.

Value addition



Margins

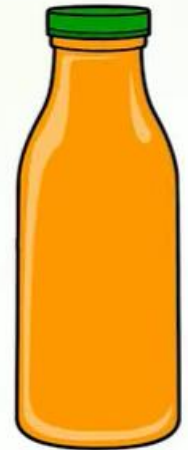


Obtain organic certification for your products

Can export locally manufactured products



Without Just exporting can make some drinks and export



Export after add different flavors.



10 Ways That You Can Add Value To Your Product Or Service

1. Providing expert advice and a tremendously high level of professionalism.
2. Bundling and packaging.
3. Service levels.
4. Frequent buyer programs.
5. Transition and education.
6. Recognition and reward levels.
7. Qualitative preference.
8. Dedicated personnel.
9. Speed of service or delivery
10. Insider information

Also, you can take special approvals and certificates

1. Gem and jewelry – National Gems and Jewelry Authority

2. Herbal product – Department of Ayurvedic

3. Coconut and coconut based product – Coconut Development Authority

4. Wood based toys and furniture's – Department of Forest

Sri Lankan version



Best version



In order to satisfy your importer, some certifications are very important. There are some products in the international market under Sri Lankan name as the best.

Certificate of origin

Your website is very important when you enter in to the international market

- Take attractive photos of your products and upload



- In the export, transparency is very important.

How to find a buyer

- First you find out the following information between SL and other potential countries, you can sell your goods / services.

Relationship

Tax policies

Market analysis



Platforms
News
Chance
Workshops
Directory

You can list your product in EDB website. Also they have subscribe based package and all the information in export market you can obtain from EDB. Further you can take experts' advise from EDB

Don't
depend on
others.
Always try
and alert

Other places/websites you
can obtain buyers' details

International trade center

Sri Lanka trade portal

Facebook groups

amazon



daraz

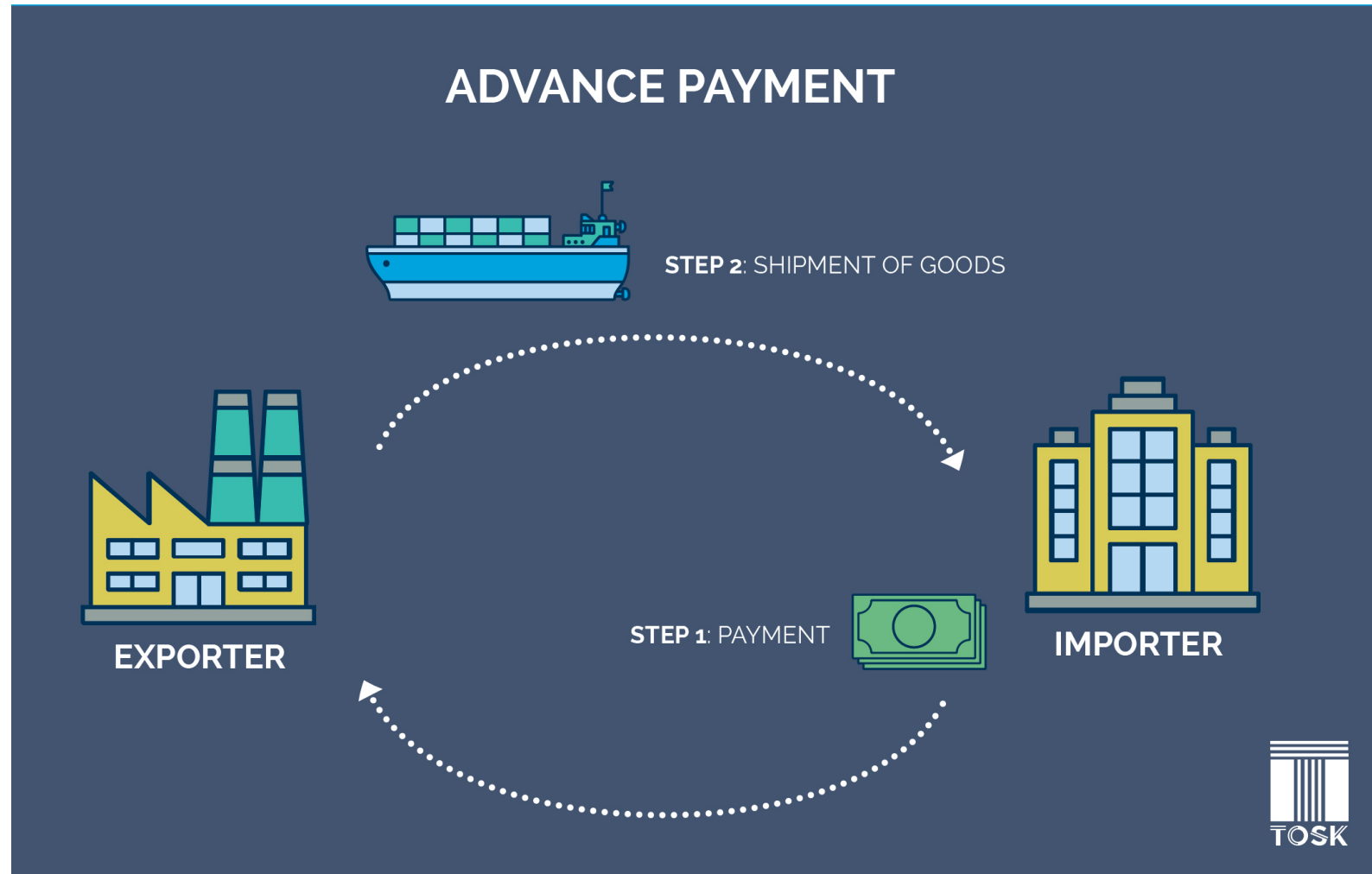
Get help from established exporters

Contact a known people in other
countries and obtain information
about buyers

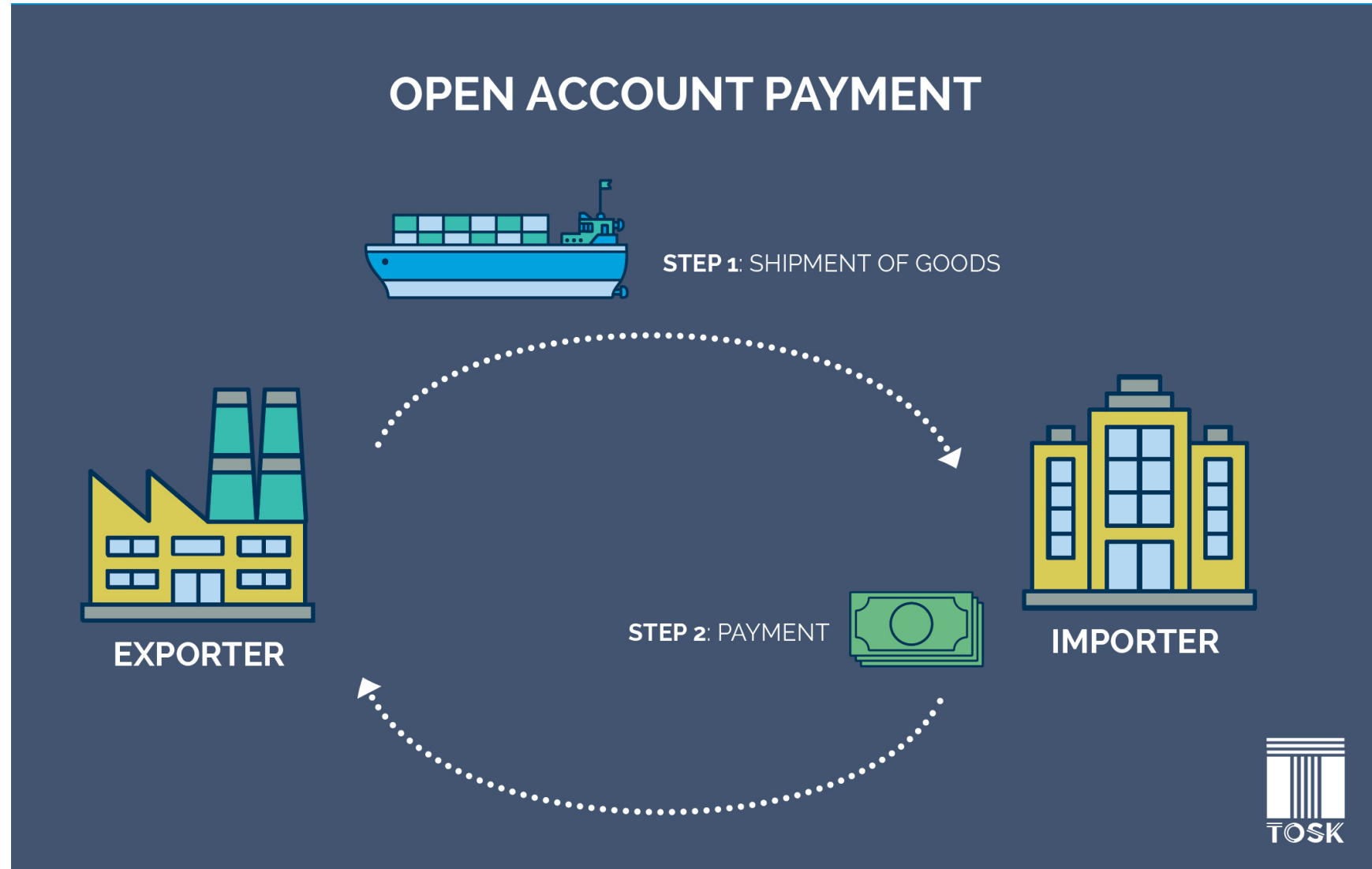
How to pay money in the international market?

- There are 4 common methods
 - Advance Payment
 - Open Account
 - Documentary Collection – D/P (Documents against payments) or D/A (Documents against acceptance)
 - Documentary Credit / LC – D/P or D/A

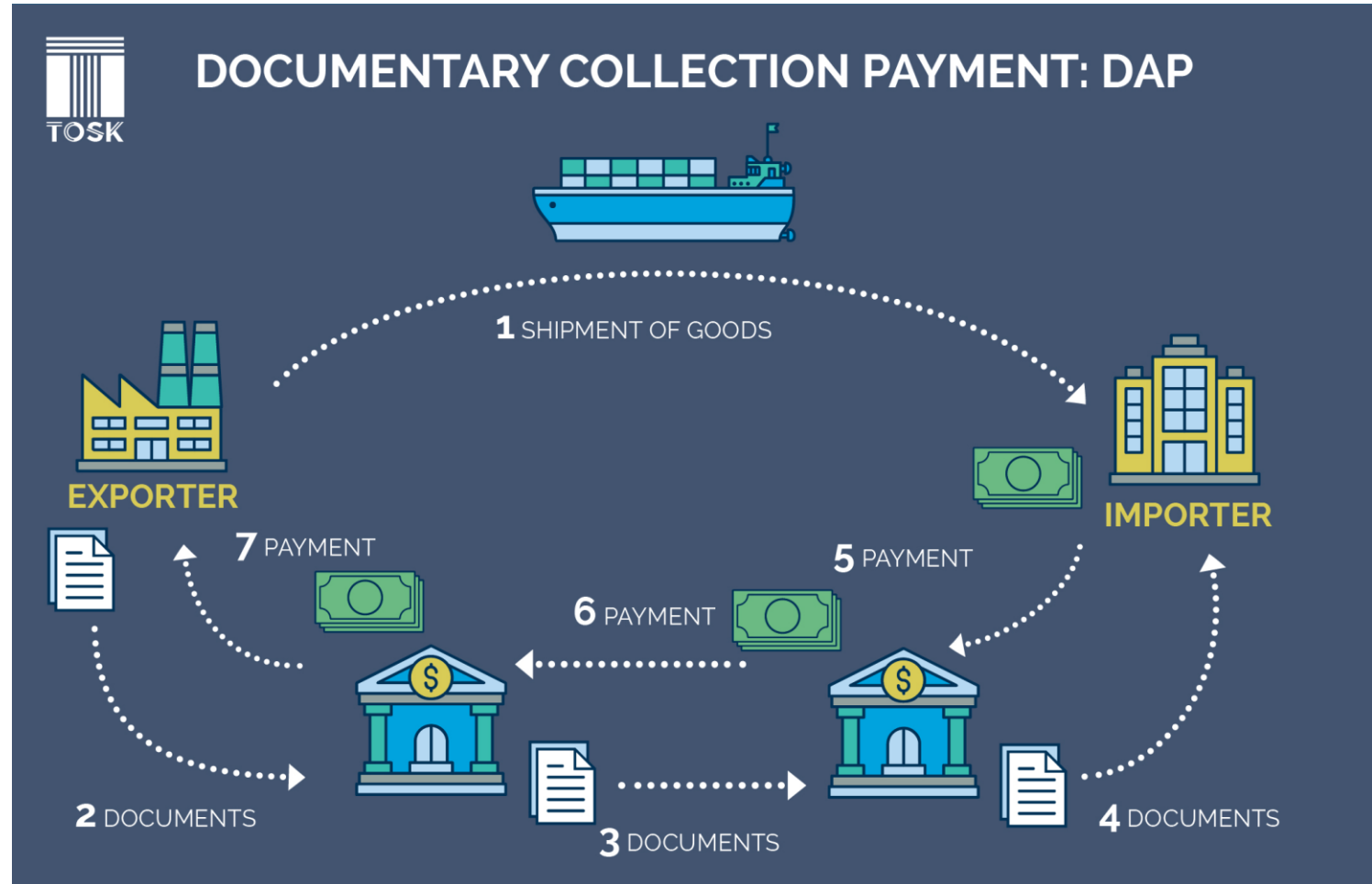
- Advance Payment is a **payment done by an importer to the exporter prior to shipment.**
- These types of payment can be done up to US \$50,000/- or equivalent in other currencies.
- Advance Payments are effected prior to taking delivery of goods and sometimes even before shipment.
- Based on the trust between exporter and importer and the demand for products, this method can be use.



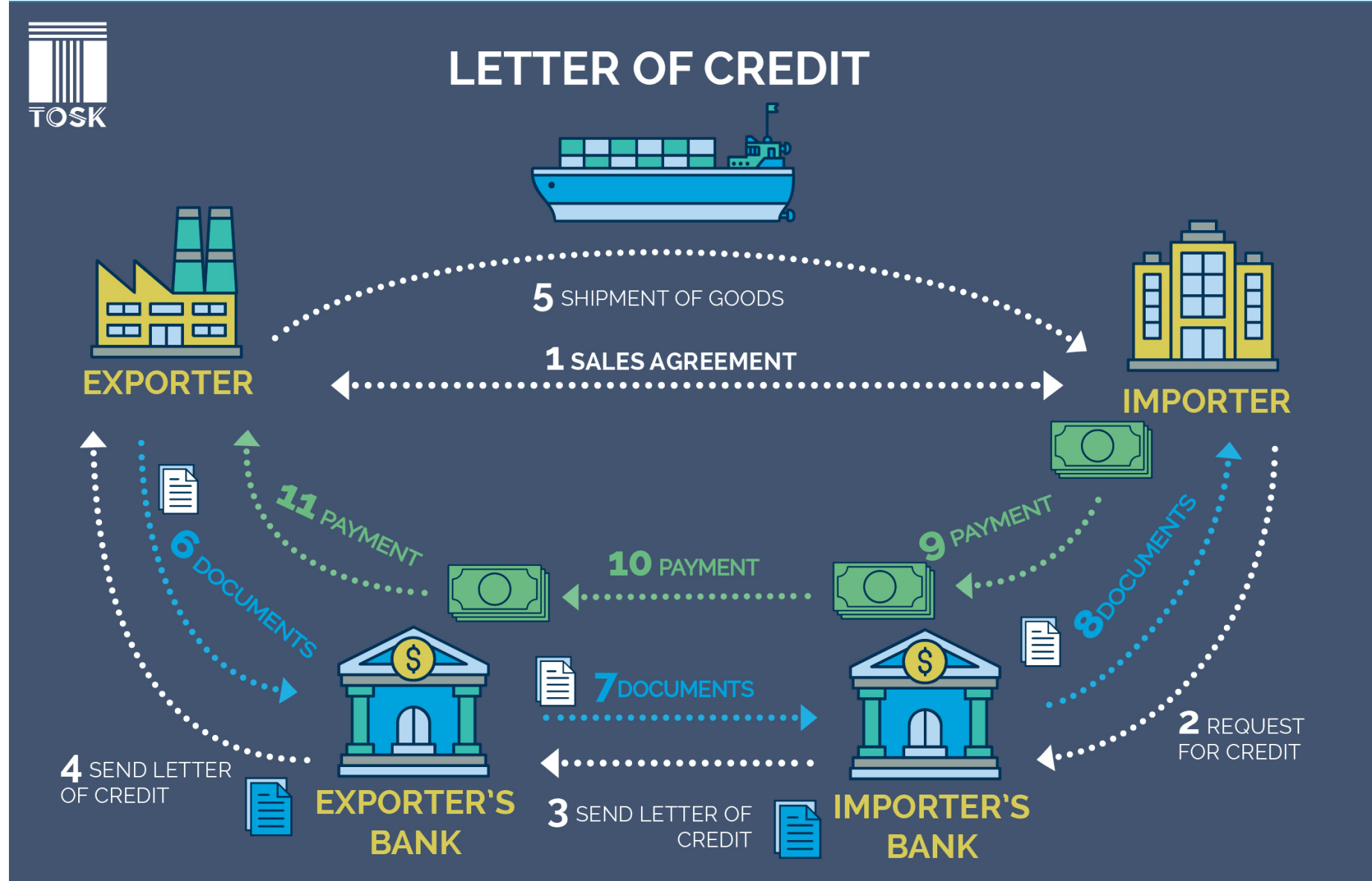
- An open account transaction is a sale where the goods are shipped and delivered before payment is due.
- Obviously, this option is the most advantageous for the importer in terms of cash flow and cost, but it is consequently the highest risk option for an exporter.
- Because of intense competition in export markets, foreign buyers often press exporters for open account terms, since the extension of credit by the seller to the buyer is more common abroad



- Documentary collection is method of trade finance in which an exporter's bank forwards documents to an importer's bank and collects payment for shipped goods. ...
- Documents against payment require the importer to pay the amount of the draft at sight.
- Documents against acceptance require payment by a specified date



- A letter of credit, also known as a documentary credit is a **contractual commitment (irrevocable undertaking giving by importer's bank) to pay once the exporter ships the goods and presents the required documentation to the exporter's bank as proof.**
- As a trade finance tool, Letters of Credit are designed to protect both exporters and importers.

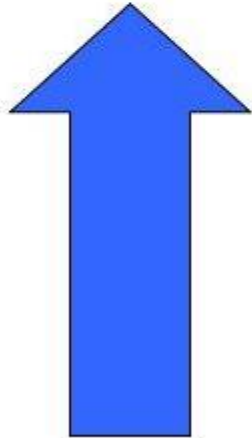


INTERNATIONAL METHODS OF PAYMENT

Trade Terms

Exporter Risk

High



Open Account

Documentary Collection(Time)

Documentary Collection (Sight)

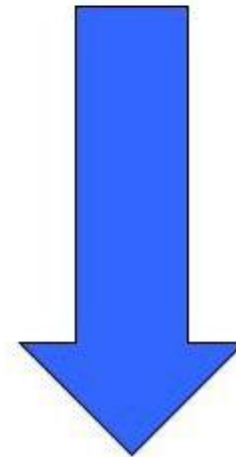
Letters of Credit (Time)

Letters of Credit (Sight)

Cash in Advance

Importer Risk

Low



Packaging

— Types of Packaging —



- Laminated Pouches
- Plastic containers
- Thermoformed products
- Tin Can
- Parchment Paper
- Wet strength paper
- Lamitubes
- Monocarton
- Retort pouches
- Paper-foil laminate
- Composite Cans
- Glass containers
- Shrink Wrap
- Cling Film
- Woven Sack
- Jute bags
- IBC/FIBC
- Paper bags
- Bubble wrap

- Plastic Crates
- Plastic Trays
- EPS trays
- Wooden Crates

- Corrugated Fiber Board
- Wooden Crates
- Wooden Containers
- Wooden pallet
- Plastic pallet

- Adhesives
- Printing Inks
- PP Straps
- Caps & Closures
- Tapes
- Labels
- Cushioning Material

PACKAGING MATERIALS



- When you export the goods, need to concentrate more on packaging

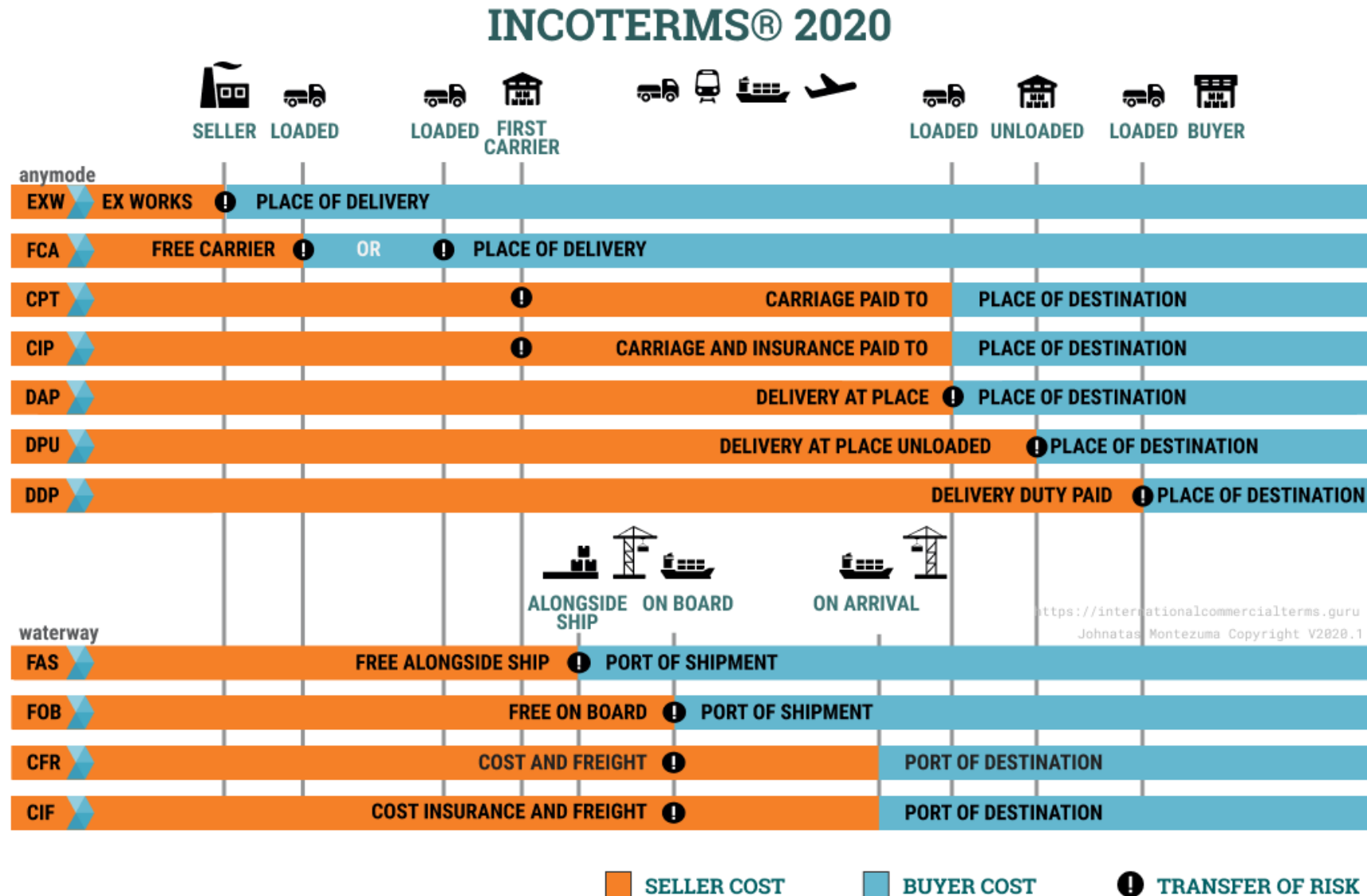


Bubble bag



Fumigate

Terms of Delivery (INCOTERMS)



Export Documents

Principal Documents

- Commercial Invoice
- Packing List
- Bill of Lading
- Certificate of Inspection
- Certificate of Origin
- Bill of Exchange
- Shipment Advice
- Insurance Certificate

Auxiliary Documents

- Proforma Invoice
- Intimation for Inspection
- Shipping Instructions
- Insurance Declaration
- Application for certificate of origin
- Mate's Receipt
- Letter to bank for collection/ negotiation of documents

To open DC/LC importer need to have Performa Invoice.

When buyer ask you to send Performa invoice following details you need to include

Company name

E-mail

Unit price

Total price

Quantities

Product description

Other important document is Terms & Condition document - Includes shipment time, place of delivery, price validity period

The commercial invoice need to include following information

Company details

Product description

HS code

Unit price

Total price

Transport cost

Insurance cost

International transport cost

Who receive the shipment



Who will pay money

Packing list use by customs...

PACKING LIST (Prepared by commercial dept.)

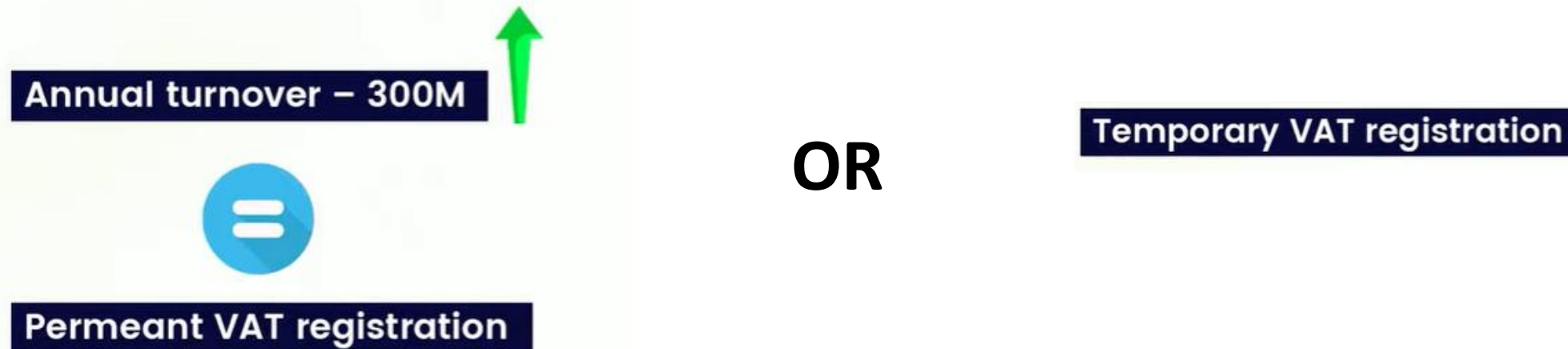
EXPOTER/SHIPPER NAME: LTD., BANGLADESH.		INVOICE NO.:		DATE: 20-06-2011	
		EXP NO.:		DATE: 20-06-2011	
		L/C NO.:		DATE: 02-02-2011	
		CAT :			
		H.T.S. CODE NO.:			
Applicant: E.S. SUTTON INC. 1400 BROADWAY, 26TH FLOOR NEW YORK, NY 10018, USA.		B/L NO.:		DATE:	
		CARRIER:			
		E.R.C. NO.: RA-79178			
NOTITY: A) E.S. SUTTON INC 115 KENNEDY DRIVE SAYREVILLE, NJ 08872, CANADA.		TERMS OF PAYMENT: IRREVOCABLE LETTER OF CREDIT AT SIGHT.			
		L/C ISSUIN BANK: HSBC BANK USA, N.A. 2 HANSON PLACE, BROOKLYN, NEW YORK 11217, USA.			
		ADVISING BANK: FIRST SECURITY ISLAMI BANK LTD. BANANI BRANCH, PLOT # 80, BLOCK # B, KEMAL ATATURK AVENUE, DHAKA-1213			
PORT OF LOADING : DHAKA AIRPORT,		FINAL DESTINATION : VANCOUVER, CANADA.			
PORT OF DISCHARGE : VANCOUVER, CANADA.		SHIPPED PER : AIR			
SHIPPING MARKS	DESCRIPTION OF GOODS	CTN NO	CTN QTY	PCS CTN	TOTAL PCS
SHIP TO: WAL-MART CANADA DEPT: 33 BRAND NAME: GEORGE ITEM DESCRIPTION: FUR TRIMMED DUSTER SWEATER MEASUREMENTS: 17 X 17 X 12 INCH MADE IN BANGLADESH	FUR TRIMMED DUSTER SWEATER <u>STYLE NO</u> GRF120307G <u>PO NO</u> 84233VM	1-445	445 Ctn	8 Pcs	3,560 Pcs

Bill of Lading

MULTIMODAL TRANSPORT DOCUMENT / BILL OF LADING				COPY NON NEGOTIABLE	
Consignor / Shipper HATTON GROUP LIMITED 353 WEST GROVE AVENUE, ORANGE CALIFORNIA 92865, USA TEL: 1 714 279 9010		BL / MTD Number OMMCT-233			
Consignee (If To order' so indicate) <div style="border: 1px solid black; padding: 5px; display: inline-block;"> HATTON www.hattongrp.com </div> Mobile: e-mail: jlai		OPTIMUS LOGISTICS (INDIA) PVT. LTD. 201, Sabari Samridhi, Opp. Union Park, Sion-Trombay Road, Chembur, Mumbai - 400 071 - INDIA Tel. : +91-22-2521 8221 / 2 / 3 / 4 / 5 Fax : +91-22-2521 8301 Email : optimus@optimuslogistics.in Regn. No. : MTO/DGS/488/2006			
Notify address (No claim shall attach for failure to notify) SAME AS ABOVE		<ul style="list-style-type: none"> By accepting this bill of Lading shipper accepts and abide by all terms, conditions clauses printed and stamped on the face or reverse side of this Bill of Lading. By accepting this Bill of Lading, the shipper accepts his responsibility towards the carrier for payment of freight (in case of freight collect shipments), Accrued ground rent, wharfage or disposal costs (as the case may be) if the consignee fails to take delivery of the cargo within 90 days from the date the cargo reached destination. For Freight prepaid Bill of Lading, delivery of Cargo is subject to realisation of freight cheque. Demurrage/Detention charges at Port of destination Payable by consignee as per lines tariff. The carrier reserves the right to repack the goods if the same are not in seaworthy packing. The packing condition will be certified by the local bonded warehouse or competent survey or, and the shipper by virtue of accepting this Bill of Lading accepts the liability towards the cost for the same. For shipments where inland trucking is involved is mandatory on consignee to custom clear the shipment at port of discharge. In case of any discrepancy found in declared weight & volume the carrier reserve the right to hold the shipment & recover all charges as per the revised weight & volume whichever is high from shipper or consignee. 			
Place of acceptance XINGANG PORT, CHINA	Port of Loading MUSCAT, SULTANATE OF OMAN				
Port of Discharge XINGANG PORT, CHINA	Place of delivery				
Vessel & Voyage No. OSNABRUCK / 828		Modes / Means of transport Route / Place of Transhipment (if any)			
Container No. (s). AS PER ATTACHED RIDER SHEET.	Marks and Numbers 45X20' GP	Number of packages, kinds of packages general description of goods (Said to contain) SHIPPERS LOAD & COUNT 45 X 20' FCL/FCL CNTRS. STC COMMODITY: CHROME ORE LUMPS FREIGHT PREPAID	Gross Weight SAID TO WEIGH / MEASURE 1002.230 MTs	Measurement	
SHIPPED ON BOARD DTD: 03/04/2008					
FREIGHT PRE PAID					
ALL destination delivery charges/line demurrage as per prevailing discharge port tariff on a/c consignee. The responsibility of the carrier ceases on discharge of cargo at port of discharge. shippers load stow and count said to contain contents as declared not checked by carrier agent.					
Particulars above furnished by consignor / consignee					
Delivery Agent : Unitex International Forwarding (Guangzhou) Limited Tianjin Branch Tel: 86-22-24109010/9102/9103 ext. 25 Fax: 86-22-24109104 Attn: Ms. Lucinda / Ms. Lorraine		Freight amount Freight payable at	Number of Original BL/MTD (s) 3 (THREE)	Place and date of issue MUSCAT, DTD: 03/04/2008	
		For OPTIMUS LOGISTICS (INDIA) PVT. LTD. 			
<small> Taken in charge in apparently good condition herein at the place of receipt for transport and delivery as mentioned above, unless otherwise stated. The MTD is accordance with the provisions contained in the MTD undertakes to perform or to ensure the performance of the multimodal transport from the place at which the goods are taken in charge, to the place designated for delivery and assumes responsibility for such transport. One of the MTD(s) must be surrendered, duly endorsed in exchange for the goods. In witness where of the original MTD all of this tenor and date have signed in the number indicated below one of which being accompanied the other(s) to be void. Subject to the jurisdiction of the courts of Mumbai. </small>					
<small>Weight and measurement of container not to be included (NETUS CONTAINER FOR NETUS USE ONLY)</small>					

Other Registrations and Documents

- TIN number from IRD (Inland Revenue Dep.)
- VAT Registration- You can do the registration in two ways



- You cannot clear the goods from the customs if you don't have above two.
- If you do a temporary VAT registration, need to register for VAT in every shipment.
- Business registration & company article are very important in export business.
- You need to have custom agent/ shipping agent to clear the goods.