Syllabus

Class: - I Year

Subject: - Export/Import Management

Unit	Contents
UNIT – I	**International Bodies, Export Import Cycle, IEC Online Application, Types of Transportation, Containers and Packaging, IncoTerms and Payment Terms** Continents, Opportunities and Myths International and Local Bodies Export-Import Cycle Online IEC Application Types of Transportation, Containers and Packaging Different type of Delivery Terms and Cost - Risk involved Different type of Payment Terms and Risk involved **Assignment**: Apply for IEC code on the official website. Attach the screenshots of the same. Which documents are required and what is the fee? (Don't pay any fees. Stop at fee payment)
UNIT – II	**Product and Market Selection & Research, Verification of Buyers and Importance of Exhibition Visits and Identifying Buyers, Communication** Selection of Product for Export Importance of Product Selection and Source of Finding New Products Selection of Market for Export Importance of Market Selection and Identifying Potential Market Importance of Trade Fairs and Exhibition for Export Promotion How to find Genuine Buyers Buyers Communication and Verification **Assignment**: Choose a product you would like to export from India and the country of import. Explain the reason of choosing such product and country. Which criterion you considered for product and country/countries selection?
UNIT – III	**Performa Invoice, LC, Pre and Post Shipment Documentation, GST Custom Clearance and Documents Practical** Importance of Proforma Invoice and various aspects Full LC Clauses Pre and Post Shipment Documents and understanding its need GST and Custom Procedures How to fill Pre & Post Shipment Documents – Practical **Assignment**: Take print out of sample Proforma Invoice, Commercial Invoice and Letter of Credit. Explain the entries in each one of these in detail.

UNIT – IV	**Import Procedures and Documents, Risk Management & Government Benefits** Import Documentation and procedure ECGC Insurance, EEFC and Forward Contract Export Incentives Preparing Quotation Finding Buyers and Gathering Data Discussion on Product Portfolio B2B Listing Online Marketing Social Media Marketing Buyers verification Buyers calling Practical Sessions by Industry Experts, covering all aspects of Import and Export **Assignment**: Choose a product you wish to export and create all possible online and social media marketing tools like an insta reel, youtube shorts, Facebook page etc.

UNIT-I: International Bodies, Export Import Cycle, IEC Online Application, Types of Transportation, Containers and Packaging, IncoTerms and Payment Terms

International Bodies (Organizations)

UNITED NATIONS

- successor to League of Nations.
- formed on − 24th October'1945 (UN day). There were 51 members who signed United Nations Charter in 1945.
- present members − 193. (India joined the UN on 30th Oct'1945).
- Headquarter – New York
- Secretary General – Antonio Guterres
- 6 Official Language – Arabic, Chinese, English, French, Russian, Spanish
- **Functions**

1. maintaining international peace and security,
2. protecting human rights,
3. delivering humanitarian aid,
4. promoting sustainable development, and
5. upholding international law.

- **Structure** − 5 principal organs

1. General Assembly
2. United Nations Security Council (UNSC)
3. Economic and Social Council (ECOSOC)
4. International Court of Justice
5. UN Secretariat.

A sixth principal organ, the Trusteeship Council, suspended operations on 1 November 1994, upon the independence of Palau, the last remaining UN trustee territory.

Principal Organs	Specialized Agencies of UN	Funds and Programmes	Related Organizations	Other Entities and Bodies
UNGA UNSC ICJ Secretariat ECOSOC Trusteeship council	working with the UN in accordance with relationship agreements between each organization and the UN. FAO IFAD	address particular humanitarian and development concerns. UNDP UNEP UNICEF	work in collaboration with the UN to promote international cooperation and achieve common goals. IOM WTO	related to other purposes such as human rights, relief work etc. UNHCR UNAIDS UN WOMEN

	IMF WHO WORLD BANK	UN-HABITAT	IAEA OPCW	UNRWA

International Monetary Fund (IMF)

UN Monetary and Financial Conference (1944, also called Bretton Woods Conference), US was held to regulate the international monetary and financial order after the conclusion of World War II India is a founder member of the IMF

Foundation − 1945.

Headquarters − Washington, D.C

Function – furthering international monetary cooperation, encouraging the expansion of trade and economic growth, and discouraging policies that would harm prosperity.

World Bank − UN Monetary and Financial Conference (1944, also called Bretton Woods Conference), was held to regulate the international monetary and financial order after the conclusion of World War II. It resulted in foundation of IBRD in 1945. IBRD is the founding institution of World Bank.

Headquarters − Washington, D.C

Function – an international financial institution that provides loans and grants to the governments of low- and middle-income countries for the purpose of pursuing capital projects

(IMF focuses on macroeconomic and financial stability while the World Bank concentrates on long-term economic development and poverty reduction)

IMO The International Maritime Organization (IMO) – maritime safety, environmental concerns, legal matters, technical co-operation, maritime security and the efficiency of shipping

Headquarters – London, UK

Formation – 17 March 1948

World Trade Organization (**WTO**)

an intergovernmental organization that regulates and facilitates international trade. It officially commenced operations on 1 January 1995, pursuant to the 1994 Marrakesh Agreement, thus replacing the General Agreement on Tariffs and Trade (GATT) that had been established in 1948. The WTO is the **world's largest international economic organization**, with 164 member states representing over 98% of global trade and global GDP.

Headquarters – Geneva, Switzerland

FUNCTIONS −

- administering trade agreements.
- acting as a forum for trade negotiations.
- settling trade disputes.

- reviewing national trade policies.
- building the trade capacity of developing economies.
- cooperating with other international organizations.

Amnesty International (also referred to as **Amnesty** or **AI**)
an international non-governmental organization focused on human rights. It draws attention to human rights abuses and campaigns for compliance with international laws and standards. It works to mobilize public opinion to generate pressure on governments where abuse takes place.
headquarters − United Kingdom
Founded – July 1961

LOCAL BODIES INVOLVED IN EXPORTS AND IMPORTS IN INDIA (MACHINERY FOR CONSULTATION)

Aim − to create the required forum and environment for consulting interested and engaged in foreign trade.

- facilitates dialogue between Government, industry and the entrepreneurs, to discuss varied problems faced by the enterprises and suggest necessary measures to solve the problems.
- To gear up with the changes, exporter needs guidance and assistance at different stages of export effort. For this purpose, Government has set up several institutions whose function is to support exporter in his endeavours.

Department of Commerce

- **Ministry of Commerce** − the apex ministry at the central level to formulate and execute India's foreign trade policy and to initiate various exports promotional measures. The Ministry of Commerce and Industry controls the foreign trade in India **(Minister – Piyush Goyal)**

Main functions − formulation of international commercial policy, negotiation of trade agreements, formulation of export-import policy and their implementation.
It has created a network of commercial sections in Indian embassies and high commissions of various countries for export-import trade flows. It has set up an "Exporters' Grievances redressal Cell" to assist exports in quick redressal of grievances.

DIRECTORATE General of Foreign Trade (DGFT):

- Chairman of DGFT **– Sh. Amit Yadav, IAS**
- a government organization in our country which is responsible for formulating guidelines for imports and exports in our country.
- preparation, formulation, and implementation of Exim Policies.
- assigning an import-export code (IEC).
- Before 1991, DGFT was known as the Chief Controller of Imports & Exports (CCI&E).

DGFT – Functions

The functions of the DGFT are given below.

- Implementing the foreign trade or EXIM policy of the government.
- Providing a complete database of all exporters and importers in India.
- Granting of the Exporter Importer Code (EIC) Number to exporters and importers in India.
  - The EIC Number is a ten-digit number that is needed for people to export and/or import.
- It has the authority to prohibit, restrict, and regulate importers and exporters.
- Regulating and permitting the transit of goods from India to adjacent countries according to the bilateral trade agreements.
- Promoting trade between India and her neighbouring countries.
- Granting permission of free export wherever necessary.
- It plays a vital role in controlling DEPB rates.
  - DEPB: Duty Entitlement Pass Book
  - DEPB Scheme is an export incentive scheme of the GOI given to exporters.
- Handling quality complaints of the foreign buyers of Indian export products.
- Formulating or adding new codes in the ITC-HS Codes.
  - ITC-HS codes are also known as Indian Trade Clarification based on the Harmonized System of Coding.
  - These are codes given to export/import products.

- DGFT has set up regional offices in almost all the states and Union territories. These offices are known as Regional Licensing Authorities. The Regional Licensing offices also act as Export facilitation centres.
- **FUNCTIONALITY LEVELS: Based on role and functions, four levels:**

Levels	Heads	Organisations	Functions
1	Formulating and implementing policies and guideline	Directorate General of Foreign Trade (DGFT) Department of Economic Affair (DEA)	Formulates Guidelines of Import and export and implements EXIM policy. Formulating and monitoring country's economic policies
2	Review, Regulate and monitoring	Cabinet Committee on Economic Affair Reserve Bank of India (RBI)	Review economic trend to frame economic. Regulates foreign exchange matters
3	Control	Central Board of Indirect Tax and Customs The Directorate of Enforcement Department of Revenue	Handles customs related issues and publish Indian Customs Tariff Guide. Law enforcement agency and economic intelligence agency. Responsible for enforcing laws and fights economic crime.

			Controls in respect of indirect taxes and customs
4	Support and Arbitration,	Export Promotion Councils Federation of Indian Export Organisations Indian council of Arbitration	Promoting Government schemes and support export firms in developing trade. Import and export duties. Settle commercial disputes especially foreign/international trade

14 Export Promotion Councils covering different products under the administrative control of the Department of Commerce. These Councils are registered as non-profit organizations under the Companies Act/ Societies Registration Act. The Councils perform both advisory and executive functions guided by the Foreign Trade Policy, 2009-14.

LIST OF EXPORT PROMOTION COUNCILS AFFILIATED TO DEPARTMENT OF COMMERCE

1. Basic Chemicals, Cosmetics & Dyes Export Promotion Council (Chemexcil), Mumbai
2. Cashew Export Promotion Council of India (CEPCI), Kollam, Kerala
3. Chemical and Allied Products Export Promotion Council (Capexil), Kolkata
4. Council for Leather Exports (CLE), Chennai
5. EEPC India, Kolkata
6. Export Promotion Council for EoUs and SEZs (EPCES), New Delhi
7. Gem &Jewellery Export Promotion Council (GJEPC), Mumbai
8. Indian Oilseeds & Produce Export Promotion Council (IOPEPC), Mumbai
9. Pharmaceuticals Export Promotion Council (Pharmexcil), Hyderabad
10. Plastics Export Promotion Council (Plexconcil), Mumbai
11. Project Export Promotion Council (PEPC), New Delhi
12. Services Export Promotion Council (SEPC), New Delhi
13. Shellac & Forest Products Export Promotion Council (Shefexil), Kolkata
14. Sports Goods Export Promotion Council (SGEPC), New Delhi

These Councils are also the registering authorities for exporters under the Foreign Trade Policy 2009-14.

- facilitate future exports growth, assist manufacturers and exporters to overcome various constraints and extend them full range of services for the development of overseas market.
- power to de-register errant and defaulting exporters.
- keep its members posted with regard to trade inquiries and opportunities;
- explore overseas markets and identification of items with export potential;
- resolve disputes between exporters and importers

- Over the years, the role of Export Promotion Councils has reduced to traditional liaison work and has lost their importance. Now, the procedures connected with the foreign trade are more simplified.

The Department of Commerce has **six divisions** and their functions are as under:

1. **Trade Policy Division –** To keep abreast of the developments in the international organisations like UNCTAD, WTO, the Economic Commissions for Europe, Africa, Latin America and Asia and Far East
2. **Foreign Trade Territorial –** Development of trade with different countries and regions of the world
3. **Export Products Division –** Problems connected with production, generation of surplus and development of markets for the various products under its jurisdiction
4. **Export Industries Division –** Development and Regulation of tobacco, Rubber and cardamom.
5. **Export Services Division –** Export promotion activities relating to handlooms, textiles, woolens, readymade garments, silks, jute and jute products, handicrafts, coir and coir products
6. **Economic Division –** Formulation of exports strategies, Export planning, Periodic appraisal and Review of policies

- **Board of Trade –** provides regular consultation, monitoring and review of India's foreign trade policies and operations. The board has the representatives from commerce and other important Ministries, Trade and Industry Associations and Export Services Organisations. It is an important national platform for a regular dialogue between the Government and trade and industry.
  The **Minister of Commerce** is the chairman of the Board of Trade. The official membership includes Secretaries of the Ministries of Commerce and Industry, Finance (Revenue), External Affairs (ER), Textiles, Chairman of ITPO, Chairman/MD of ECGC, MD of Exim Bank and Deputy Governor of Reserve Bank of India. The non-official members are President of FICCI, ASSOCHAM, CH, FIEO, All India Handloom Weavers Marketing Co-operative Society, Representatives various Trade and industry sectors, media and other eminent personalities in the field of Export and Import Trade.

- **Cabinet Committee on Exports** − monitor India's foreign trade performance and related policies
- **Empowered Committee of Secretaries** assist the Cabinet Committee on Exports **–** by speedier and quicker decision making
- **Grievances Cell –** to entertain and monitor disposal of grievances and suggestions received. s headed by the **Director General of Foreign Trade**. At the **State** level, the **head of the concerned Regional Licensing authority** heads the grievances committee. (Prescribed proforma).

- **Ministry of Textiles** − policy formulation, development, regulation and export promotion of textile sector including sericulture, jute and handicrafts etc. It has a separate Export Promotion Division, advisory boards, development corporations, Export Promotion Councils and Commodity Boards. The four advisory boards are as under:

1. All India Hand loom Board
2. All India Handicrafts Board
3. All. India Power loom Board
4. Wool Development Board

- **Development Commissioners**, Handicrafts and Handlooms, **Small Scale industries Organisation,** Textile Commissioner and Jute commissioner who advise on the matters relating to growth of exports of these sectors, Directorates of Industries, National Small Scale Industries exports from small-scale industries.
- **Textile committee** has also been set up for ensuring textile machinery indigenously, especially for exports.
- **Commodity Boards:** There are 9 statutory Boards that deal with the entire range of problems of production, development, marketing etc. In respect of these commodities concerned, they act themselves as if they are the Export Promotion Councils. These Boards take promotional measures by opening foreign offices abroad, participating in trade fairs and exhibitions, conducting market surveys, sponsoring trade delegations etc.
- **States' Cell** – created under Ministry of Commerce To act as a nodal agency for interacting with state government or Union territories on matters or plans concerning export or import from the state or Union territories. It provides guidance to state level export organisations.

EXPORT AND IMPORT CYCLE

India's customs authorities have launched the Indian Customs Compliance Information Portal detailing customs procedures and regulatory compliances for import-export trade.

Import procedures

Typically, the procedure for import and export activities involves ensuring licensing and compliance before the shipping of goods, arranging for transport and warehousing after the unloading of goods, and getting customs clearance as well as paying taxes before the release of goods.

Below, we outline the steps involved in importing of goods.

1. **Obtain IEC**

Prior to importing from India, every business must first obtain an Import Export Code (IEC) number from the regional joint DGFT. The IEC is a pan-based registration of traders with lifetime validity and is required for clearing customs, sending shipments, as well as for sending or receiving money in foreign currency. The process to obtain the IEC registration takes about 10-15 days.

2. **Ensure legal compliance under different trade laws**

Once an IEC is allotted, businesses may import goods that are compliant with Section 11 of the Customs Act (1962), Foreign Trade (Development & Regulation) Act (1992), and the Foreign Trade Policy, 2015-20. However, certain items – restricted, canalized, or prohibited, as declared and notified by the government – require additional permission and licenses from the DGFT and the federal government.

3. **Procure import licenses**

To determine whether a license is needed to import a particular commercial product or service, an importer must first classify the item by identifying its Indian Trading Clarification based on a Harmonized System of Coding or ITC (HS) classification. ITC (HS) is India's chief method of classifying items for trade and import-export operations. The ITC-HS code, issued by the DGFT, is an 8-digit alphanumeric code representing a certain class or category of goods, which allows the importer to follow regulations concerned with those goods. An import license may be either a general license or specific license. Under a general license, goods can be imported from any country, whereas a specific or individual license authorizes import only from specific countries. Import licenses are used in import clearance, renewable, and typically valid for 24 months for capital goods or 18 months for raw materials components, consumables, and spare parts.

4. **File Bill of Entry and other documents to complete customs clearing formalities**

After obtaining import licenses, importers are required to furnish import declaration in the prescribed Bill of Entry along with permanent account number (PAN) based Business Identification Number (BIN), as per Section 46 of the Customs Act (1962). A Bill of Entry gives information on the exact nature, precise quantity, and value of goods that have landed or entered inwards in the country. If the goods are cleared through the Electronic Data Interchange (EDI) system, no formal Bill of Entry is filed as it is generated in the computer system. However, the importer must file a cargo declaration after prescribing particulars required for processing of the entry for customs clearance. If the Bill of Entry is filed without using the EDI system, the importer is required to submit supporting documents that include certificate of origin, certificate of inspection, bill of exchange, commercial invoice cum packing list, among others.

Determine import duty rate for clearance of goods

India levies basic customs duty on imported goods, as specified in the first schedule of the Customs tariff Act, 1975, along with goods-specific duties such as anti-dumping duty, safeguard duty, and social welfare surcharge.

Export procedures

Just as for imports, a company planning to engage in export activities is required to obtain an IEC number from the regional joint DGFT. After obtaining the IEC, the exporter needs to ensure that all the legal compliances are met under different trade laws. Further, the exporter must check if an export license is required, and accordingly apply for the license to the DGFT. An exporter is also required to register with the Indian Chamber of Commerce (ICC), which issues the Non-Preferential Certificates of Origin certifying that the exported goods are originated in India.

Import and export documents

Businesses are required to submit a set of documents for carrying out export and import activities in India. These include commercial documents – the ones exchanged between the buyer and seller, and regulatory documents that deal with various regulatory authorities such as the customs, excise, The Foreign Trade Policy, 2015-2020 mandates the following commercial documents for carrying out importing and exporting activities:

- Bill of lading or airway bill;
- Commercial invoice cum packing list;
- Shipping bill or bill of export, or bill of entry (for imports).

Additional documents like certificate of origin and inspection certificate may be required as per the case. The important regulatory documents include:

- GST return forms (GSTR 1 and GSTR 2);
- GSTR refund form;
- Exchange Control Declaration;
- Bank Realization Certificate; and
- Registration cum Membership Certificate (RCMC).

TERMS OF DELIVERY

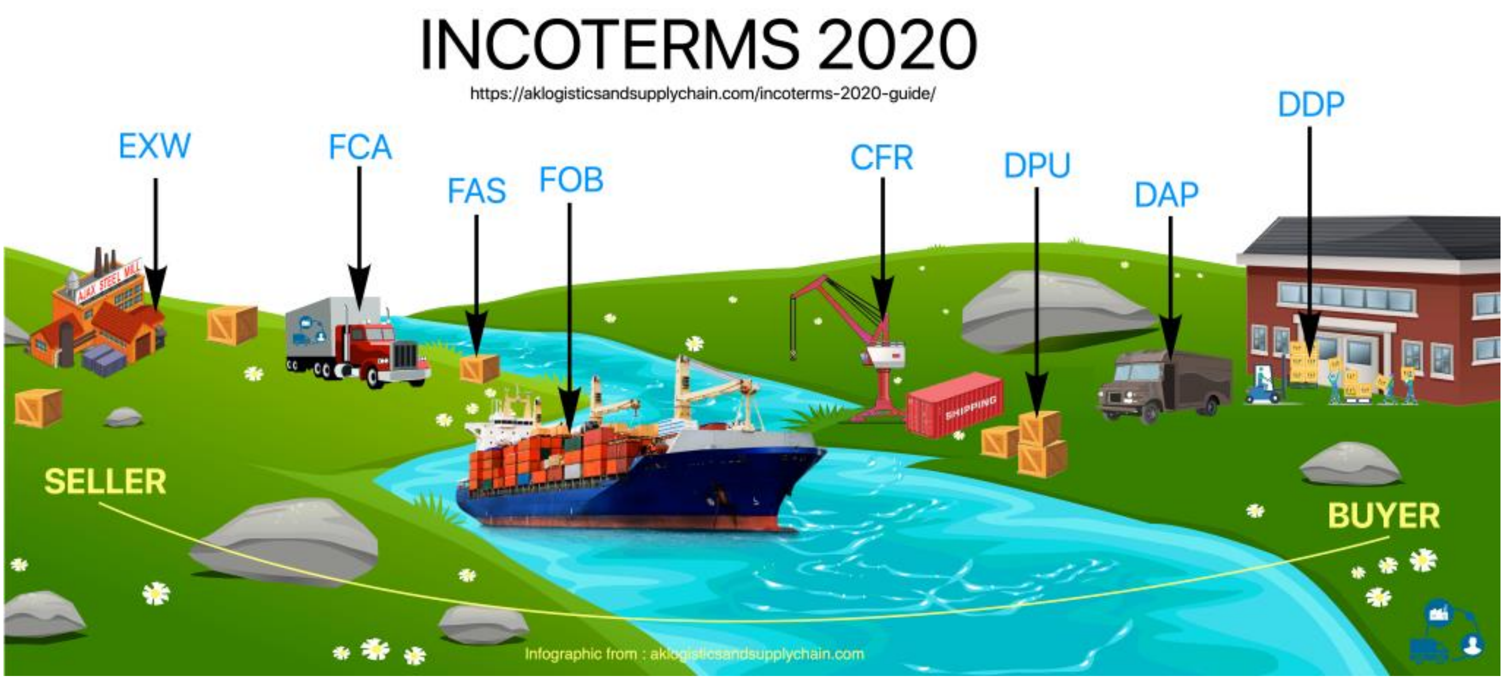
I – INCOTERMS:- Terminology of various terms commonly used worldwide for delivery and transportation of goods is grouped into four categories in the INCOTERMS-2000 as under:-

(a) "E" – Terms - Implies Ex-works, where under, the seller only makes the goods available to the buyer at the seller's own premises. The responsibility of providing the carrier is that of the buyer.

(b) "F" – Terms - FCA, FAS and FOB are various clauses of "F" terms under which the seller is called upon to deliver the goods to a carrier appointed by the buyer. The responsibility of providing the carrier is that of the buyer.

(c) "C" – Terms - CFR, CIF, CPT and CIP are various clauses of "C" terms under which the seller has to contract for carriage, but without assuming the risk of loss of or damage the goods or additional costs due to events occurring after shipment and dispatch.

(d) "D" – Terms - DAF, DES, DEQ, DDU and DDP are various clauses of "D" terms under which the seller has to bear costs and risks needed to bring the goods to the placed of destination.



Incoterms® 2020 Rules Responsibility Quick Reference Guide

IncoDocs

	Freight Collect Terms				Freight Prepaid Terms						
Groups	Any Mode or Modes of Transport		Sea and Inland Waterway Transport				Any Mode or Modes of Transport				
Incoterm®	EXW Ex Works (Place)	FCA Free Carrier (Place)	FAS Free Alongside Ship (Port)	FOB Free On Board (Port)	CFR Cost and Freight (Port)	CIF Cost Insurance & Freight (Port)	CPT Carriage Paid To (Place)	CIP Carriage & Insurance Paid to (Place)	DAP Delivered at Place (Place)	DPU Delivered at Place Unloaded (Place)	DDP Delivered Duty Paid (Place)
Transfer of Risk	At Buyer's Disposal	On Buyer's Transport	Alongside Ship	On Board Vessel	On Board Vessel	On Board Vessel	At Carrier	At Carrier	At Named Place	At Named Place Unloaded	At Named Place
Obligations & Charges:											
Export Packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading Charges	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Delivery to Port/Place	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Duty, Taxes & Customs Clearance	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Terminal Charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading on Carriage	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Carriage Charges	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Insurance	Negotiable	Negotiable	Negotiable	Negotiable	Negotiable	*Seller	Negotiable	**Seller	Negotiable	Negotiable	Negotiable
Destination Terminal Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller
Delivery to Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Unloading at Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Buyer
Import Duty, Taxes & Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller

IncoDocs Create your Sales & Shipping Documents at www.incodocs.com

*CIF requires at least an insurance with the minimum cover of the Institute Cargo Clause (C) (Number of listed risks, subject to itemized exclusions)
**CIP now requires at least an insurance with the minimum cover of the Institute Cargo Clause (A) (All risk, subject to itemized exclusions)

1. Ex-works (EXW) – "Ex-Works" means that the seller delivers when he places the goods at the disposal of the buyer at the seller's premises or another named place (i.e. works, factory, warehouse, etc.) not cleared for export and not loaded on any collecting vehicle. This term thus represents the minimum obligation for the seller and the buyer has to bear all costs and risks involved in taking the goods from the seller's premises. However, if the parties wish the seller to be responsible for loading of the goods on departure and to bear the risks and all the costs of such loading, this should be made clear by adding explicit wording to this effect in the contract of sale. This term should not be used when the buyer cannot carry out the export formalities directly or indirectly. In such circumstances, the FCA terms should be used provided the seller agrees that he will load at his cost and risk.

2. Free Carrier (FCA) - "Free Carrier" means that the seller delivers the goods, cleared for export to the carrier nominated by the buyer at the named place. This term may be used irrespective of the mode of transport including multi-modal transport. "Carrier" means any person who in a contract of carriage undertakes to perform or to procure the performance of transport by rail, road, air, sea, inland waterway or by a combination of such modes. If the buyer nominates a person other than a carrier to receive the goods the seller is deemed to have fulfilled his obligation to deliver the goods when they are delivered to that person. 3. Free Alongside Ship (FAS) - "Free Alongside Ship" means that the seller delivers when the goods are placed alongside the vessel at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from that moment. The FAS terms requires the buyer to clear the goods for export. However, if parties wish the buyer to clear goods for export this should be made clear by adding explicit wording to this effect in contract of sale. This term can only be used for sea or inland waterway transport.

4. **Free on Board (FOB)** - "Free on Board" means that the seller delivers when the goods pass the ship's rail at the named port of shipment. This means that the buyer has to bear all costs and risks of loss of or damage to the goods from the point. The FOB terms requires the seller to clear the goods for export. This term can be used only for sea or inland waterway transport. If the parties do not intend to deliver the goods across the ship's rail, the FCA terms should be used.

5. **Cost and Freight (CFR / C&F)** - "Cost and Freight" means that the seller has delivered when the goods pass the ship's rail in the port of shipment. The seller must pay the cost and freight necessary to bring the goods to the named port of destination but the risk of loss of or damages to the goods or any additional costs due to events occurring after the time of delivery are transferred from the seller to the buyer. The CFR terms requires the seller to clear the goods for export. This term can be used only for sea and inland waterway transport.

6. **Cost, Insurance and Freight (CIF)** – "Cost, Insurance and Freight (CIF) means that the seller delivers when the goods pass the ship's rail in the port of shipment. The seller must pay the costs and freight necessary to bring the goods to the named port of destination. In case of CIF terms, the seller also has to procure marine insurance against the buyer's risk of loss of or damage to the goods during the carriage. Consequently, the seller contracts for insurance and pays the insurance premium. The CIF term requires the seller to clear the goods for export. This term can be used only for sea and inland waterway transport. If the parties do not intend to deliver the goods across the ship's rail the CIP term should be used.

7. **Carriage Paid To (CPT)** - "Carriage Paid to (CPT)" means that the seller delivers the goods to the carrier nominated by him but the seller must in addition pay the cost of carriage necessary to bring the goods to be named destination. This means that the buyer bears all risks and any other cost occurring after the goods have been so delivered. He CPT term requires the seller to clear the goods for export. The term may be used irrespective of the mode of transport including multi-modal transport.

8. **Carriage and Insurance Paid To (CIP)** - "Carriage and Insurance Paid To (CIP)" means that the seller delivers goods to the carrier nominated by him but the seller must in addition pay cost of carriage necessary to bring goods to be named destination. This means that the buyer bears all risks and any additional cost occurring after the goods have been so delivered. However in CIP, the seller also has to procure insurance against the buyer's risk of loss of or damages to the goods during the carriage. Consequently, the seller contracts for insurance and pays the insurance premium. The buyer should note that under the CIP term, the seller is required to obtain insurance only on minimum cover.

Should the buyer wish to have the protection of greater cover, he would either need to agree as much expressly with the seller or to make his own extra insurance arrangements. “Carrier” means any person who, in a contract of carriage, undertakes to perform or to procure the performance of transport by rail, roads, air, sea, inland waterway or by a combination of such modes. If subsequent carriers are used for the carriage to the agreed destination, the risk passes when the goods have been delivered to the first carrier. The CIP requires the seller to clear the goods for export. This term may be used irrespective of the mode of transport including multi-modal transport.

9. **Delivered at Frontier (DAF**) – “Delivered at Frontier” means that the seller delivers when the goods are at the disposal of the buyer on the arriving means of transport not unloaded, cleared for export, but not cleared for import at the named point and place at the frontier, but before the customs border of the adjoining country. However, if the parties wish, the seller to be responsible for the unloading of goods from the arriving means of transport and bear the risks for costs of unloading, this should be made clear by adding explicit wording to this effect in the contract of sale. This term should not be used irrespective of the mode of transport when goods are to be delivered at a land frontier.

10. **Delivered Ex-Ship (DES)** – “Delivered Ex-Ship” means that the seller fulfils his obligation to deliver when the goods have been made available to the buyer on board the ship un-cleared for import at the named port of destination. The seller has to bear all the costs land risk involved in bringing the goods to the named port of destination before discharging. If the parties wish, the seller to bear the costs and risks of discharging the goods, then the DEQ term should be used. The term can only be used only when the goods are to be delivered by sea or inland waters way transport on a vessel in the port of destination.

11. **Delivered Ex-Quay (Duty Paid) (DEQ)** – “Delivered Ex-Quay (Duty Paid)” means that the seller fulfils his obligation to deliver when he has made the goods available to the buyer on the quay (Wharf) at the named port of destination, cleared for importation. The seller has to bear all risks and costs including duties, taxes and other charges of delivering the goods thereto. This term should not be used if the seller is unable directly or indirectly to obtain the import license. If the parties wish the buyer to clear the goods for importation and pay the duty, the words “duty unpaid” should be used instead for “duty paid”.

II – GENERAL TERMS: Other terms for delivery and transportation of goods are;

1. **Free on Rail / Road (F.O.R on Destination)** – In case of FOR on destination the seller delivers the goods to the carrier nominated by him but the seller in addition pays the cost of carriage necessary to bring the goods to the named destination which is transporter’s godown nearest to the buyer in case of road transport & nearest railway station to the buyer in case of transport by rail. Under this term the buyer should confirm the extent of insurance cover provided by the seller. Should the buyer wish to have the protection of greater cover, he would either need to agree as much expressly with the seller or to make his own extra insurance arrangements.
2. **Free on Rail / Road (F.O.R on Dispatching Station)** – In this case the seller delivers the goods to the nominated carrier (Transporter’s godown in road transport & Railway station in rail mode) nearest

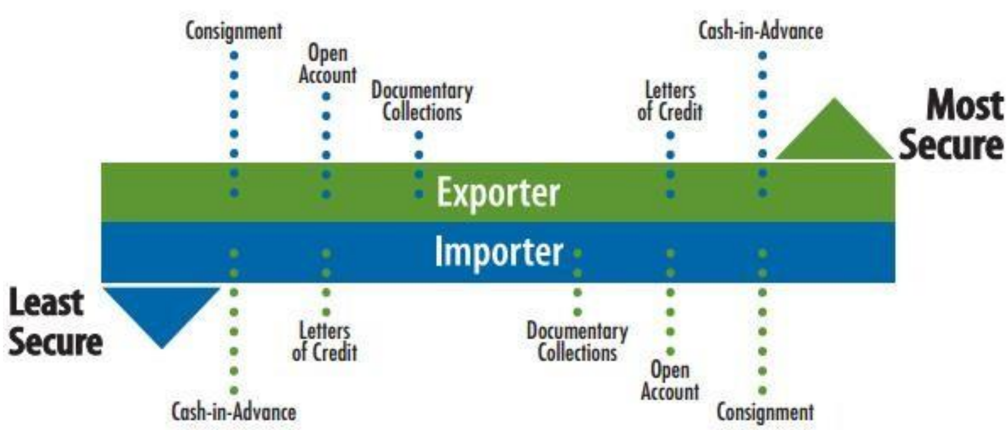
to the seller on freight to pay or freight pre-paid basis as agreed between the buyer & seller. This means that the buyer bears all risks and any other cost occurring after the goods have been so delivered.

3. **Door Delivery Basis -** In this case the seller delivers the goods in the store or other such place specified by the buyer with all charges towards freight, insurance, clearance etc duly paid by the seller such as dispatches by courier service etc.

Methods of Payment

To succeed in today's global marketplace and win sales against foreign competitors, exporters must offer their customers attractive sales terms supported by the appropriate payment methods. Because getting paid in full and on time is the ultimate goal for each export sale, an appropriate payment method must be chosen carefully to minimize the payment risk while also accommodating the needs of the buyer. As shown in figure 1, there are five primary methods of payment for international transactions. During or before contract negotiations, you should consider which method in the figure is mutually desirable for you and your customer.

Figure 1: Payment Risk Diagram



Key Points

- International trade presents a spectrum of risk, which causes uncertainty over the timing of payments between the exporter (seller) and importer (foreign buyer).

- For exporters, any sale is a gift until payment is received.
- Therefore, exporters want to receive payment as soon as possible, preferably as soon as an order is placed or before the goods are sent to the importer.
- For importers, any payment is a donation until the goods are received.
- Therefore, importers want to receive the goods as soon as possible but to delay payment as long as possible, preferably until after the goods are resold to generate enough income to pay the exporter.

Cash-in-Advance

With cash-in-advance payment terms, an exporter can avoid credit risk because payment is received before the ownership of the goods is transferred. For international sales, wire transfers and credit cards are the most commonly used cash-in-advance options available to exporters. With the advancement of the Internet, escrow services are becoming another cash-in-advance option for small export transactions. However, requiring payment in advance is the least attractive option for the buyer, because it creates unfavorable cash flow. Foreign buyers are also concerned that the goods may not be sent if payment is made in advance. Thus, exporters who insist on this payment method as their sole manner of doing business may lose to competitors who offer more attractive payment terms. Learn more about **Cash-in-Advance**.

Letters of Credit

Letters of credit (LCs) are one of the most secure instruments available to international traders. An LC is a commitment by a bank on behalf of the buyer that payment will be made to the exporter, provided that the terms and conditions stated in the LC have been met, as verified through the presentation of all required documents. The buyer establishes credit and pays his or her bank to render this service. An LC is useful when reliable credit information about a foreign buyer is difficult to obtain, but the exporter is satisfied with the creditworthiness of the buyer's foreign bank. An LC also protects the buyer since no payment obligation arises until the goods have been shipped as promised. Learn more about **Letters of Credit**.

Documentary Collections

A documentary collection (D/C) is a transaction whereby the exporter entrusts the collection of the payment for a sale to its bank (remitting bank), which sends the documents that its buyer needs to the importer's bank (collecting bank), with instructions to release the documents to the buyer for payment. Funds are received from the importer and remitted to the exporter through the banks involved in the collection in exchange for those documents. D/Cs involve using a draft that requires the importer to pay the face amount either at sight (document against payment) or on a specified date (document against acceptance). The collection letter gives instructions that specify the documents required for the transfer of title to the goods. Although banks do act as facilitators for their clients, D/Cs offer no verification process and limited recourse in the event of non-payment. D/Cs are generally less expensive than LCs. Learn more about **Documentary Collections**.

Open Account

An open account transaction is a sale where the goods are shipped and delivered before payment is due, which in international sales is typically in 30, 60 or 90 days. Obviously, this is one of the most advantageous options to the importer in terms of cash flow and cost, but it is consequently one of the highest risk options 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. Therefore, exporters who are reluctant to extend credit may lose a sale to their competitors. Exporters can offer competitive open account terms while substantially mitigating the risk of non-payment by using one or more of the appropriate trade finance techniques covered later in this Guide. When offering open account terms, the exporter can seek extra protection using export credit insurance.

Consignment

Consignment in international trade is a variation of open account in which payment is sent to the exporter only after the goods have been sold by the foreign distributor to the end customer. An international consignment transaction is based on a contractual arrangement in which the foreign distributor receives, manages, and sells the goods for the exporter who retains title to the goods until they are sold. Clearly, exporting on consignment is very risky as the exporter is not guaranteed any payment and its goods are in a foreign country in the hands of an independent distributor or agent. Consignment helps exporters become more competitive on the basis of better availability and faster delivery of goods. Selling on consignment can also help exporters reduce the direct costs of storing and managing inventory. The key to success in exporting on consignment is to partner with a reputable and trustworthy foreign distributor or a third-party logistics provider.
Appropriate insurance should be in place to cover consigned goods in transit or in possession of

foreign distributor as well as to mitigate the risk of non-payment.

UNIT-II: Product and Market Selection & Research, Verification of Buyers and Importance of Exhibition Visits and Identifying Buyers, Communication

Selection of Products for Exports for easy marketing

Selectivity is the key to success in all spheres of life including export market. An exporter may wish to deal in all kind of products and to sell them everywhere in the world. However, it is not possible for him to do so due to the wide expanse and demand variations in different markets of the world. Therefore, an exporter has to select proper product(s) and proper market (s) in order to operate at the international level.

3.2 Selection of Export Products:

An exporter has to consider the following factors while selecting product(s) for the export market:

(a) **Export Trends:** An exporter should analyse trends in export of different items to the overseas market(s) for proper selection of the product. Such information can be gathered from the following sources:

Monthly statistics of foreign trade of India.

Export Promotion Council (EPC) Bulletins.

Export Import Times.

The final selection of the product, however, depends upon one's own ability and experience relating to the product.

(b) **Supply Base:** Along with demand of product in the international market, it is also necessary to analyse its supply base in the domestic market. Most of the agricultural products defy this criterion as their supply depends upon a number of factors, which are based on nature. Seasonal commodities like onions, fruits or even sugar, wheat or rice have not proved to be good items for sustained export business. Even manufactured products may not have a good supply base due to factors like strike, power shortage, lockouts, transport problems, etc.

(c) **Production Capacity and Product Availability:** Sky is the limit for selling a product in international markets. Hence, a manufacturer exporter must consider his production capacity and a merchant exporter must take into consideration the availability of the product selected for export before entering into an export contract. If the production capacity or availability is limited, then the exporter should focus on smaller markets. However, if the product can be made available easily, a sustained export drive is worthwhile.

(d) **Product Adaptability:** Associated with the production capacity and availability is the possibility of adapting the product as per the requirements of the foreign markets. The needs and requirements of buyers differ from market to market and country to country. What sells well in one market may not sell at all in other markets. This calls for product adaptability. Product adaptability is not an easy task, as it requires large amount of investment in adjusting production process as per the needs of the different markets.

(e) **Servicing Facilities:** If the product selected for export is such that it requires servicing after sales, then the exporter should see to it that he can avail such T facilities to the overseas buyers. It is not always easy and within one's means s to open servicing centres abroad. At the same time, it is difficult to find a h distributor or agent having servicing facilities. If it is not possible for the exporters to provide such servicing facilities then the exporter should not venture to export such products.

(f) **Target Markets:** Selection of a product also depends upon the markets E which have been identified for sales abroad. All products may not have equally good markets everywhere. Therefore, selection of the product e. depends upon the market requirements. It is always better to concentrate on one or two markets at least to start with. One should study the target markets (E closely, with regard to market requirements in terms of product specification, (t continuity of demand, change in fashion, credit requirement, if any, etc.

(g) **Demand Stability:** Product(s) selected for selling whether overseas or in the (c domestic market should not only have stable but a rising demand. Seasonal (E products should be avoided unless the exporter has necessary infrastructure (f' for selling them. Products depending upon fashion trends, though comparatively H more profitable, may not always prove to be good for those exporters who T. cannot cope with such trends. Therefore, the exporter should select such products, which provide a large and stable market

(h) **Trade Restrictions:** While selecting product(s) for exports, it must be ensured that such product(s) should not be subject to the country's export (t Control regulations or import Control regulations of the concerned target (c markets. Although, export restrictions in all the Countries are minimum as (c there is a tendency to promote exports of all products, still there are a iv number of items where Controls do exist. Therefore, the exporter should try to avoid export of such product(s).

(i) **Profitability:** Last but not the least; Profitability is the prime objective of all marketing activities. The product selected for exports must fetch a fair profit (F to the exporter. Moreover, profitability should as far as Possible be direct, Le" arising from the sale price itself. Though export benefits like duty drawback, excise refund, etc., are necessarily to be taken into consideration while calculating the export price, it is always better if the product sells in the overseas markets even if such assistance is not available.

Sources of Product Ideas

New product ideas come from many sources. Limiting the search for new product ideas to internal research and development activities is far too narrow an approach for most companies.

Sources of new product ideas include company employees, customers, competitors, outside inventors, acquisitions, and channel members. Both solicited and spontaneous ideas may emerge from the sources, and some even occur by accident.

Procter & Gamble's Ivory soap was a result of an accident. Manufacturing over-mixed the ingredients in the manufacturing process creating air bubbles in the soap, causing it to float. Customers love it!

The essential issue that management must face is how to establish a program for generating and evaluating ideas that will meet the needs of the company. Several questions must be answered in developing such a program:

- Should ideas searches be targeted or open-ended?
- Should the search for new product ideas be restricted to those ideas that correspond to the mission, target market, and the company's strategy?
- How extensive and aggressive should the company idea search activities be?
- Should search being an active or passive function within the firm?
- Where will responsibilities for new product ideas search be placed
- How will new product planning activities be directed and coordinated?

My research findings indicate that financial performance is higher for high-technology companies that have proven competence in their products.

Companies that focus on their product strategy perform much better over a long time span than those that did not. These findings came from a study of 246 products across 26 small and medium- sized companies.

For most companies, the idea search program should be aligned with the corporate mission and objectives.

While some far-out new product ideas may change the future of a company, more often, open- ended ideas search the disparates resources and misdirected efforts.

It is impossible to generalize about the other three questions since they depend on many factors. Factors like size and type of company, technologies involved, new product needs, resources, management preferences, and corporate capabilities. Top management should develop a plan for idea generation that will satisfy the company's requirements.

Many new product ideas start with customers, particularly ideas for industrial products.

The use of a lead user analysis offers promising potential for the development of new industrial products. Lead users are those companies whose existing needs and requirements anticipate marketplace needs.

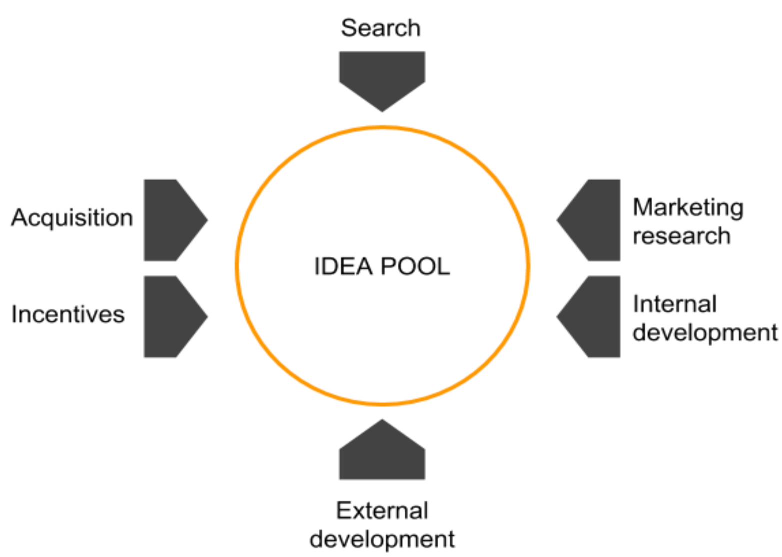
The approach is to try to identify these market leaders and analyze their needs to improve the productivity of new product development and product markets that change rapidly.

The objective is to satisfy the lead user's needs, thus accelerating new product planning. Both industrial and consumer buyers are useful sources of new product ideas.

Methods of Generating Ideas

Several alternatives for generating ideas are shown in Exhibit 1. Typically a company uses more than one of these options.

Exhibit 1 Methods of Generating New Product Ideas



Search for new product ideas

Systematic monitoring of various information sources may be helpful in identifying new product ideas. New product idea publications and online sources are available from companies that wish to sell or license and ideas they do not wish to commercialize.

New technology information is available through computerized search services. New sources may also yield information about the new product activity of competitors.

Many trade publications contain new product announcements. Marketing management must identify the relevant search areas and assign responsibility for a search to an individual or group.

Selection of Export Markets

One of the most important decisions in international marketing is market selection. The global market, made up of well over 200 independent nations with their own distinctive characteristics, is very vast. It would be very difficult for a company to operate in all these markets. There are barriers, which make entry to a number of markets impossible or very difficult. There may be markets, which are not profitable or may be very risky due to political or other reasons. Moreover, the company resources may not permit the operation in a large number of countries.

The factors to be taken into account in export market selection process are:

(a) **Political Embargo:** The countries to which there is a political embargo on exports should be straight away excluded from the list of potential markets. For example, there are restrictions on export of certain items from India to certain countries. Similarly, there are countries, which do not allow import of certain items from certain countries of the world.

(b) **Special Requirements:** Every market has a special requirement in terms of product specifications, quality and a different price edge. The very fact that a product has found a niche in some market does not necessarily mean that the same niche exists in the other market of the world or that the attitudes affecting buying decisions are similar all over the world.

(c) **Product Specification:** Product specifications differ from market to market. For example, many countries require electrical goods with 110 voltage current as against 220 voltage in India. An exporter should avoid exporting to such market, where product specification is different from the national ones. This is because the cost of product adaptation may be very high.

(d) **Distant Location:** Markets which are comparatively at a longer distance and for which regular shipping services are mot available, not only make adherence to delivery schedules more difficult, but also render the goods uncompetitive on account of higher incidence of freight. Hence, while selecting markets, long distance markets should be avoided.

(e) **Market Accessibility:** Certain markets are comparatively less accessible due to import regulations and quota restrictions. Similarly, Indian products may not receive preferential treatment under the MFN clause or there may be restrictions on remittances and convertibility of currency in some countries. All such markets should be avoided as they render marketing uncompetitive.

(f) **Business Community:** In several countries, the business community mainly comprises of Indians, Pakistanis, Sri Lankans, Bangla Deshis, etc. Such people are more familiar with the trade practices in India and thereby more receptive to our goods. It also helps in breaking the communication barriers. Hence, it is better to exploit such markets for initial exploration.

(g) **Preferential Treatment:** While accessibility to certain markets is difficult, there are a few countries which accord preferential treatment to the products from developing countries. For example, EU, Australia, USA, etc., have instituted the scheme of Generalised System of Preferences (GSP) for imports from developing countries. Such markets may be selected for immediate exploitation for export.

International market selection

Once you have carried out a preliminary analysis of your company, the next step towards internationalization is to choose the market(s) you want to focus on.

Selecting the right markets and learning how to reach out to them could determine the viability of your expansion strategy. These markets will shape your international development, business planning and growth potential.

This article will address:

- strategies for selecting international markets
- the main criteria for international market selection
- bodies with information for market selection analysis
-

Strategies for selecting international markets

Before you try to identify your target market, think of a number of suitable markets where your

product could work – then think about how you could serve each one.
No strategy is universally correct – it all depends on the type of business you are in and its marketing environment. Base your strategy on the resources available and the lifecycle phase your product has reached. A wide variety of factors will determine your choice of strategy.

Market concentration

Focus on a few select markets. This strategy will help you consolidate your company's presence in these markets, with the aim of securing constant sales growth.
Advantages:

- you will gain in-depth knowledge of each market and can design or adapt your products to match
- costs are reduced across logistics, management and operations management
- you can dedicate more resources to market promotion
- you gain increased risk control of your international activities

Factors favouring concentration:

- international demand is concentrated on a small number of markets with stable performance
- the market has several potential customers
- your product has a long lifecycle
- there is strong competition
- your company is small with limited resources
- your product needs to be adapted to suit particular market tastes
- the market requires large promotional or communication-channel investment
- there are reduced logistics costs, management and sales monitoring

Market diversification

Introduce your product to as many markets as possible – perhaps with small shares in the majority of your markets.
Advantages:

- possibility for rapid sales growth
- you could sell at different prices and take advantage of the fluctuations in exchange rates
- risk diversification

Factors favoring diversification:

- the global demand for your product or service is spread out across many markets with irregular behaviour
- there is a reduced number of potential customers in the market
- your product has a long lifecycle
- your competitive environment is stable and divided among fewer companies

- your company is large with abundant resources
- your product or service is standardised in all markets
- only limited promotional investment is needed to generate sales
- logistics management and sales monitoring comes at a high cost
-

The main criteria for selecting international markets

We recommend conducting an initial global market selection process using the following criteria:

Environment and market analysis

Put together a short list of countries that present a good concentration or potential concentration of your target market.

Analyse the variables for each country:

- **GDP growth** – including the country's growth prospects for infrastructure and the demand for tourism products
- **country risk** – including political or social unrest, insecurity and currency devaluations
- **political factors** – including the degree of political intervention in business decisions, political and social stability, and possible alliances or trade agreements with your country of origin
- **other factors** – including geographic proximity, and the similarity to your source market in terms of business and social culture

In this first stage of pre-selection, consider countries that interest you or have good market potential. Next, rank the countries in order of:

- **market appeal** – including the demand for your product and the risks associated with it
- **possible operational difficulties** – including market legislation, state-level protectionism, the ease of doing business, procedures for starting a business, taxes, administrative costs, and the intensity of local competition

Analysis of the competition

To analyse competition in your market:

- identify your main competitors and describe them
- analyse their economic evolution and sales over the last 3 years
- detect their distinguishing factors – including prices, channels, market maturity, financial position, development potential and plans and/or expansion strategies

Distribution channels

Your choice of distribution channel will determine how your company expands in the market.

Track the supply chain of your product, from its origins to its final customer. Develop a clear idea of the intermediate operators and their prices. Analyse the existing sales structure in the country and how this could be adapted to your product or service.

There are a number of possible distribution channels:

- international distribution from your own market
- a local distributor in the target market
- your own commercial agent
- the internet
- a subsidiary or delegated company
- the creation of a joint venture with a local partner

Demand analysis

You will need to analyse the current and potential demand of your product in its source market, as well as its profile and expected evolution. This information should confirm that your pre-selection process was successful and that your chosen markets are suitable for your product.

You will learn how best to design your subsequent marketing strategy based on price, presentation, promotion, distribution and so on. We recommend that this initial analysis is backed-up by further research in the market itself or through intermediaries. This will help you assess whether your initial analysis was correct.

Trade shows and exhibitions

INTRODUCTION: Trade shows and exhibitions are designed to bring together individuals associated with a common business or activity for the purpose of reviewing, demonstrating, marketing and selling materials and products related to their common interest. In this Unit we will discuss what trade fairs and exhibitions are all about. We will examine the various players and their roles in trade shows. The Unit also addresses the management and marketing aspects of the trade fairs. Finally, the Unit discusses the economic implications of these and mentions how globalisation will affect the trade fair industry.

PURPOSE OF TRADE SHOWS FAIRS The primary purpose of a trade show is to provide an opportunity for the exchange of information between companies and potential clients. Trade fairs are more and more being recognized as a major segment of a company's marketing mix. Trade shows present the state of the art for an industry to both, the exhibitors and the attendees. Exhibitors not only sell or promote but they can also compare their products to that of their competitors. Similarly, the attendees can closely examine the products to get the best deal. For example, in US the annual meeting of the National Restaurant Association, besides the attendees and delegates, attracts manufacturers and distributors of items that are of particular interest to the former. According to D.G. Ruthford (Overview of the Conventions, Expositions and Meetings Industry: A Major Hotel Market, 1994) "the 1800 exhibitors at the NRA trade show accomplish major portions of their marketing objectives by participation in the trade show, which in essence is a very carefully managed and orchestrated artificial market place for buyers and sellers to interact". This, in fact, demonstrates the relationship between a convention and trade shows. Both, the manufacturers/distributors (vendors) and customers thus get a unique opportunity.

To interact, sell, buy or promote the products. H.N. Tongren and J.P. Thompson (1981) identified three **types of tradeshows** on the basis of this purposes:

1. **Industrial shows** that are used by manufacturers to exhibit their products; demonstrating new products; educating the buyers about their products; etc.
2. **Trade shows** where sellers contact all types of buyers who are members of the trade.
3. **Professional or Scientific Exhibitions** which are usually adjunct to the meetings of specialized organizations.

All these may or may not be open to the general public at large but will cater to all those who have a specific and demonstrative relationship to the event as either a member of the industry, trade association or professional society (Ruthford, 1994). In fact, exhibit presentations at the large scale that are open to public in general are termed as consumer shows or exhibitions. These are held in big places (like Pragati Maidan in New Delhi) with an entrance fee. They are centred around a theme like book fair, industrial goods fair, textiles exhibitions, home appliances fair, etc. The participation by the sellers can be at various levels like regional, national or international. Similarly, the timing can also be annual, once in four years, etc. Depending on the theme that may attract buyers which could be local, regional, national or international. For example, the international book fair organized by the Indian Trade Promotion Organisation attracts four types of buyers mentioned above.

Besides buying and selling another purpose of organizing large expositions is social welfare. Many governments, in order to fulfil their social welfare commitments, organize health shows, rural shows, etc.

All the above categories of trade shows have direct linkages with tourism and in many cases are organized as tourist attractions, not just for international tourists but domestic tourists also.

At some destinations they are scheduled in such manner that the tourist seasonality can be enhanced. Trade fairs and exhibitions are also ideal for introducing and testing new products thus allowing for feedback about the potential success of these products in the marketplace. These fairs, thus, not only serve as a part of the marketing mix but also act as a medium for research and development.

ECONOMIC IMPACT OF TRADE FAIRS

Trades fairs are an extremely lucrative business venture and also serve as a source of revenue for the show sponsors. In some cases the sponsors are able to make big profits.

Not only are trade shows profitable for the sponsoring organization, but they also provide revenue for the host city and all related business. For instance, revenue for a trade show begins with hall rental and includes the employment of all those involved in the setup and move-in of trade show. Carpenters, plumbers, electricians, florists, and drayage [that is the transfer of exhibit properties from point of arrival to exhibit site],companies are usually hired from within the host city, thus

increasing the employment opportunities within cities that host major trade shows.
Exhibitors also have an economic impact through their use of hotels for hosting their clients and using restaurants to entertain potential customers. Delegates add to the revenue by renting rooms from local hotels as well as spending money in restaurants and shops. Any time an exhibitor or delegate simply buys a local newspaper, catches a cab, or picks up a toothbrush from a store, the Host City benefits. Overall, the economic impact tradeshows have on a community is very significant and underscores the reasons for cities becoming involved in trade fair industry.
It must be noted here that a variety of facilities and infrastructure is created for trade fairs and these require capital investments. If the facilities create d thus remain under-utilised, a negative economic impact is also there. Hence, feasibility studies must also be conducted as regards repayment of capital investment through the income generated.

CREATING AND DESIGNING TRADE FAIRS The procedure by which a trade fair or an exhibition is created and implemented varies as per the objectives. The most important person in the creation of the trade fair is the show organizer or manager. Then there are other people like the contractor, etc. who play a very important role in the successful handling of the event or the exhibition or the fair. Let us see what are their responsibilities.

Trade Show Manager

The show manager, exhibition manager or event manager is an employee of an association or an event management company. Her or she can also be a private entrepreneur, who performs tasks such as conceptualisation and development of shows, their sales, marketing, advertising, and promotion to qualified attendees.
The show manager's job is concerned with the infinite details of selling the fair, moving the fair, setting up the show, executing the event, and moving the show of the convention or trade show facility. (Rutherford, D. G. 1990, Introduction to the Conventions, Expositions and Meetings Industry) Sometimes a show manager develops a new idea for a potential trade show, books a facility to host it, and then sells the show to potential exhibitors. The show manager's top priority has traditionally been to sell the floor space to exhibitors. E. A. Chapman, (Expositions Work, 1989), in his work mentions that in fact, show managers could be considered "real estate people who rent an exhibition hall". There is a tremendous amount of behind the scene work included in show manager's job. They are responsible for marketing the show to potential exhibitors, selecting the show site, making hotel arrangements, developing educational programmes, arranging for pre-show and/or post- show activities, and overseeing all logistical planning. In any case, one of the manager's first priorities is to recruit potential exhibitors. In order to do this, show managers send out a show prospectus to potential exhibitors. A good prospectus will include the dates and location of the show, past attendance figures, past exhibitors, floor rental prices, facilities, special features and other basic information. A potential exhibitor should be able to make an informed decision about participating in the show based on the prospectus. For example, the Tourism trade fair that takes place in Pragati Maidan every year invites travel agencies, airlines, tour operators, and hotels, etc. to put up stalls for

their promotion. In fact, even tourism teaching institutions participate in it.

After an exhibitor decides to take part in a show, communication between the exhibitor and the show manager begins and continues until the show ends. The producer keeps in constant communication with each exhibitor for months preceding the show. One of the first and most important pieces of communication the manager mails out is the exhibitor manual (or service kit), a packet containing "the rules of the exposition organizer and exposition hall, along with a set of contracts and promotional pieces". The exhibitor kit also includes information on payment expectations etc.

The show manager's job is made even more complicated by new demands on the position. As the tradeshow industry is evolving, show managers are being required to develop more expertise and to have experience in special areas. This means that in the near future there will be specialists for each kind of a fair.

Perhaps the most important part of a show organizer's job is to market the show to the intended attendee base. Without attendees, the show fails. The attendee base may be a fairly specific segment of the population or, in the case of consumer shows, it may be the general public. The manger must know how to reach the intended audience as well as oversee the logistics of ticket sales and registration. Most show attendee's register in advance, but some shows may allow people to walk into the facility, literally "off the street". The show manager must also evaluate the show and verify such facts as attendance and exhibition presence.

Exhibitors

According to the CLC Glossary (1986, p.16), an exhibitor is simply the "company or organization sponsoring (the) exhibit booth". Chapman (1987, p 254) further explains the responsibilities of the position: "Exhibitors rent space, purchase an exhibit, have it transported and set up, all in return for an opportunity to sell and are ultimately responsible for making a decision to participate at any show". For example as said before, at a tourism industry show, exhibiting companies might include travel agencies, tour operators, airlines, hotels, restaurants, business schools, and companies that produce specialty tourism products maybe even trekking material.

Ten Steps To Trade Fair Success

The following steps (as per the Trade Show Bureau, "Reaching Export Objectives Through International Trade Fairs." 1991) are crucial for show managers in planning a successful outcome for any trade show programme:

1) Secure management support.
2) Set specific and realistic objectives.
3) Do a market analysis and adequate research.
4) Select a specific trade show that coincides with your market targets.
5) Plan an adequate budget.
6) Develop pre-show promotion.

7) Create professional staff.
8) Learn how to sell and effectively negotiate during the exhibition.
9) Follow up trade show leads carefully and immediately.
10) Evaluate and measure the performance and results of a trade show.

How to find genuine buyers?

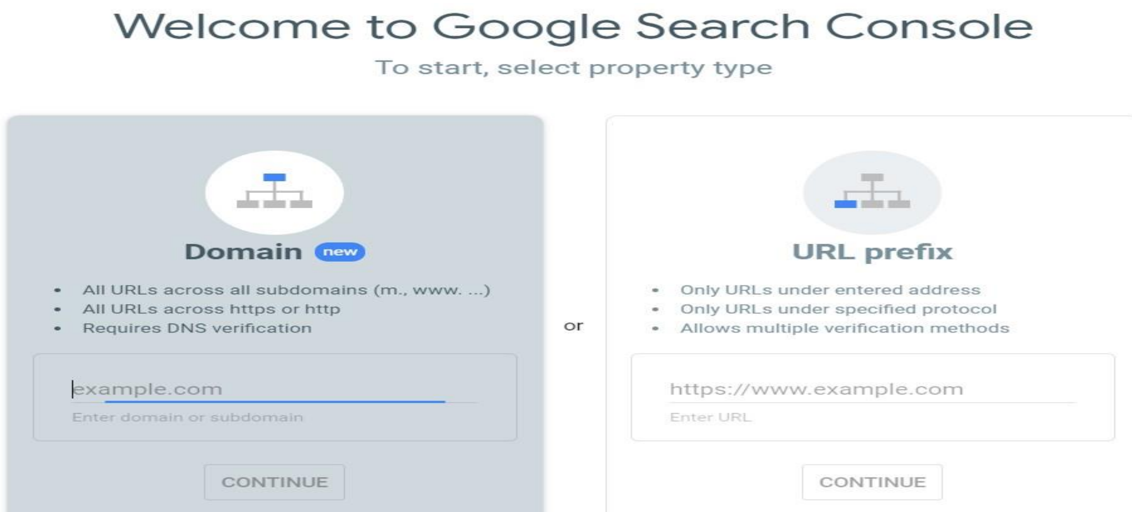
There's an umbrella of activities that you can take up under your efforts to find buyers of your export products online:

- You must build an attractive and professional website for your business. Investing in techniques like Search Engine Marketing will also take you and your product closer to the people who are looking for the same products in your target country. Search Engine Optimization will help your website pop up in relevant Google searches. You can also use tools like Google Ads (see Fig. 1 below) to discover the search queries that are likely to lead prospective buyers to your website/product.

- Another great idea is to optimize your website visibility using Google Search Console. Using the Console, you can not only manage your website's structure (Fig. 2 below), but also get deeper understanding of the kind of traffic you're getting on your domain. Over time, you can use this data to get a better understanding of whether your website is visible to your target buyer demographic or not and optimize it accordingly.

Google Search Console

- You should also consider developing a social media strategy to reach out to your global customer base. Platforms like YouTube, Twitter, Facebook, Instagram, LinkedIn, Reddit, Pinterest, Quora, etc. are widely used to build a business's social media presence. Note, however, that all social media channels might not be a perfect fit for your business; clearly define the purpose of your social media presence and accordingly select a channel that best suits your buyer acquisition requirements.



A typical Facebook page of an Import/Export business interactive group

- Apart from social media, another great way to gain online visibility is to sign up on Business-to-Business (B2B) websites and buyer-seller platforms like Alibaba, DHGate, Indiamart, Global Sources, Made in China, etc. Make sure you link to your website in your profiles in these platforms, as they will not only help you sell your product directly but are also a great way to gain visibility with buyers.
  An example of an Indian exporter's profile on Alibaba

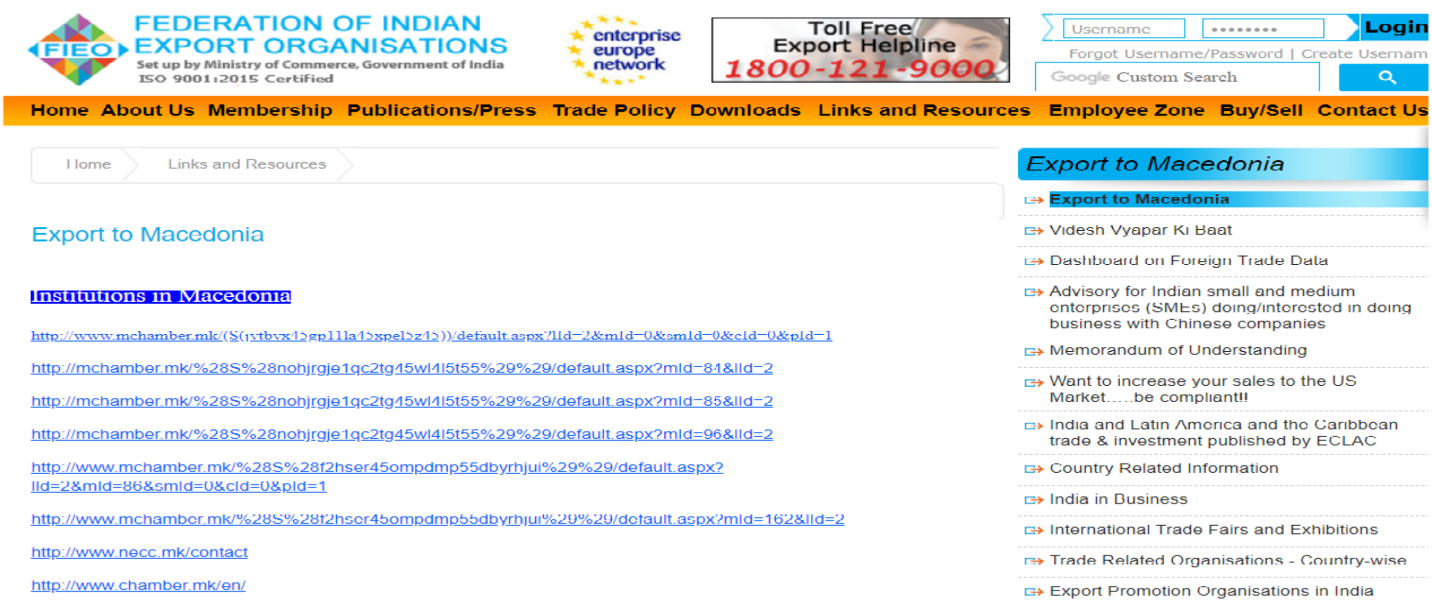
Whatever online solution(s) you choose, make sure you regularly moderate and manage your profile and curate content on it so that prospective buyers find it reliable and useful to reach out to you.

Trade fairs and exhibitions

Trade fairs and exhibitions are a more direct platform where Indian exporters, small and big, get the opportunity to meet and interact with visiting international buyers as well as export-import companies. Apart from such events organized in India, you can also participate in fairs and exhibitions held by various trade organizations across the world. These fairs can be general or specific to an industry.

These events see buyers, sellers and other stakeholders of the trade ecosystem come under a common room in large numbers and are the perfect venue for networking and outreach to potential customers. You can show demos/examples of your product, field questions, and even confirm orders at these events. Information about upcoming fairs and exhibitions is available with FIEO and your respective.

An example list of FIEO's events in Macedonia



FEDERATION OF INDIAN EXPORT ORGANISATIONS
Set up by Ministry of Commerce, Government of India
ISO 9001:2015 Certified

Toll Free Export Helpline 1800-121-9000

Home | About Us | Membership | Publications/Press | Trade Policy | Downloads | Links and Resources | Employee Zone | Buy/Sell | Contact Us

Home > Links and Resources

Export to Macedonia

Institutions in Macedonia

http://www.mchamber.mk/(S(jytbvx45gp1lla45xpel5z45))/default.aspx?lId=2&mId=0&smId=0&cId=0&pId=1

http://mchamber.mk/%28S%28nohjrgje1qc2tg45wl4l5t55%29%29/default.aspx?mId=84&lId=2

http://mchamber.mk/%28S%28nohjrgje1qc2tg45wl4l5t55%29%29/default.aspx?mId=85&lId=2

http://mchamber.mk/%28S%28nohjrgje1qc2tg45wl4l5t55%29%29/default.aspx?mId=96&lId=2

http://www.mchamber.mk/%28S%28f2hser45ompdmp55dbyrhjui%29%29/default.aspx?lId=2&mId=86&smId=0&cId=0&pId=1

http://www.mchamber.mk/%28S%28f2hser45ompdmp55dbyrhjui%29%29/default.aspx?mId=162&lId=2

http://www.necc.mk/contact

http://www.chamber.mk/en/

Export to Macedonia

- Export to Macedonia
- Videsh Vyapar Ki Baat
- Dashboard on Foreign Trade Data
- Advisory for Indian small and medium enterprises (SMEs) doing/interested in doing business with Chinese companies
- Memorandum of Understanding
- Want to increase your sales to the US Market.....be compliant!!
- India and Latin America and the Caribbean trade & investment published by ECLAC
- Country Related Information
- India in Business
- International Trade Fairs and Exhibitions
- Trade Related Organisations - Country-wise
- Export Promotion Organisations in India

Government bodies like Export Promotion Councils

Government bodies like Commodity Boards and Export Promotion Councils, and even Ministries, can be a great source of information when it comes to searching for buyers for export. These organisations are tasked with increasing the country's exports and helping exporters, and will be more than happy to provide details like names of potential buyers, venues where you can meet them, etc. You can also access trade information and statistics on export of various products in your sector, apart from information on existing buyers. As mentioned earlier, events and delegations organized by these bodies are the best way to meet prospective buyers and sign them on, so keep an eye out for upcoming events, and be sure to sign up for them!

An example of the kind of assistance available to exporters from the Apparel Export Promotion Council (AEPC)

Embassies

While not typically trade-centric establishments, embassies nevertheless can be a good source for trade-related information. India has embassies and consulates in many countries, with close to 200 diplomatic missions worldwide. They have access to local news and market trends, and you can approach them to ask for names of reliable buyers in that particular country in your sector. FIEO and your Export Promotion Council can also reach out to these missions on your behalf to seek information on buyers and pass it on to you. However, it must be noted that in all such cases, the onus of due diligence about the credibility of the buyer lies with the exporter and not the EPC or the embassies.

Third-Party Agencies

These can be of different forms, depending on the initiative taken:

- Foreign Agencies are state-sponsored or controlled agencies that deal with bulk purchases to meet their countries demands.
- Buying Agents can be bulk buyers looking to purchase from your country. You can learn about the presence of foreign buying agents in India through sources like embassies and export authorities.
- Foreign Wholesalers are middlemen who will eventually resell products imported from overseas in their own country. Like the name suggests, they tend to purchase in bulk quantities.
- Commission agents are foreign agents who enable contact between buyers and sellers and coordinate a deal between the two in exchange for a commission.
- You can also hire your own sales commission agent or employee to represent your business and product to buyers and finalize sale deals.

UNIT-III: Performa Invoice, LC, Pre and Post Shipment Documentation, GST Custom Clearance and Documents Practical

Often when potential importers are duly satisfied with the product, quality, sample sent for approval or lab analysis, packing, delivery schedule and prices acceptable. They request for a firm offer from the exporters.

It is a common for most exporters to provide their buyers with limited information when asked for a quotation. This lack of details and accurate information by exporters is probably a major factor why products with good quality and competitive prices do not get sold. Whether you are the exporter or the importer, it is quite critical that you understand how successful exporters quote buyers using pro forma invoice. You should be able to clearly distinguish the differences between quotation, Performa invoice and commercial invoice. The following brief descriptions are intended to help you understand their differences and to provide you with all the items that you should include in a Performa invoice plus the areas that you have to consider when completing a commercial invoice.

Quotations

A worksheet for calculating export costs to sell goods or services at a stated price and under specific conditions, the quotation is generally presented to the buyer in a formal way using a Performa invoice. A quotation may include all the contents that appear in a typical pro forma invoice except:

1. Country of origin of product and
2. the title Performa invoice.

Performa Invoice

A price quotation prepared in the form of an invoice, a Performa invoice, is different from commercial invoices. It is used to create a sale and is sent in advance of the commercial invoice. The content of a Performa invoice is almost identical to a commercial invoice and is usually considered a binding agreement although the price might change in advance of the final sale. For establishment of LC or for advance payment by the importer through his bank, usually banks prefer Performa invoice to a quotation.

In some countries, the US for example, Customs may accept a Performa invoice (generated by the US importer and not the exporter) if the required commercial invoice is not available at the time when filing entry documents (entry - the process of filing documents with US Customs at the port of entry to get goods released from Customs). U.S. Customs may use a pro forma invoice to assess duty and examine goods. The importer on record however, is required to post a bond and produce a commercial invoice within 120 days from the date of entry. If the required commercial invoice is needed for statistical purposes the importer has to produce the commercial invoice within 50 days from the date Customs releases the goods to the importer. Here are some reasons why pro forma invoices are widely used in international transactions: Considered as a binding

agreement between exporter and importer. May be required by some countries as part of their import licensing procedures. Bankers and financial institutions use pro forma invoices to open letters of credit, advance payments, etc., for importers.
Easily recognized due to their similarity to commercial invoices. Pro forma invoice format encourages exporters to include all the information that shall appear in the commercial invoice.

Remember that pro forma invoices are formal offers to sell. When the buyers agree with all the terms and conditions of the pro forma invoice the result is a purchase order sent by the buyer, which finally leads to a sales contract that is, if the buyer and the exporter agree to have a formal
sales contract. The pro forma and purchase order must be compared before goods are shipped to check for discrepancies. Should there be a discrepancy, the buyer should be promptly notified to correct any errors.

PROFORMA INVOICE

1

Seller
ABC Exports
4300 Longbeach Blvd
Longbeach, California, 90807
United States
+5627349957
Randy Clarke

ABC Exports

4

Pages
1 of 1

Invoice Number	Date
INV-3017	04 May 2020

Buyer Reference
B871

2

Buyer
Global Imports
410 Queen Street
Brisbane, Queensland, 4000
Australia
+61497336120
John Smith

Delivery Date
25 May 2020

3

Method of Dispatch	Type of Shipment
Sea	FCL
Port of Loading	**Port of Discharge**
Long Beach	Brisbane

Terms / Method of Payment
30% DEPOSIT, BALANCE UPON BILL OF LADING

5

Product Code	Description of Goods	Unit Quantity	Unit Type	Price	Amount
B-STOOL	BAR STOOL ALUMINIUM 500 X 100 X 100MM STAINLESS STEEL	1,450	EACH	19.80	28,710.00
B-TABLE	BAR TABLE ALUMINIUM 1000 X 600 X 400MM STAINLESS STEEL	450	EACH	32.00	14,400.00
	Total This Page	1,900			43,110.00
	Consignment Total	1,900			43,110.00

IncoDocs

4

Additional Information
LEAD TIME 21 DAYS FROM DEPOSIT PAYMENT

MOULD SETUP FEES 1,100.00

Invoice Total (Incoterms® 2020)
FOB LONG BEACH USD 44,210.00

6

Bank Details
BENEFICIARY'S BANK NAME: WESTPAC
BENEFICIARY'S NAME: ABC EXPORTS
BANK ACCOUNT NO: XXXXXXXXXXX
SWIFT CODE: XXXXXXX

7

Place and Date of Issue
LONG BEACH 04 May 2020

Signatory Company
ABC Exports

Name of Authorized Signatory
Randy Clarke

Signature

ABC EXPORTS PTY. LTD. The Common Seal Of A.C.N. 86124239

R Clarke

Powered By IncoDocs

1 – Seller's Details

This includes basic company contact information including company name, logo, address, phone numbers and personal contact details.

2 – Buyer's Details

This includes basic company contact information including company name, address, phone numbers and personal contact details.

3 – Shipping Details

Important shipping and logistics details are included to help buyers, sellers and logistics companies to correctly arrange the transportation of goods. Shipping details include:

- Method of Dispatch – Road, Rail, Air or Sea Freight
- Type of shipment – FCL, LCL, Breakbulk or other
- Port of Loading (POL)
- Port of Discharge (POD)
- Note – A Commercial Invoice will include Vessel/Aircraft name, Voyage number and Date of Departure, Country of Origin of goods & Country of final destination

4 – Reference Numbers & Additional Information

This section includes reference numbers, dates and additional information:

- Seller's Invoice number
- Date (when invoice is issued)
- Buyer's reference number (usually the buyer's Purchase Order number)
- Delivery date
- Terms/method of payment (the methods of payment and payment terms, i.e. 30% deposit, 70% balance)
- Additional details (usually lead times, vessel details or other order notes)

5 – Product Details

Seller's will add a detailed list of the products to be supplied. This includes important information such as:

- Product Code (unique product reference number)
- Description of goods
- Unit Quantity
- Unit Type
- Price (per unit type)
- Any additional fees or charges (usually mould, setup fees, transport costs or taxes)
- Incoterm® & Place – The selling term and place agreed between buyer and seller

- Currency of transaction

6 – Bank Details
The seller's detailed bank information. This usually includes:

Beneficiary Details

- Beneficiary Business Name
- Beneficiary Business Address

Payee Bank Details

- SWIFT Code (Bank ID). Each financial institution in the SWIFT network has a unique SWIFT code that is between 8 and 11 characters. This is known as a SWIFT ID or a bank identifier code (BIC). You can lookup a SWIFT/BIC Code here. **For example, to make a Bank of America wire transfer, the Bank of America SWIFT code is BOFAUS3N**
- Bank Location (Country)
- Bank Location (City)
- Bank Name
- Intermediary Bank Details (optional). If the seller uses an Intermediary bank to accept payments, the Intermediary bank details should also be included, i.e. SWIFT Code (Bank ID) Bank Location (Country), Bank Location (City), Bank Name.
- IBAN – International Bank Account Number

7 – Authorized Signature
To finalize the document, the seller can add their signatory details:

- Place of issue
- Date of issue
- Signatory Company
- Name of Authorized Signatory
- Digital Signature (using IncoDocs, sellers can draw or upload their digital signature)
- Digital Company Stamp (using IncoDocs, sellers can create or upload their digital company stamp or seal)

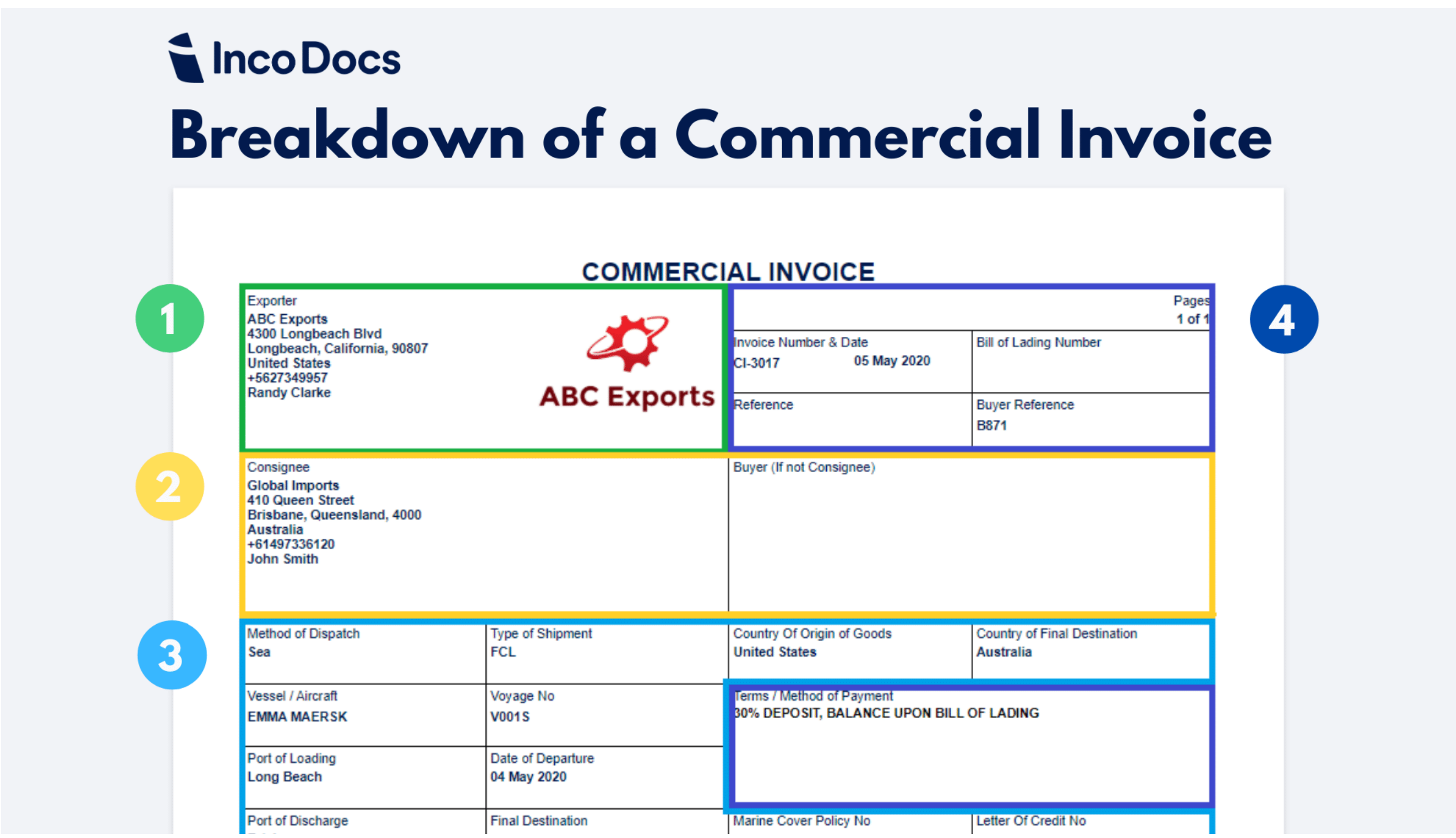
Commercial Invoice

Prepared after the sale takes place, the commercial invoice is the final bill from the exporter to the buyer that conforms in all respects to the agreement. It could have the exact terms of the pro forma invoice first offered, or it could differ in those terms that were the result of final negotiations. Commercial invoices are also used by governments to determine the true value of goods for assessing

Customs duties, examining goods and gathering statistics. Additionally, many countries use commercial invoices to control imports. It is critical for the exporter to check with the buyer the type of information that must be included in the commercial invoice in order to clear Customs in the buyer's country. Here are few key areas to consider when producing a commercial invoice.

Should be prepared in the manner customary to trade. Most countries require that a commercial invoice must be filed for each shipment. It must be original although some countries accept photo copies with a declaration by foreign suppliers, shippers or importers verifying that it is a true copy. When an invoice is not available some countries accept a pro forma invoice with information adequate to assess duty, examine goods and collect statistics.

Some countries may require a special Customs Invoice - US for example, waived Customs Invoices in March 1, 1982.



Common Invoicing Mistakes by Exporters

The following are a few of the many common invoicing mistakes that are often made by exporters. Any of the following mistakes may cause delay, crippling penalties or total seizure of products by Customs officials.

1. Under invoicing- Declaring less than the actual value of goods.
2. Vague descriptions.

3. Several distinct articles lumped as one.
4. Supplier does not show the discounted invoice at the net price.
5. Transportation and insurance charges not itemized separately (some countries do not assess duty on transportation and insurance charges).
6. Pertinent information missing and lines left blank.
7. Missing country of origin.
8. Invoices not signed by supplier or supplier's agent.
9. Calculation mistakes in words and figures.
10. Omission of royalties, commissions, packaging and other dutiable additions that make up market value.

Definition of Letter of Credit

An LC is a financial document provided by a third party (with no direct interest in the transaction), mostly a bank or a financial institution, that guarantees the payment of funds for goods and services to the seller once the seller submits the required documents. A letter of credit has three important elements – the beneficiary/seller who is the recipient of the LC, the buyer/applicant who buys the goods or services and the issuing bank that issues the LC on the buyer's request. At times, there is an involvement of another bank as an advising bank that advises the beneficiary.

Types of Letter of Credit

There are various types of letters of credit in trade transactions. Some of these are classified by their purpose. The following are the different types of letters of credit:

Commercial LC

A standard LC is also called a documentary credit. For more information click on Commercial LC

1. **Export/Import LC**

   The same LC becomes an export or import LC depending on who uses it. The exporter will term it as an exporter letter of credit whereas an importer will term it as an importer letter of credit. For more information click on Export/Import LC

2. **Transferable LC**

   A letter of credit that allows a beneficiary to further transfer all or a part of the payment to another supplier in the chain or any other beneficiary. This generally happens when the beneficiary is just an intermediary for the actual supplier. Such LC allows the beneficiary to provide its own documents but transfer the money further. For more information click on Transferable LC

3. **Un-transferable LC**

   A letter of credit that doesn't allow the transfer of money to any third parties. The beneficiary is the only recipient of the money and cannot further use the letter of credit to pay anyone.

4. **Revocable LC**

   An LC that issuing bank or the buyer can alter any time without any notification to the seller/beneficiary. Such types of letters are not in use frequently as the beneficiary is not provided any protection. For more information click on Revocable LC

5. **Irrevocable LC**

   An LC that does not allow the issuing bank to make any changes without the approval of all the parties.

6. **Standby LC**

   A letter of credit that assures the payment if the buyer does not pay. After fulfilling all the terms under SBLC, if the seller proves that the promised payment was not made. In this situation, the bank will pay to the seller. In a nutshell, it does not facilitate a transaction but guarantees the payment. It is quite similar to a bank guarantee. For more information click on Standby LC

7. **Confirmed LC**

   Which the seller or exporter acquires the guarantee of payment from a confirming bank (also called the second bank). This is primarily to avoid the risk of non-payment from the first bank. For more information click on Confirmed LC

8. **Unconfirmed LC**

   A letter of credit that is assured only by the issuing bank and does not need a guarantee from the second bank. Mostly the letters of credit are an unconfirmed letter of credit.

9. **Revolving LC**

   When a single LC is issued for covering multiple transactions in place of issuing separate LC for each transaction is called revolving LC. They can be further classified into Time Based (Could be Cumulative or Non-Cumulative) and Value-Based. For more information click on Revolving LC

10. **Back to Back LC**

    Back to back LC is an LC which commonly involves an intermediary in a transaction. There are two letters of credit, the first issued by the bank of the buyer to the intermediary and the second issued by the bank of an intermediary to the seller. For more information click on Back to Back LC

11. **Red Clause LC**

    A letter of credit that partially pays the beneficiary before the goods are shipped or the services are performed. The advance is paid against the written confirmation from the seller and the receipt. For more information click on Red clause LC

12. **Green Clause LC**

    An LC that pays advance to the seller is just not against the written undertaking and a receipt, but also a proof of warehousing the goods. For more information click on Green Clause LC

13. **Sight LC**

    A letter of credit that demands payment on the submission of the required documents. The bank reviews the documents and pays the beneficiary if the documents meet the conditions of the letter. For more information click on Sight LC

14. **Deferred Payment LC**

    An LC that ensures payment after a certain period. The bank may review the documents early but the payment to the beneficiary is made after the agreed-to time passes. It is also known as Usance LC. For more information click on Differed payment LC

15. Direct Pay LC

A letter of credit where the issuing bank directly pays the beneficiary and then asks the buyer to repay the amount. The beneficiary may not interact with the buyer.

POST SHIPMENT DOCUMENTS

A document that is signed by the shipowner or a representative to prove that the vessel or the carrier received the goods.

The functions of a Bill of Lading are as follows:

1. Receipt – It acts as a document of the receipt of the goods by the issuing body.
2. Contract – It outlines the shipping method that will be used for the cargo and acts as evidence of the contract of carriage with the carrier.
3. Title of goods – For a named consignee to take the delivery of the goods on the discharge port or on the final destination (depending on what has agreed on), they must surrender the original copy of a B/L.

Types of Bill of Ladings based on whether it is negotiable or non-negotiable

The main difference between the negotiable and non-negotiable Bill of Lading is the ability to change the consignee or cargo ownership. A negotiable Bill of Lading notifies the carrier to deliver the goods, depending on the endorsement of the shipper. A non-negotiable B/L defines the specific consignee and is non-transferrable.

1. **Straight Bill of Lading**

   This is a standard B/L, used if the shipment is going to a customer who has already paid a shipment. The shipment can only be received by the consignee and the bill and cannot be transferred.

2. **Order Bill of Lading**

   This is the type of shipment that is usually used for consignments. The consignee on the record is considered the owner of the cargo unless the consignee has transferred the title of the cargo ownership to another entity by endorsing the Bill of Lading.

3. **Charter Party Bill of Lading**

   This type of Bill of Lading is used when a shipper, or group of shippers, charter or rent a whole vessel to carry the cargo.

4. **Switch Party Bill of Lading**

This Bill of Lading is considered a duplicate. The consignee can request the carrier to switch the Bill of Lading when the consignee does not want to divulge the carrier information to the new consignee or buyer.

5. **Air Waybill**

This is a non-negotiable document that is only used for cargo that is transferred via air freight. Unlike an ocean's Bill of Lading, an Air Waybill does not act as a title of goods.

Types of Bill of Ladings based on the carrier's responsibility

1. **Ocean Bill of Lading**

This type allows the carrier to ship the goods domestically or internationally. The carrier's responsibility starts from the port of origin and typically ends at the port of discharge, stated in the document. This is also known as a port-to-port Bill of Lading.

2. **Inland Bill of Lading**

This document shows the information of the carrier transporting the cargo domestically either by road or rail.

3. **Direct Bill of Lading**

This is used if the carrier will be the same carrier who will handle the shipment to the final destination. The responsibility of the carrier in this case is from the receipt of the goods until it gets delivered to the final destination.

4. **Multimodal or Combined Transport Bill of Lading**

This B/L covers at least two modes of transport. An example is a combination of sea, rail, and road. The carrier can subcontract the other mode of shipment to other carriers.

5. **Through Bill of Lading**

This type of bill is very similar to combined transport or multimodal, where there are different legs of shipments. The only difference is that there is no change in the shipping mode (an ocean shipment will remain on the waters) on this Bill of Lading.

6. **Transshipment Bill of Lading**

If a carrier doesn't have a direct service between two ports, a carrier can transship the cargo to another port at the carrier's expense.

Samples -

Ocean Hosue Bill of Lading (HBL)

1

Shipper
GUANGZHOU[redacted]TRADING CO., LTD
[redacted]
GUANGZHOU,CHINA

2

Consignee:
[redacted]PANAMA
COLON FREE ZONE
TEL:(507)[redacted]

3

Notify Party:
[redacted]PANAMA
COLON FREE ZONE
TEL:(507)[redacted]

BILL OF LADING - ORIGINAL

4

Date of Issue	B/L Number
2018-05-08	AI 004

For delivery of goods please apply to:

5

Place of Receipt	Port of Loading
YANTIAN	YANTIAN
Ocean Vessel	**Voyage No.**
COSCO DEVELOPMENT	041E
Port of Discharge	**Final Destination**
COLON FREE ZONE	COLON FREE ZONE

Freight Payable at	Number of Original B/L
	3

6

Marks & Numbers Container & Seal Numbers	No. of Packages	Description of packages and Goods Particular Furnished by Shipper	Gross Weight Kilos	Measurement cbm
N/M	143 CARTONS	SHIPPER'S LOAD & COUNT & SEAL CFS/CFS GARMENTS	4,576.000	12.160
8308/CD1 0/40HQ/143CARTONS/4576KGS/12.16CBM			FREIGHT PREPAID SHIPPED ON BOARD 2018-05-05	
SAY TOTAL 143 CARTONS ONLY				

7

Freight & Charges	Prepaid	Collect

RECEIVED the goods or containers, vans, trailers, pallet units or other packages said to contain goods herein mentioned, in apparent good order and condition, except as otherwise indicated, to be transported, delivered or transhipped as provided herein. All of the provisions written, printed or stamped on either side hereof are part of this bill of lading contract.

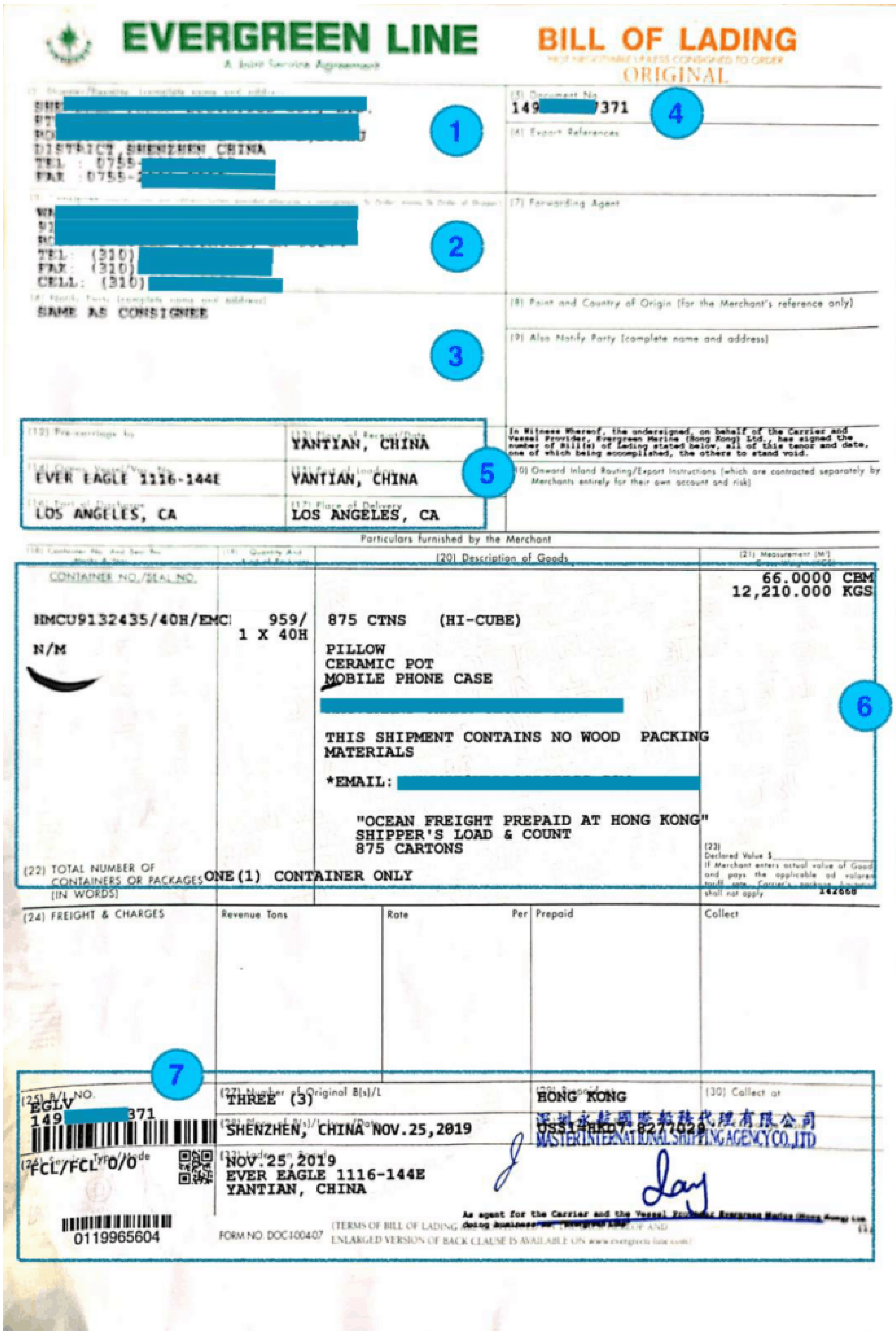
IN WITNESS WHEREOF the master or agent of said vessel has signed 3 (THREE) original bills of lading, all of the same tenor and date, ONE of which being accomplished, the others to stand void.

Declared cargo Value $.__________
If Merchant enters a value, Carrier's limitation of liability shall not apply and the ad valorem rate will be charged.

Stamp and Authorized Signature

NOT NEGOTIABLE UNLESS CONSIGNED "TO ORDER"

Ocean Master Bill of Lading (MBL)



EVERGREEN LINE
A Joint Service Agreement

BILL OF LADING
NOT NEGOTIABLE UNLESS CONSIGNED TO ORDER
ORIGINAL

(2) Shipper/Exporter (complete name and address)
[redacted]
DISTRICT, SHENZHEN CHINA
TEL : 0755-[redacted]
FAX : 0755-[redacted]

(3) Consignee (complete name and address)
[redacted]
TEL (310)[redacted]
FAX (310)[redacted]
CELL: (310)[redacted]

(4) Notify Party (complete name and address)
SAME AS CONSIGNEE

(5) Document No.
149[redacted]371

(6) Export References

(7) Forwarding Agent

(8) Point and Country of Origin (for the Merchant's reference only)

(9) Also Notify Party (complete name and address)

(12) Pre-carriage by	(13) Place of Receipt/Date
	YANTIAN, CHINA
(14) Ocean Vessel/Voy. No. EVER EAGLE 1116-144E	(15) Port of Loading YANTIAN, CHINA
(16) Port of Discharge LOS ANGELES, CA	(17) Place of Delivery LOS ANGELES, CA

In Witness Whereof, the undersigned, on behalf of the Carrier and Vessel Provider, Evergreen Marine (Hong Kong) Ltd., has signed the number of Bill(s) of Lading stated below, all of this tenor and date, one of which being accomplished, the others to stand void.

(10) Onward Inland Routing/Export Instructions (which are contracted separately by Merchants entirely for their own account and risk)

Particulars furnished by the Merchant

(18) Container No. And Seal No. Marks & Nos.	(19) Quantity And Kind of Packages	(20) Description of Goods	(21) Measurement (M³) Gross Weight (KGS)
CONTAINER NO./SEAL NO. HMCU9132435/40H/EMC	959/ 1 X 40H	875 CTNS (HI-CUBE) PILLOW CERAMIC POT MOBILE PHONE CASE [redacted] THIS SHIPMENT CONTAINS NO WOOD PACKING MATERIALS *EMAIL: [redacted] "OCEAN FREIGHT PREPAID AT HONG KONG" SHIPPER'S LOAD & COUNT 875 CARTONS	66.0000 CBM 12,210.000 KGS
N/M			

(22) TOTAL NUMBER OF CONTAINERS OR PACKAGES (IN WORDS) ONE (1) CONTAINER ONLY

(23) Declared Value $ — If Merchant enters actual value of Goods and pays the applicable ad valorem tariff rate, Carrier's package limitation shall not apply

(24) FREIGHT & CHARGES	Revenue Tons	Rate	Per	Prepaid	Collect

(25) B/L NO. EGLV 149[redacted]371

(26) Service Type/Mode FCL/FCL 0/0

(27) Number of Original B(s)/L THREE (3)

(28) Place of B(s)/L Issue/Date SHENZHEN, CHINA NOV.25,2019

(29) Prepaid at HONG KONG

(30) Collect at

(31) Laden on Board NOV.25,2019 EVER EAGLE 1116-144E YANTIAN, CHINA

深圳永航国际船务代理有限公司
SHENZHEN YONGHANG INTERNATIONAL SHIPPING AGENCY CO.,LTD

As agent for the Carrier and the Vessel Provider Evergreen Marine (Hong Kong) Ltd.

0119965604

FORM NO. DOC100407

TERMS OF BILL OF LADING ... ENLARGED VERSION OF BACK CLAUSE IS AVAILABLE ON www.evergreen-line.com

House Air Waybill (HAWB)

SHA

HAWB: AHE1 0002 4

Shipper's Name and Address	Exporter's Account Number 1	Not Negotiation **Air Waybill** Issued by Copise 1,2and 3 of this Air Waybill are originals and have the same validity
Consignee's Name and Adress	Consignee's Account Number 2	It is agreed that the goods described Herein are accepted in Apparent good order and condition (except as noted)for carriage SUBJECT TO THE CONDITIONS OF CONTRACT ON THE REVERSE HEREOF,THE SHIPPER'S ATTENTION IS DRAWN TO THE NOTICE CONCERNING CARRIERS LIMITATION OF LIABILITY. Shipper may increase such limitation of liability by declaring a higher value for carriage and paying a supplimental chargeif required.
Issuing Carrier's Agent Name Agent's IATA Code	Account No.	Notify partyFREIGHT PREPAID 3

Airport of Departure				Reference Number		Shipping Information					
To	By First Carrier	To	By	To	By	Currency USD	CHGS Code	WT/VAL PPD COLL V	Other PPD COLL V	Declared Value for Carriag NVD	Declared Value For Contoms N.C.V
Airport of Destination		Flight/Date				Amount of insurance		INSURANCE : If Carrier offers insurance,and such insurance is requested in accordance with the conditions thereof,indicate amount to be insured in figures in box marked Amount of insurance.			

Handling Information

5

No.of Pieces RCP	Gross Weight	kg lb	Rate Class Commodity Item No.	Chargeable Weight	Rate/Charge	Total	Nature and Quantity Goods (incl.Dimensions or Volume)
						AS ARRANGED AS ARRANGED	Description of Goods DIM: VOLUMN: 6

Prepaid	Weight Charge	Collect AS ARRANGED
	Valuation Charge	
	Tax	
	Total Other Charges Due Agent	
	Total Other Charges Due Carrier	
Total Prepaid		Total Collect AS ARRANGED
Currency Conversion Rates		CC Charges in Dest.Currency
For Carriers Use Only Of or Destination		Charges at Destination

Other Charges

Shipper certifies that the particulars on the face hereof are correct and that insofar as any part of the consignment contains restricted articles,such part is properly described by name and is in proper condition for carriage by air acording to the International Air Transport Association's Restricted Articles Regulations.

7

Signature of Shipper or his Agent

##

Executed on (Date) at (Place) Signature of Issuing Branch

HAWB:

1: Shipper	The Shipper section shows the information of the shipper which is usually either the freight forwarder or the factory, whoever is responsible for the customs documents in the origin country. Aside from the name and address, this section can also show the contact details of the shipper.
2: Consignee	The consignee is the one to whom the goods will be released upon arriving at the destination port and the one who is financially responsible for the receipt of shipment in a contract of carriage. The consignee can either be the actual owner of the cargo or a trading company, whoever is responsible for the import license.
3: Notify Party	The notifying party will be notified upon the arrival of the goods. This can be the same as the consignee or a different party, usually the buyer or the receiving party.
4: Bill of Lading tracking number	The tracking number and the date of the Bill of Lading/Air Waybill is shown under this section.
5: Voyage/ FlightDetails	The shipment information of the cargo are identified on this part of the Bill of Lading/Air Waybill. The place of receipt is where the cargoes were received by the issuer of the bill of lading/air waybill while the port of loading is the port where the vessel will load the cargoes from. The ship's (or flight) information is also identified under this section. This information can be used to track the location of the vessel. In the case of air shipment, only the flight schedules are available because the transit-only takes a day or less. Websites such as Vessel Finder can give the basic information as well as the recent port calls of the ship for free. Another information included on this part of the bill of lading/air waybill is where the vessel/plane will unload the cargoes on (Port of Discharge) and where the responsibility of the issuer of the Bill of Lading ends (Final Destination).

6: Cargo Details	The information under this section will identify the cargo details such as cargo description, gross weight and volume, and any notes with regards to the cargo that can easily identify the goods. In addition to that, this section also indicates the container number and seal no. Additional notes from the carrier upon the acceptance of goods can be placed under this box.
7: Contract Details	This section is where the document is signed-off by the issue for legality. It states the information on the freight charges (as needed), any amendments on the bill of lading details (changes on weight after a VGM [Verified Gross Mass] weighing, etc), and the negotiability of the document.

Indian Customs gears up for GST roll-out Guidance Note for Importers and Exporters

I. Introduction: The purpose of this guidance note is to bring clarity about the impact of GST, which would come into force with effect from 01.07.2017, for importers and exporters. On the imports side there would be no impact on levy of Basic Customs duty, Education Cess, Anti- dumping duty, Safeguard duty and the like. However, the Additional duties of Customs, which are in common parlance referred to as Countervailing Duty (CVD) and Special Additional duty of Customs (SAD), would be replaced with the levy of Integrated Goods and Services Tax (IGST), barring a few exceptions. On the exports side, export would be treated as zero-rated supply. Under zero-rated supply IGST paid on export goods or the input tax credit proportionate to the goods and services consumed in goods exported under bond /LUT would be refunded. A brief summary of the changes that would impact importers and exporters upon roll out of GST are encapsulated below:

Imports under GST

II. Duties at the time of import: In the GST regime, IGST and GST Compensation cess will be levied on imports by virtue of subsections (7) &(9) of Section 3 of the Customs Tariff Act, 1975. Barring a few commodities such as pan masala, certain petroleum products which attractlevy of CVD, majority of importswould attract levy of IGST. Further, a few products such as aerated waters, tobacco products, motor vehicles etc, would also attract levy of GST Compensation Cess, over and above IGST. IGST andGST Compensation cess, wherever applicable, would be levied on cargo that would arrive on or after 1st July, 2017. It may also be noted that IGST would also be levied on cargo which has arrived prior to 1st July but a bill of entry is filed on or after 1st July 2017.Similarly ex-bond bill of entry filed on or after 1 st July 2017 would attract IGSTand GST Compensation cess, as applicable. In the case where cargo arrival is after 1st July and an advance bill of entry was filed before 1st July along with the payment of duty, the bill of entry may be recalled and reassessed by the proper officer for levy of IGST and GST compensation Cess, as applicable.

Customs Duty - refers to the tax imposed on the goods when they are transported across the international borders. The objective behind levying customs duty is to safeguard each nation's economy, jobs, environment, residents, etc., by regulating the movement of goods, especially prohibited and restrictive goods, in and out of any country.

Types of custom duties

Customs duties are charged almost universally on every good which are imported into a country. These are divided into:

- Basic Customs Duty (BCD)
- Countervailing Duty (CVD)
- Additional Customs Duty or Special CVD
- Protective Duty,
- Anti-dumping Duty
- Education Cess on Custom Duty

IGST (Integrated Goods and Services Tax) - Under GST, IGST is a tax levied on all interstate supplies of goods and/or services or across two or more states/Union Territories. Further, IGST levy and collection will be governed by the IGST Act, 2017, as amended from time to time.

IGST will be applicable on any supply of goods and/or services in both cases of import into India and export from India.

- Exports would be zero-rated.
- Tax will be shared between the Central and State governments.

Example for IGST with calculation

Consider that a businessman M/s Rajesh Ltd from Chandigarh in India had sold goods to Anand Ltd from Dadra & Nagar Haveli & Daman & Diu in India worth Rs.1,00,000. The GST rate is 18% referring particularly to the 18% IGST. In such a case, the dealer has to charge Rs.18,000 as IGST. This IGST will go to the Centre, later split between the Centre and Dadra & Nagar Haveli & Daman & Diu (if this is ultimate consuming state).

GST Compensation Cess is levied by the Goods and Services Tax (Compensation to States) Act 2017. The object of levying this cess is to compensate the states for the loss of revenue arising due to the implementation of GST on 1st July 2017 for a period of five years or such period as recommended by the GST Council.

GST, being a consumption-based tax, would result in loss of revenue for manufacturing-heavy states.

Countervailing Duties (CVDs) are tariffs levied on imported goods to offset subsidies made to producers of these goods in the exporting country. CVDs are meant to level the playing field between domestic producers of a product and foreign producers of the same product who can afford to sell it at a lower price because of the subsidy they receive from their government.

A 4% **Special Additional Duty (SAD)** under section 3(5) of the Customs Tariff Act, 1975 was first imposed in the Union Budget 2005-2006 to counter balance various internal taxes like Sales Tax and Value Added Tax (VAT) and to provide a level playing field to indigenous goods which have to bear these taxes

Anti-dumping duty is a tariff imposed on imports manufactured in foreign countries that are priced below the fair market value of similar goods in the domestic market. The government imposes anti-dumping duty on foreign imports when it believes that the goods are being “dumped” – through the low pricing – in the domestic market. Anti-dumping duty is imposed to protect local businesses and markets from unfair competition by foreign imports.

Bill of Entry - a legal document that is filed by importers or customs clearance agents on or before the arrival of imported goods. It's submitted to the Customs department as a part of the customs clearance procedure. Once this is done, the importer will be able to claim ITC on the goods.

III. Duty Calculation:

IGST rate: IGST rates have been notified through notification 01/2017-Integrated Tax (Rate), dated 28-06-2017. IGST rate on any product can be ascertained by selecting the correct Sl. No. as per description of goods and tariff headings in the relevant schedules of the notification. Importers are advised to familiarize themselves with IGST and GST compensation cess rates, schedule and exemptions which are available on CBEC website. The Customs duty calculator would be made available on CBEC and ICEGATE website. There are seven rates prescribed for
IGST- Nil, 0.25%, 3% 5%, 12%, 18% and 28%. The actual rate applicable to an item would depend on its classification and would be specified in Schedules notified under section 5 of the IGST Act, 2017. The rates applicable to goods of Chapter 98 are as under:

• 9801- Project Imports- 18% • 9802- Laboratory Chemicals- 18%

- 9803- Passenger baggage – Nil Rate
- 9804- Specified Drugs and medicines for personal use- 5%
- 9804- Other drugs and medicines for personal use- 12%
- 9804- All other dutiable goods for personal use- 28%

Likewise, different rates of tax have been notified for goods attracting Compensation Cess which is leviable on 55 item descriptions (of supply). These rates are mostly ad valorem. But some also attract either specific rates (e.g. coal) or mixed rates (ad valorem + specific) as for cigarettes. The coverage of the goods under GST compensation cess is available on CBEC website along with their HSN codes and applicable cess rates. The IGST Rates of Goods, Chapter wise IGST rate, GST Compensation Cess rates, IGST Exemption/Concession are available on CBEC website for trade and departmental officers as well.

Valuation and method of calculation: IGST is leviable on the value of imported goods and for calculating integrated tax on any imported article, the value of such imported goods would be the aggregate of –

(i) the value of imported article determined under sub-section (1) of section 14 of the Customs Act, 1962 or the tariff value fixed under sub-section (2) of the that section and

(ii) any duty of Customs chargeable on that article under section 12 of the Customs Act, 1962 and any sum chargeable on that article under any law for the time being in force as an addition to, or as duty of Customs but does not include to the tax referred in the sub-section 7 (IGST) and sub- section 9 (Compensation Cess).

The value of the imported article for the purpose of levying GST Compensation cess shall be, assessable value plus Basic Customs Duty levied under the Act, and any sum chargeable on the goods under any law for the time being in force, as an addition to, and in the same manner as, a duty of customs. These would include education cess or higher education cess as well as anti- dumping and safeguard duties. The inclusion of anti-dumping duties and safeguard duty in the value for levy of IGST and Compensation Cess is an important change. These were not hitherto included in the value for the levy of additional duty of customs (CVD) or Special Additional Duty (SAD). The IGST paid shall not be added to the value for the purpose of calculating Compensation Cess. Although BCD, Education Cess and IGST would be applicable in majority of cases, however, for some products CVD, SAD or GST Compensation cess may also be applicable. For different scenarios the duty calculation process has been illustrated in Annexure - I of this document.

IV. Changes in import procedures:

Importer Exporter Code (IEC): In GST regime, GSTIN would be used for credit flow of IGST paid on import of goods. Therefore, GSTIN would be the key identifier. DGFT in its Trade Notice No. 09 dated 12.06.2017 has stated that PAN would be the Import Export code (IEC). However, while PAN is identifier at the entity level, GSTIN would be used as identifier at the transaction level for every import and export. Further, in scenarios where GSTIN is not applicable, UIN or PAN would be accepted as IEC. It is advised that all importers need to quote GSTIN in their Bills of Entry in addition to IEC. In due course of time IEC would be replaced by PAN / GSTIN. **Bill of Entry Regulations and Format**: To capture additional details in the Bill of entry such as GSTIN, IGST rate and amount, GST Compensation Cess and amount, the electronic as well as manual formats of Bill of entry including Courier Bill of entry are being amended. For the benefit of the trade, modified Forms have been hosted on the departmental website, www.cbec.gov.in. Further, suitable notifications shall be issued to amend the relevant regulations and introduce modified Forms. V. Import under Export Promotion Schemes and duty payment through EXIM scrips: Under the GST regime, Customs duties will be exempted on imports made under export promotion schemes namely EPCG, DEEC (Advance License) and DFIA. IGST and Compensation Cess will have to be paid on such imports. The EXIM scrips under the export incentive schemes of chapter 3 of FTP (for example MEIS and SEIS) can be utilised only for payment of Customs duties or additional duties of Customs, on items not covered by GST, at the time of import. The scrips cannot be utilized for payment of Integrated Tax and Compensation Cess. Similarly, scrips cannot be used for payment of CGST, SGST or IGST for domestic procurements.38 VI. EOUs and SEZ: EOUs/EHTPs/STPs will be allowed to import goods without payment of basic customs duty (BCD) as well additional duties leviable under Section 3 (1) and 3(5) of the Customs Tariff Act. GST would be leviable on the import of input goods or services or both used in the manufacture by EOUs which can be taken as input tax credit (ITC). This ITC can be utilized for payment of GST taxes payable on the goods cleared in the DTA or refund of unutilized ITC can be claimed under Section 54(3) of CGST Act. In the GST regime, clearance of goods in DTA will attract GST besides payment of amount equal to BCD exemption availed on inputs used in such finished goods. DTA clearances of goods, which are not under GST, would attract Central Excise duties as before. VII. Imports / Procurement by SEZs Authorised operations in connection with SEZs shall be exempted from payment of IGST. Hence, there is no change in operation of the SEZ scheme. VIII. Project Import: Currently for items imported under project import scheme (i.e. CTH 9801), unique heading under the Central Excise Tariff, for the purposes of levy of CVD does not exist. Therefore, under the Central

Excise Tariff, each item is getting classified in a heading as per its description and duty is paid on merit. In the GST regime, for the purpose of levying IGST all the imports under the project import scheme will be classified under heading 9801 and duty shall be levied @ 18%. IX. Baggage: Full exemption from IGST has been provided on passenger baggage. However, basic customs duty shall be leviable at the rate of 35% and education cess as applicable on the value which is in excess of the duty free allowances provided under the Baggage Rules, 2016. X. Refunds of SAD paid on imports: The need for SAD refunds arose mainly on account of the fact that traders or dealers of imported goods were unable to take credit of this duty (which was a Central tax) while discharging their VAT or Sales tax liability (which was State levy) on subsequent sale of the goods. Unless corrected through a mechanism such as refund (of one of the taxes) this would have resulted in “double” payment of tax. With the introduction of GST on 01.07.2017, credit of “eligible duties” in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock, is permissible to registered persons not liable to be registered under the existing law (for instance, VAT dealers) under transitional provisions (Section 140(3) of the CGST Act). Further, eligible duties as defined in sub-section (10) include SAD. In other words, dealers/ traders can take ITC of SAD paid on goods imported prior to 1 st July 2017. Sub-section (5) of section 140 also allows a registered person to take credit of eligible duties in respect of inputs received on or after 1 July 2017 but the duty on which has been paid under the existing law. These provisions taken together ensure that SAD paid by dealers/ traders can be set-off against their GST liability as and when imported goods are supplied by them in the domestic market. However, certain items which are out of the GST net would be eligible for SAD refunds as earlier. XI. Imports and Input Tax Credit (ITC): In GST regime, input tax credit of the integrated tax (IGST) and GST Compensation Cess shall be available to the importer and later to the recipients in the supply chain, however the credit of basic customs duty (BCD) would not be available. In order to avail ITC of IGST and GST Compensation Cess, an importer has to mandatorily declare GST Registration number (GSTIN) in the Bill of Entry. Provisional IDs issued by GSTN can be declared during the transition period. However, importers are advised to complete their registration process for GSTIN as ITC of IGST would be available based on GSTIN declared in the Bill of Entry. Input tax credit shall be availed by a registered person only if all the applicable particulars as prescribed in the Invoice Rules are contained in the said document, and the relevant information, as contained in the said document, is furnished in FORM GSTR-2 by such person. Customs EDI system would be interconnected with GSTN for validation of ITC. Further, Bill of Entry data in non-EDI locations would be digitized and used for validation of input tax credit provided by GSTN. Exports under GST XII. Drawback: No amendments have been made to the drawback provisions (Section 74 or Section 75) under Customs Act 1962 in the GST regime. Hence, the drawback scheme will continue in terms of both section 74 and section 75. Option of All Industry Rate (AIR) as well as Brand Rate under Section 75 shall also continue. Drawback under Section 74 will refund Customs duties as well as Integrated Tax and Compensation Cess paid on imported goods which are re-exported. At present Duty Drawback Scheme under

Section 75 neutralises Customs duty, Central excise duty and Service Tax chargeable on any imported materials or excisable materials used or taxable services used as input services in the manufacture of export goods. Under GST regime, Drawback under Section 75 shall be limited to Customs duties on imported inputs and Central Excise duty on items specified in Fourth Schedule to Central Excise Act 1944 (specified petroleum products, tobacco etc.) used as inputs or fuel for captive power generation. A transition period of three months is also being provided from date of implementation of GST i.e. 1.7.2017. During this period, existing duty drawback scheme under Section 75 shall continue. For exports during this period, exporters can claim higher rate of duty drawback (composite AIR) subject to conditions that no input tax credit of CGST/IGST is claimed, no refund of IGST paid on export goods is claimed and no CENVAT credit is carried forward. A declaration from exporter and certificate from jurisdictional GST officer in this regard has been prescribed in the notification related to AIRs. This will prevent double availement of neutralisation of input taxes. Similarly, the exporter can claim brand rate for Customs, Central Excise duties and Service Tax during this period. Exporters also have the option of claiming only the Customs portion of AIR and claim refund/ITC under GST laws. All Industry Rates for the transition period shall be notified before 1.7.2017. The AIR for post transition period shall be notified in due course of time. The certificates from jurisdictional GST officer as referred above may not be available during initial days. As per Systems design, whenever higher rate (composite rate) of drawback is claimed, the non-availment of credit certificate is a mandatory document and unless it is recorded as available, shipping bill will not move to LEO stage. In such a situation, all field formations shall ensure that exports are not delayed for requirement of the said certificate. The way out in such situation for the exporter is to amend the shipping bill to claim lower rate. The exporter will have an option to file supplementary claim as per Drawback Rules at a later date once the certificate is obtained. A similar issue in respect of Cenvat credit has been examined and clarified in the past vide Instruction no. 609/159/2016-DBK dated 13.03.2014. Secondly, it could be possible that export goods may be manufactured by using both Central Excise/Service Tax paid and CGST/IGST paid inputs and inputs services or only CGST/IGST paid inputs and inputs services. In such situation, an exporter opting to claim composite rate of duty drawback during transition period has to give specified declaration and produce certificates as stated above so that he does not claim double benefit. Exporter will have to reverse the ITC if any availed and also ensure that he does not claim refund of ITC/IGST. Requisite certificate from GST officer shall also be required to this effect. As mentioned earlier, exporters will also have option of claiming credit/refund of CGST/IGST and claim Customs rate drawback. XIII. Refund of IGST paid on exports and Export under Bond scheme: Under GST regime exports would be considered as zero-rated supply. Any person making zero rated supply (i.e. any exporter) shall be eligible to claim refund under either of the following options, namely: —

(a) he may supply goods or services or both under bond or Letter of Undertaking, subject to such conditions, safeguards and procedure as may be prescribed, without payment of integrated tax and claim refund of unutilised input tax credit; or

(b) he may supply goods or services or both, subject to such conditions, safeguards and procedure as may be prescribed, on payment of integrated tax and claim refund of such tax paid on goods or services or both supplied, in accordance with the provisions of section 54 (Refunds) of the Central Goods and Services Tax Act or the rules made there under (i.e Refund Rules 2017). For the option (a) procedure to file refund has been outlined in the Refund Rules under GST. The exporter claiming refund of IGST will file an application electronically through the Common Portal, either directly or through a Facilitation Centre notified by the GST Commissioner. The application shall be accompanied by documentary evidences as prescribed in the said rules. Application for refund shall be filed only after the export manifest or an export report, as the case may be, is delivered under section 41 of the Customs Act, 1962 in respect of such goods. For the option (b),the shipping bill filed by an exporter shall be deemed to be an application for refund of integrated tax paid on the goods exported out of India and such application shall be deemed to have been filed only when the person in charge of the conveyance carrying the export goods duly files an export manifest or an export report covering the number and the date of shipping bills or bills of export and the applicant has furnished a valid return.42 For both option (a) and (b) exporters have to provide details of GST invoice in the Shipping bill. ARE-1 which is being submitted presently shall be dispensed with except in respect of commodities to which provisions of Central Excise Act would continue to be applicable. XIV. Change in export Procedures: Electronic as well as manual Shipping Bill formats including Courier Shipping Bill are being amended to include GSTIN and IGST related information so as to ensure that the export benefits like refund of IGST paid as well as accumulated input tax credit can be processed seamlessly. For the benefit of the trade, modified Forms have been hosted on the departmental website, www.cbec.gov.in. Further, suitable notifications shall be issued to amend the relevant regulations and introduce modified Forms. XV. Export under factory stuffing procedures: In the context of GST, taking into account the obligation of filing GSTR1 and GSTR2 by exporters who are registered under GST, Board intends to simplify the procedure relating to factory stuffing hitherto carried out under the supervision of Central Excise officers. It is the endeavour of the Board to create a trust based environment where compliance in accordance with the extant laws is ensured by strengthening Risk Management System and Intelligence mechanism of the department. Suitable circular in this regard would be issued. Until then the extant instructions on the issue may be followed.

ECGC stands for Export Credit Guarantee Corporation. It's an organization that provides export credit insurance, export credit guarantees, and other export credit-related services to facilitate and promote international trade. Export credit insurance helps exporters protect themselves against the risk of non-payment by their foreign buyers. This type of insurance can cover commercial risks (such as bankruptcy of the buyer) and political risks (such as war, currency inconvertibility, or government actions). ECGC plays a crucial role in supporting exporters by mitigating the financial risks associated with international trade.

EEFC stands for Exchange Earners' Foreign Currency Account. It's a special type of bank account in India that allows foreign exchange earners to hold foreign currency earnings. These earnings could be from exports, commissions, consultancy fees, or any other permissible foreign exchange transactions. The account is maintained in foreign currency, typically in USD, GBP, EUR, etc., and can be used for various purposes, including payment for imports, foreign travel expenses, etc. The EEFC account helps exporters and other foreign exchange earners to retain their foreign currency earnings without converting them into Indian rupees immediately, thus providing flexibility in managing foreign exchange.

A forward contract, on the other hand, is a financial derivative contract between two parties to buy or sell an asset at a predetermined price at a specified future date. In the context of foreign exchange, a forward contract allows parties to lock in an exchange rate today for a transaction that will occur in the future. This is commonly used by exporters and importers to hedge against the risk of adverse currency movements. For example, an exporter might enter into a forward contract to sell foreign currency earnings at a specified exchange rate in the future, thus protecting themselves from potential losses due to unfavorable exchange rate movements. Similarly, importers can use forward contracts to fix the rate at which they will buy foreign currency in the future, mitigating the risk of currency appreciation.

Export incentives are government-initiated programs or policies designed to encourage and support exporters, thereby promoting international trade and boosting the economy. These incentives can take various forms, including financial assistance, tax benefits, subsidies, and support services. Here are some common types of export incentives:

1. **Export subsidies:** These are direct financial payments or incentives provided to exporters to lower their production costs or improve their competitiveness in foreign markets. Subsidies may cover areas such as transportation, marketing, or research and development.
2. **Duty drawback schemes**: Under these schemes, exporters receive a refund of duties or taxes paid on imported inputs used in the production of exported goods. This helps exporters reduce their production costs and remain competitive in global markets.

3. **Export credit and finance schemes**: Governments may offer special credit facilities or financing options to exporters, including low-interest loans, credit insurance, or guarantees to facilitate trade transactions and mitigate financial risks associated with exporting.
4. **Export promotion schemes:** These schemes aim to support exporters in marketing their products abroad and expanding their presence in international markets. They may include trade fairs, exhibitions, market research, advertising, and promotional campaigns.
5. **Export processing zones (EPZs) and special economic zones (SEZs):** Governments establish EPZs and SEZs with favorable tax and regulatory policies to attract foreign investment and promote exports. These zones offer incentives such as tax exemptions, duty-free imports, streamlined customs procedures, and infrastructure support to encourage manufacturing and export-oriented activities.
6. **Preferential trade agreements:** Governments negotiate preferential trade agreements with other countries to provide exporters with tariff concessions or preferential access to foreign markets. These agreements can enhance export competitiveness by reducing trade barriers and improving market access.
7. **Export finance and insurance:** Export credit agencies provide export finance and insurance services to exporters, helping them secure financing, manage credit risks, and fulfill export contracts. These services include export credit guarantees, export credit insurance, and export finance facilities.

Overall, export incentives play a vital role in stimulating export growth, fostering economic development, and enhancing the competitiveness of domestic industries in the global marketplace.

Preparing a quotation in foreign trade

It involves providing a detailed and comprehensive offer to a potential buyer outlining the terms and conditions of a proposed transaction. Here are the key steps to prepare a quotation in foreign trade:

Header: Begin with the name and address of your company, along with contact information such as phone number, email, and website. Include the date of the quotation.

Recipient Details: Include the name and address of the potential buyer or importing company.

Subject: Clearly state the subject of the quotation, such as "Quotation for [Product/Service]".

Introduction: Start with a brief introduction or greeting, expressing your interest in doing business with the recipient and thanking them for their inquiry or interest in your products/services.

Product/Service Details:

Provide a detailed description of the products or services being offered, including specifications, quantities, sizes, models, etc.

Mention any relevant standards or certifications that the products comply with.

If applicable, include information on packaging, labeling, and shipping requirements.

Price: Clearly state the unit price of each product or service offered, along with the total price for the specified quantity. Specify the currency (e.g., USD, EUR) and indicate whether the price is FOB (Free on Board), CIF (Cost, Insurance, and Freight), or other applicable incoterms.

Payment Terms: Outline the payment terms, including methods of payment accepted (e.g., letter of credit, wire transfer), payment deadlines, and any applicable discounts or penalties for early or late payment.

Delivery Terms: Specify the delivery terms, including the shipping method, estimated delivery time, and responsibilities of both the seller and the buyer regarding transportation, insurance, customs clearance, etc.

Validity Period: State the validity period of the quotation, i.e., the duration for which the prices and terms offered are valid. This helps prevent misunderstandings and allows for proper planning.

Additional Terms and Conditions: Include any additional terms and conditions relevant to the transaction, such as warranties, return policies, force majeure clauses, etc.

Closing: End the quotation with a courteous closing statement, expressing willingness to answer any questions or provide further assistance.

Attachments: If necessary, attach any supporting documents such as product catalogs, technical specifications, certificates of origin, etc.

Signature: Sign the quotation and include the name and position of the authorized representative of your company.

It's essential to ensure that the quotation is clear, accurate, and professionally presented to create a positive impression on the potential buyer and facilitate successful negotiations.

Product Portfolio

A product portfolio is the collection of all the products or services offered by a company, each with a different growth rate and market share.1 Product portfolio analysis can provide nuanced views on a stock type, company growth prospects, profit margin drivers, income contributions, market leadership, and operational risk. This is essential for investors conducting equity research or analysts supporting internal corporate financial planning.

B2B listing

A B2B listing, also known as a business-to-business listing, refers to an online directory or platform where businesses can create profiles and list their products or services for the purpose of connecting with other businesses. These listings typically focus on facilitating transactions, partnerships, and collaborations between businesses rather than targeting individual consumers.

In a B2B listing, businesses can create detailed profiles that include information such as company name, location, contact details, product or service offerings, certifications, industry expertise, and other relevant information. The listings serve as a virtual marketplace where businesses can showcase their offerings to potential buyers, suppliers, distributors, or partners within their industry or across different sectors. Creating a B2B listing for import-export businesses can be a strategic move to connect with potential partners, suppliers, and buyers across the globe. Here's a guide on how to create an effective B2B listing for import-export: 1. Choose the Right Platform: There are numerous B2B platforms available online where you can create listings. Choose platforms that are well-established, have a good reputation, and attract your target audience. Some popular options include Alibaba, Global Sources, TradeIndia, and TradeKey.

1. Create a Compelling Profile: Your profile should be informative and engaging. Include details about your company's background, products/services offered, target markets, certifications, and any other relevant information. Use professional language and make sure your profile is well-organized and easy to understand.

2. Highlight Your Unique Selling Points: What makes your import-export business stand out? Whether it's competitive pricing, high-quality products, excellent customer service, or fast delivery times, make sure to highlight your unique selling points in your listing.

3. Include High-Quality Visuals: Visuals play a crucial role in attracting potential partners and buyers. Include high-quality images and videos of your products or services to give potential partners a clear idea of what you offer.

4. Provide Detailed Product/Service Information: Be thorough in describing your products or services. Include specifications, features, pricing, minimum order quantities, shipping options, and any other relevant details. The more information you provide, the easier it will be for potential partners to make informed decisions.

5. Use Keywords: Optimize your listing with relevant keywords related to your industry, products, and services. This will help improve your visibility in search results and make it easier for potential partners to find you.

6. Maintain Accurate Contact Information: Make sure your contact information is up-to-date and easily accessible. Include multiple contact options such as email, phone number, and social media profiles to make it convenient for potential partners to reach out to you.

7. Regularly Update Your Listing: Keep your listing fresh and up-to-date by regularly updating it with new products, services, or any other relevant information. This shows potential partners that your business is active and engaged.

8. Engage with Potential Partners: Once your listing is live, actively engage with potential partners who reach out to you. Respond to inquiries promptly and professionally, and be proactive in building relationships with potential buyers, suppliers, and partners.

9. Monitor Performance and Adjust Strategy: Keep track of the performance of your B2B listing, such as the number of inquiries received, conversion rates, and overall ROI. Based on this data, adjust your strategy as needed to optimize your results.

By following these steps, you can create a highly effective B2B listing for your import-export business and effectively connect with potential partners and buyers around the world.

Online marketing

Online marketing for import-export businesses is crucial for reaching a global audience, expanding market reach, and generating leads. Here are some effective strategies:

1. **Professional Website**: Create a professional website that showcases your import-export business. Include information about your company, products/services, shipping options, contact details, and any relevant certifications or affiliations.

2. **Search Engine Optimization** (SEO): Optimize your website for search engines to improve visibility in search results. Research relevant keywords related to your industry, products, and target markets, and incorporate them into your website content, meta tags, and descriptions.

3. **Content Marketing**: Produce high-quality content that educates and engages your target audience. This can include blog posts, articles, whitepapers, case studies, and infographics related to import-export trends, trade regulations, market insights, or product showcases.

4. **Social Media Marketing**: Establish a strong presence on social media platforms such as LinkedIn, Twitter, Facebook, and Instagram. Share updates about your business, industry news, product announcements, and engaging content to attract followers and engage with potential customers.

5. **Email Marketing**: Build an email list of prospects, customers, and industry contacts, and send out regular newsletters or promotional emails. Provide valuable content, exclusive offers, and updates about your products/services to keep subscribers engaged and encourage repeat business.

6. **Online Advertising**: Invest in online advertising channels such as Google Ads, social media ads, and sponsored content to increase brand awareness and drive targeted traffic to your website. Use targeting options to reach specific demographics, interests, or geographic locations.

7. **Trade Directories and B2B Marketplaces:** List your business on reputable trade directories and B2B marketplaces such as Alibaba, Global Sources, and TradeIndia. These platforms attract international buyers and provide exposure to a wider audience of potential customers.

8. **Partnerships and Networking**: Forge partnerships with other businesses, industry associations, chambers of commerce, or trade organizations to expand your network and gain access to new markets or opportunities. Attend trade shows, conferences, and networking events to connect with potential partners and customers in person.

9. **Customer Reviews and Testimonials**: Encourage satisfied customers to leave reviews and testimonials about their experience with your business. Display these reviews prominently on your website and social media profiles to build trust and credibility with potential customers.

10. **Analytics and Optimization**: Track the performance of your online marketing efforts using web analytics tools such as Google Analytics. Analyze key metrics such as website traffic, conversion rates, and ROI, and use this data to optimize your strategies for better results over time.

By implementing these online marketing strategies, import-export businesses can effectively promote their products/services, attract new customers, and grow their international presence in the competitive global marketplace.

Social media marketing

Social media marketing is a powerful tool for import-export businesses to connect with their audience, showcase their products/services, and expand their reach globally. Here's how import-export businesses can leverage social media marketing effectively

1. **Choose the Right Platforms**: Determine which social media platforms are most relevant to your target audience and industry. LinkedIn is particularly useful for B2B networking and connecting with industry professionals, while platforms like Facebook, Instagram, and Twitter can be effective for reaching a wider consumer audience.

2. **Create Compelling Profiles**: Optimize your social media profiles with professional branding, including your company logo, a clear description of your business, and a link to your website. Use keywords related to import-export and your industry to improve searchability.

3. **Share High-Quality Content**: Regularly post engaging content that showcases your products, highlights industry news and trends, provides useful tips and insights, and demonstrates your expertise in import-export. Use a mix of images, videos, infographics, and articles to keep your audience interested.

4. **Utilize Visuals**: Visual content such as product photos, videos of your operations, and infographics can be particularly effective in capturing the attention of social media users. Make sure your visuals are high-quality and visually appealing.

5. **Engage with Your Audience**: Actively engage with your audience by responding to comments, messages, and mentions promptly. Encourage discussions, ask questions, and seek feedback from your followers to foster a sense of community and build relationships.

6. **Run Targeted Ads**: Use social media advertising features to reach specific segments of your target audience. You can target users based on demographics, interests, behaviors, and even job titles on platforms like LinkedIn, ensuring your ads are seen by relevant prospects.

7. **Showcase Success Stories**: Share success stories, case studies, and testimonials from satisfied customers to build trust and credibility. Highlight how your import-export solutions have helped clients overcome challenges or achieve their goals.

8. **Utilize Hashtags:** Use relevant hashtags in your social media posts to increase their discoverability and reach a wider audience. Research popular hashtags related to import-export, your industry, and specific products or services you offer.

9. **Participate in Industry Discussions**: Join industry-specific groups and communities on platforms like LinkedIn and Facebook to connect with fellow professionals, participate in discussions, and share valuable insights. This can help you establish yourself as a thought leader in your field.

10. **Monitor Analytics and Adjust Strategies**: Track the performance of your social media efforts using analytics tools provided by each platform. Monitor key metrics such as engagement, reach, click-through rates, and conversions, and use this data to refine your social media marketing strategies over time.

By implementing these social media marketing strategies, import-export businesses can effectively build their brand, attract new customers, and foster valuable relationships with their target audience across the globe.

Buyer verification

Buyer verification is a critical process in the import-export business to ensure that transactions are conducted with legitimate and trustworthy partners. Here's a step-by-step guide on how to verify buyers in import-export:

1. **Collect Buyer Information**: Gather comprehensive information about the buyer, including their company name, address, contact details, website, business registration number, and any other relevant details. Request copies of their business licenses, certifications, and other official documents.
2. **Research the Buyer**: Use online resources to research the buyer's background and reputation. Look for information about their company's history, financial stability, industry reputation, and any past business dealings. Check for any negative reviews, complaints, or legal issues associated with the buyer.
3. **Check References**: Request references from the buyer and contact their previous or current business partners, suppliers, or customers. Ask about their experiences working with the buyer, including payment history, communication, and reliability. Positive references can provide valuable insights into the buyer's trustworthiness.

4. **Verify Business Registration**: Verify the buyer's business registration and licensing information with the appropriate government authorities or business registries in their country. Ensure that their business is legally registered and authorized to engage in import-export activities.
5. **Conduct Background Checks**: Consider conducting background checks on the buyer, including credit checks, criminal record checks, and verification of their financial standing. This can help assess the buyer's creditworthiness and ability to fulfill their financial obligations.
6. **Request Financial Information**: Request financial statements, bank references, or credit reports from the buyer to assess their financial stability and creditworthiness. Look for signs of financial health, such as consistent revenue growth, positive cash flow, and low debt levels.
7. **Verify Identity**: Verify the identity of the buyer's representatives or key personnel involved in the transaction. Request copies of their identification documents, such as passports or driver's licenses, and verify that their information matches the details provided.
8. **Use Trusted Intermediaries**: Consider using trusted intermediaries, such as reputable trade finance companies, escrow services, or trade credit insurers, to facilitate transactions and mitigate risks. These intermediaries can provide additional assurances and safeguards against fraudulent activities.
9. **Establish Clear Terms and Conditions**: Clearly define the terms and conditions of the transaction, including payment terms, delivery terms, inspection procedures, and dispute resolution mechanisms. Use written contracts or agreements to formalize the terms and protect both parties' interests.
10. **Monitor Transactions**: Monitor the progress of transactions closely and stay in regular communication with the buyer throughout the process. Keep detailed records of all correspondence, agreements, and transaction documents for future reference and dispute resolution.

By following these steps, import-export businesses can effectively verify buyers and minimize the risk of fraud, non-payment, or other adverse outcomes in their transactions.