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German Bundestag



Indo-German Cooperation on **Agricultural Market Development**

Building sustainable partnerships



TRADE OPERATIONS & DOCUMENTATION

Compiled by

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Course Director- “Agri-Export and Import Management Training Program”
Director, CCS National Institute of Agricultural Marketing

Indo-German Cooperation on
Agricultural Market Development

Preface

The Indo-German Cooperation on Agricultural Market Development (AMD) Project is intended to contribute to the sustainable economic growth of India's agricultural sector and improve livelihoods in rural regions. The project's goal is to support India's strategy for modernizing agricultural markets and enhance knowledge and skills on the various key aspects of international Agribusiness management, specifically targeting the European Union (EU) markets. The project further focuses enhancing the knowledge on international market management; outlook to identify markets and buyers; Indian and EU trade policies; import regulations and associated incentives; agri trade logistics & management; emerging foreign trade policies; and tools for enhancing price competitiveness in the global markets.

It is with great pleasure that we present an e-book, "Trade Operations and Documentations" The e-book comprises information on export food trade policies and showcasing the need and scope of export opportunities in Rajasthan, Odisha, and Uttar Pradesh states. The e-book will give information and knowledge to upcoming entrepreneurs and learn the details to start a foreign trade operation. The e-book has been prepared to provide basic knowledge about the export-import management of agri. commodities in seven parts. This e-book is a part of the series of seven e-books as

1. India's agri-food trade policies and export incentives
2. European union agri-food trade policies and import regulations
3. Product and market identification for exports
4. International marketing management
5. Trade operations and documentation
6. Agri-trade logistics and customs regulation
7. International trade and finance

We wish all the officials from the agriculture and marketing division/ APMCs, state representatives from the Directorate of Marketing and Inspection (DMI), and leading exporters/ agri-startups/ FPO CEOs/ FPOs resource institutions that will benefit from the e-book and get knowledge about export-import operations.

**Dr. Ramesh Mittal, Director,
CCS National Institute of Agricultural Marketing**

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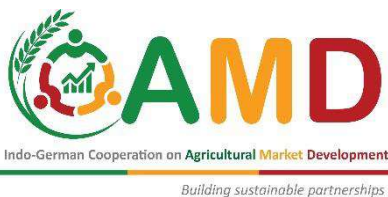
S.No	Topic
1	Step By Step Process of Getting Started in Export–Import
2	Clear Understanding of Export-Import Documentation
3	Drafting An Export Sales Contract; Negotiating Suitable INCO Terms
4	Getting Tuned to Operational Issues in International Business
5	Procedure For Clearance of Export-Import Cargo; Duty Assessment and Payment of Import Cargo

Trade Operations and Documentations



Dr Raosaheb Mohite

Consultant Agri-Value Chains/ Food Processing/ Post-Harvest Management.



Indo-German Cooperation on Agricultural Market Development

Chapter No 1

Step By Step Process of Getting Started in Export–Import

Module 5: Trade Operations and Documentations

Online Session 1/6 Step by Step Process of getting started in Export – Import

Six Months Certificate Training Program on “Agri-Export and Import Management”

Speaker: Dr Raosaheb R Mohite, Agri-Value Chain Expert - GFFM Group, Bangalore

Organized By: “Indo-German Cooperation Project on Agricultural Market Development”

Knowledge Partner: CCS National Institute of Agricultural Marketing

Supported by: Agricultural and Processed Food Products Export Development Authority

Date: 01 February 2023 | Time: 19:00 – 20:30 Hr

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Module 5: Trade Operations and Documentations

Session 1	Step by Step Process of getting started in Export – Import
Session 2	Clear understanding of export – import documentation
Session 3	Drafting an export sales contract; Negotiating suitable INCO Terms
Session 4	Getting tuned to Operational issues in international business
Session 5	Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo
Session 6	Export clearance and Incentive assessment

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Step by Step Process of getting started in Export – Import

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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1	2	3	4
			Module 5: Session 1 Step by Step Process of getting started in Export – Import		Module 5: Session 2 Clear understanding of export – import documentation	
5	6	7	8	9	10	11
Module 5: Session 3 Drafting an export sales contract; Negotiating suitable INCO Terms		Module 5: Session 4 Getting tuned to Operational issues in international business		Module 5: Session 5 Procedure for clearance of export – import cargo; Duty assessment & payment of import cargo		Module 5: Session 6 Export clearance and Incentive assessment
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26	27	28	1	2	3	4

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Step by Step Process of getting started in Export – Import

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Focus States and Crops

Uttar Pradesh

- Mango
- Green Chilli



Rajasthan

- Cumin
- Coriander



Odisha

- Turmeric
- Ginger



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Step by Step Process of getting started in Export – Import

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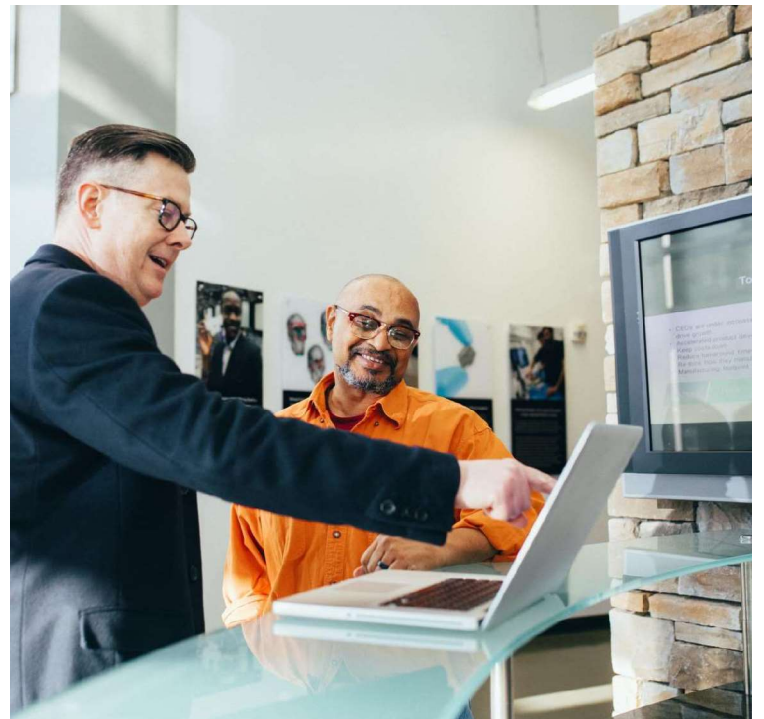
A comprehensive, step by step guide to get started in export-import

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Sole Proprietary firm/ Partnership
Company

1. Establishing an Organization



2. Opening a Bank Account

Current Account with a Bank authorized to deal in foreign exchange



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Step by Step Process of getting started in Export – Import



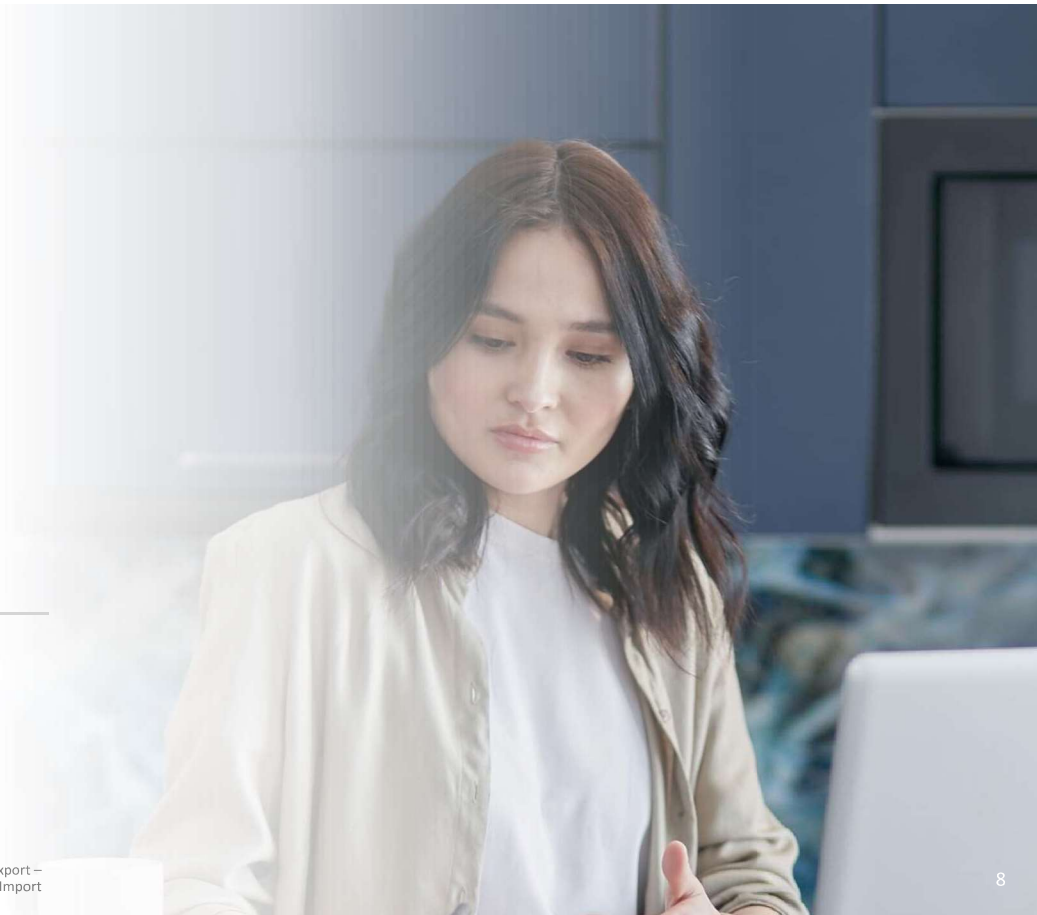
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3. Obtaining Permanent Account Number (PAN)

PAN card from Income Tax Department

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Step by Step Process of getting started in Export – Import



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4. Obtaining Importer – Exporter Code (IEC) Number

IEC Code from DGFT

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5. Registration cum Membership Certificate (RCMC)

RCMC from Export Promotion
Councils/ FIEO/ Commodity
Boards/Authorities

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6. Selection of Product

Market size, Competition, Quality Requirements, Payment terms etc; export benefits like FTP etc

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Step by Step Process of getting started in Export – Import



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7. Finding of Buyers

Trade fairs/ Buyer – Seller Meets/ Exhibitions. B2B portals/ web browsing/ Indian Missiona overseas, Product catalogue etc

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Step by Step Process of getting started in Export – Import



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8. Sampling

Providing trade and technical samples



9. Pricing / costing

Selling at competitive price with maximum profit marking; Free on Board (FOB), Cost, Insurance and Freight (CIF)

10. Negotiation with buyers

Reasonable allowances/
Discount in price

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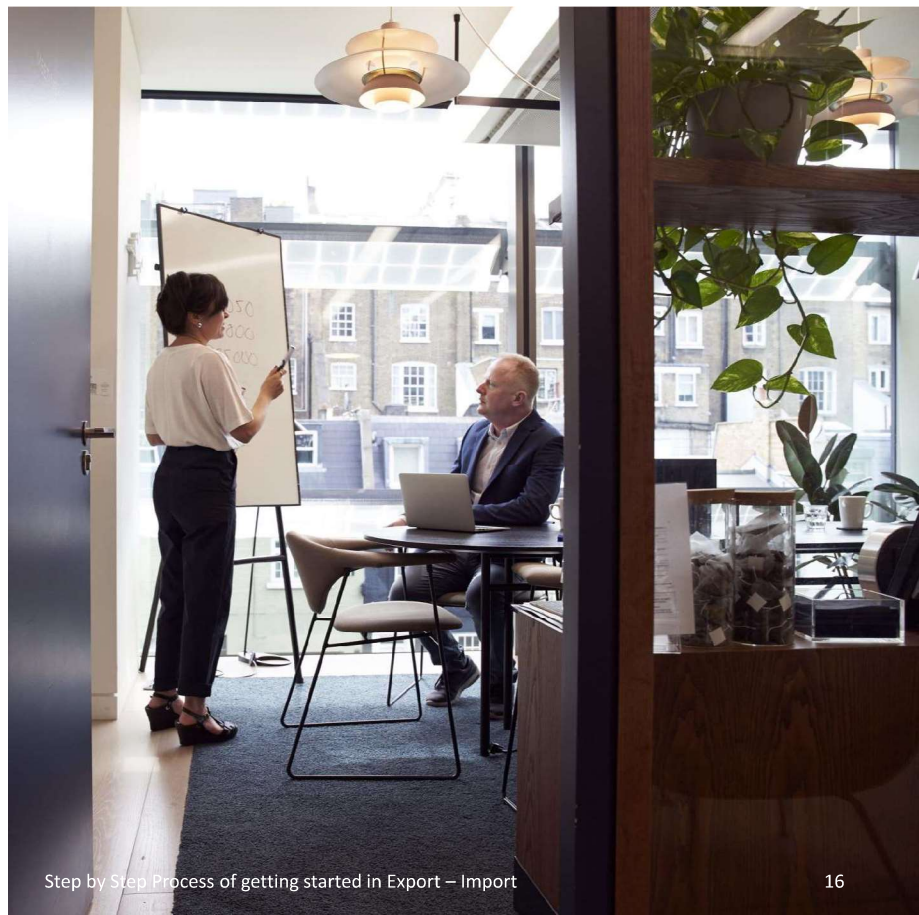
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11. Covering Risks through ECGC

Appropriate policy from
Export Credit Guarantee
Corporation (ECGC)

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12. Processing of an Export Order

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Carefully examine an export order
and enter into a formal contract with
overseas buyer

12.A. Confirmation of Order



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12.B. Procurement of Goods

After order confirmation go for
procurement/ manufacture of
goods

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12.C. Quality control

Strict quality control; Pre-shipment
inspection, Buyer standards/
specifications, inspection

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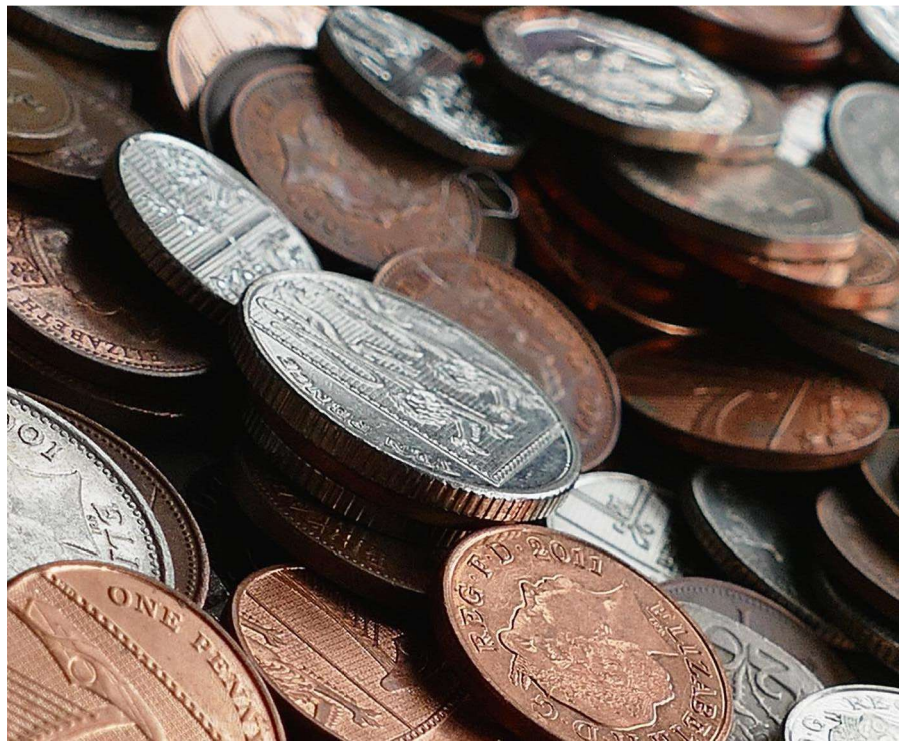
Step by Step Process of getting started in Export – Import

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12.D. Finance

Pre-shipment and post-shipment finance from commercial banks at concessional rates (180 days); Packing credit-advance (for new exporters) 75% to 90% advances on value of export. Post-shipment 90% advances (180 days)



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Step by Step Process of getting started in Export – Import

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12.E. Labeling, Packaging, Packing and Marking

Label, Package and Pack as per Buyer instructions

12.F. Insurance

Marine Insurance Policy covers loss/ damage during transit; In CIF the exporters takes Insurance and in C&F and FOB the Importer takes the Insurance.

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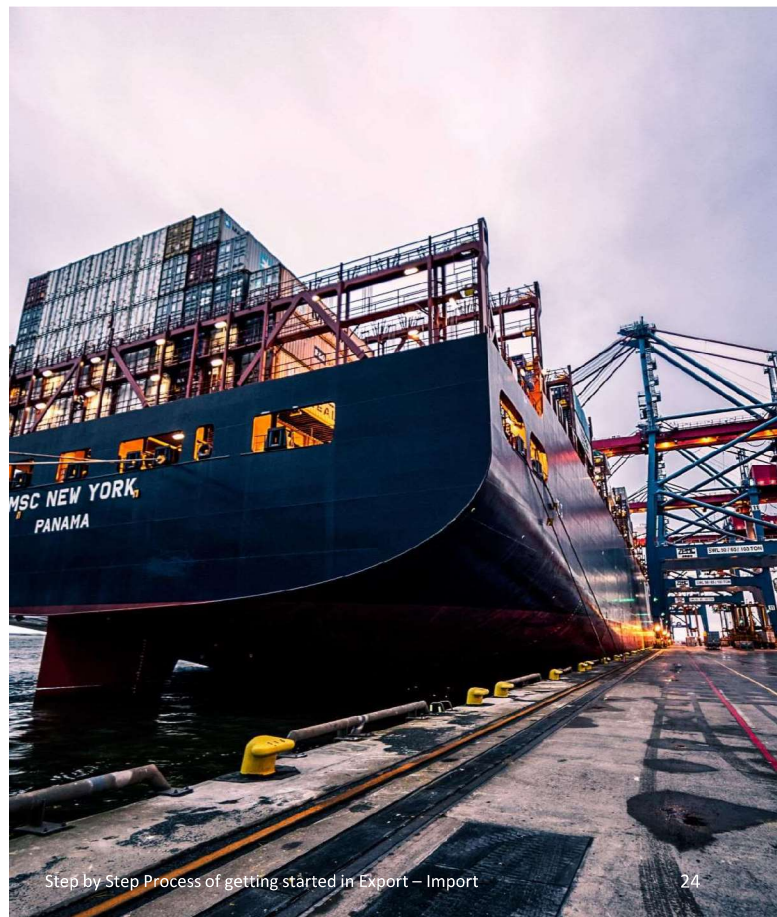
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12.G. Delivery

Fast and efficient delivery to meet delivery schedule.

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12.H. Customs and procedures

Get PAN based Business Identification Number (BIN) from Customs; Fill up relevant forms and as per formats

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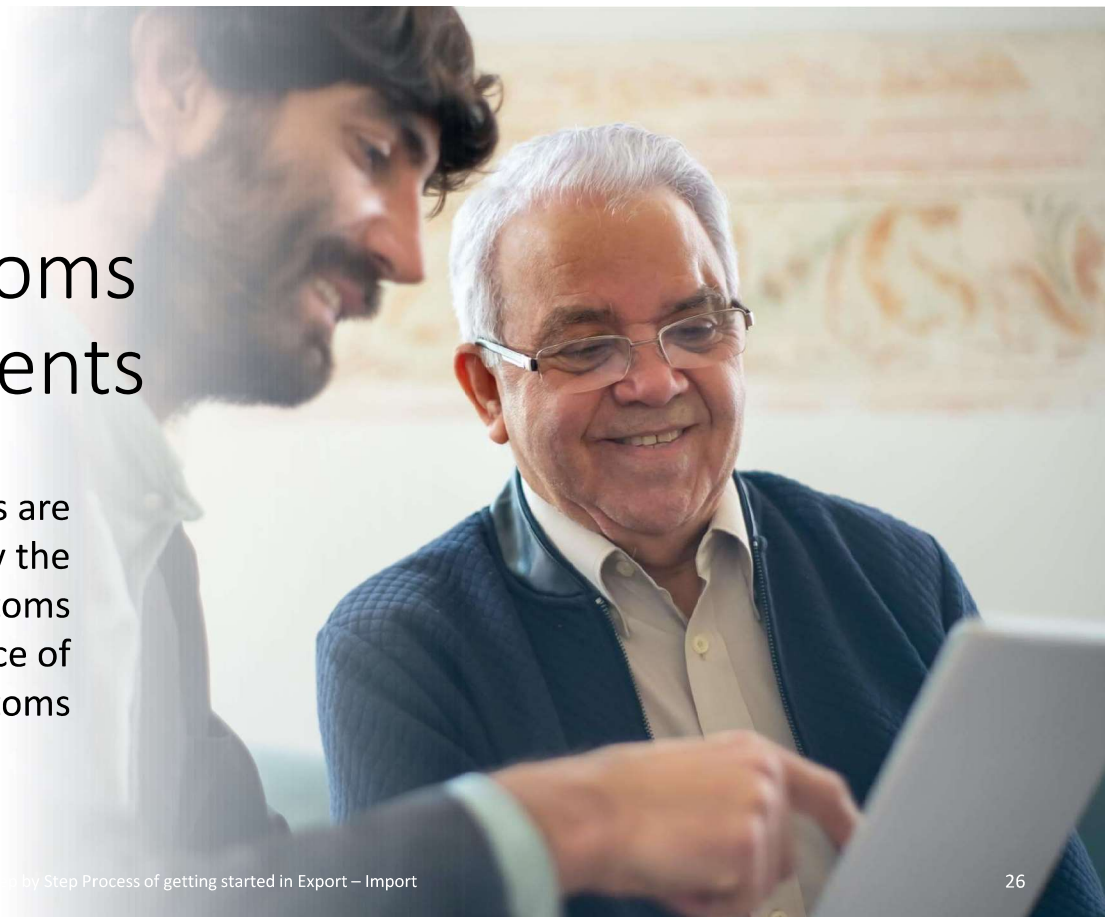
12.I. Customs House Agents

Customs House Agents are professionals licenced by the Commissioner of Customs who facilitate clearance of cargo from customs

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Step by Step Process of getting started in Export – Import

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12.J. Documentation

Mandatory documents: Bill of Lading/ Airway Bill, Commercial Invoice cum packing list, Shipping bill/ bill of export/ bill of entry..and other documents as per case.

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Step by Step Process of getting started in Export – Import

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13. Submission of documents to the bank

Within 21 days of shipment documents are required to be submitted to Bank for onward dispatch to foreign bank to arrange epayment – Collection/ Purchase/ Negotiation under L/C.

Step by Step Process of getting started in Export – Import

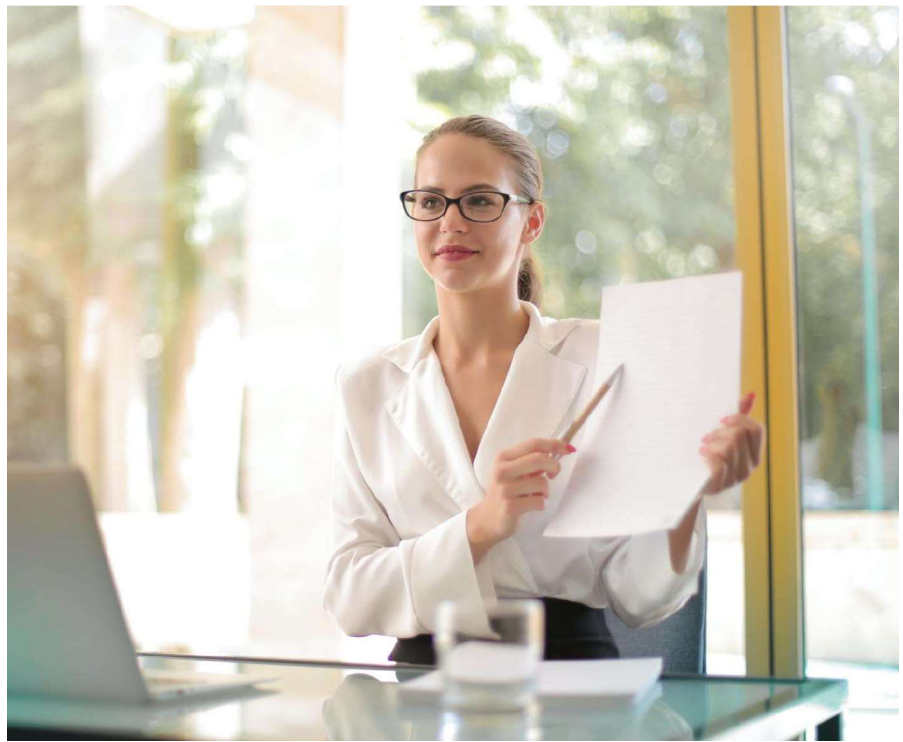
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13.A. Bill of exchange

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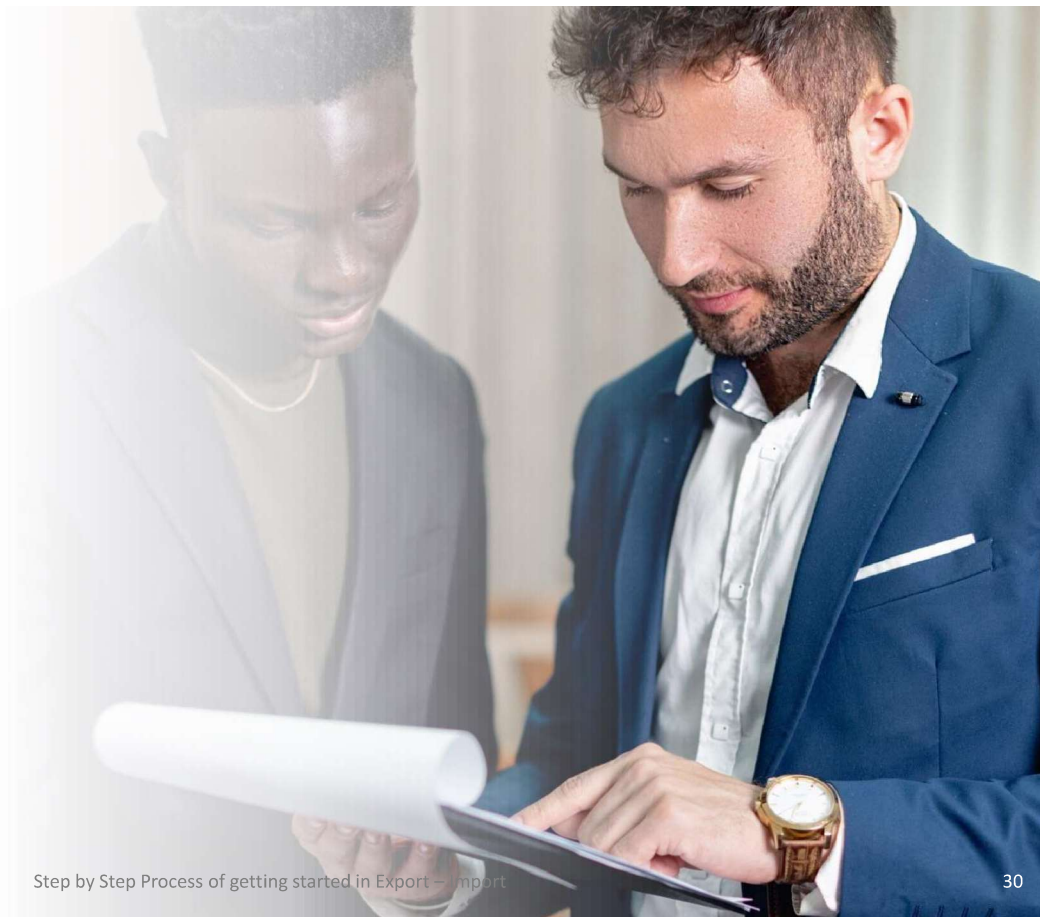


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13.B. Letter of Credit (if shipment under L/C)

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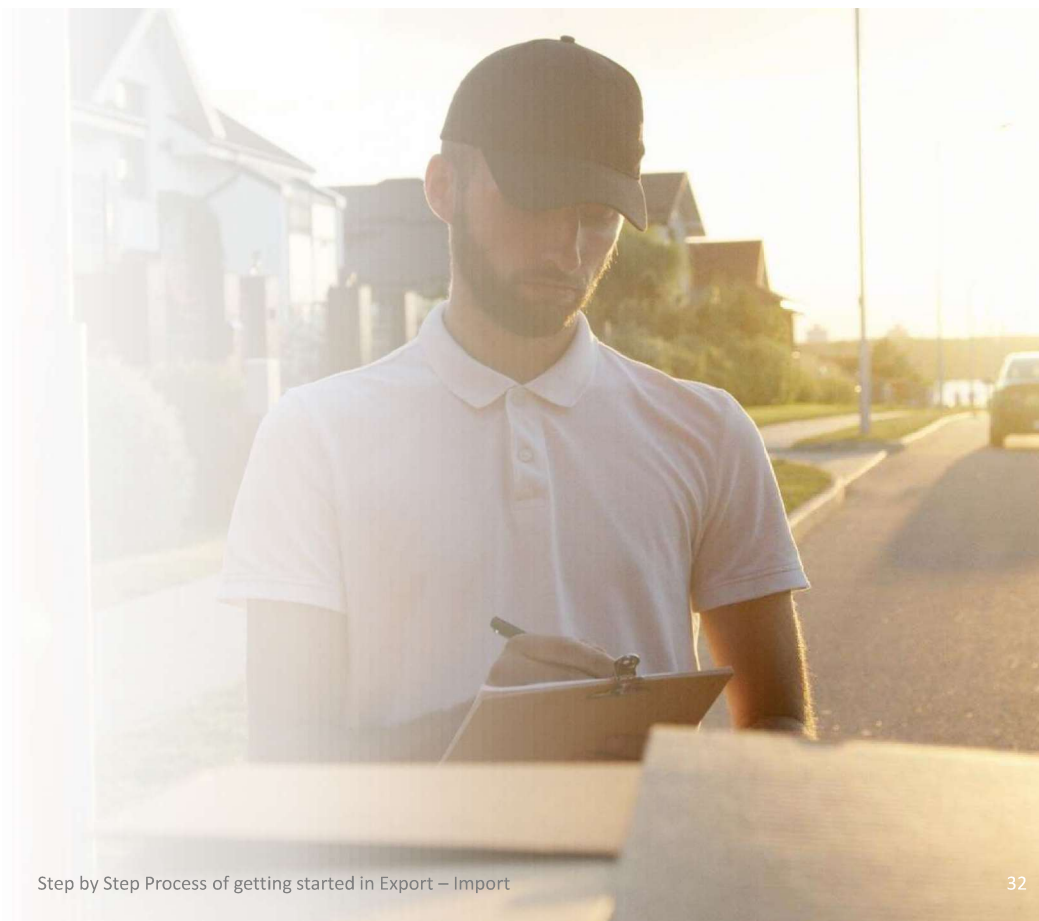
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13.C. Invoice



13.D. Packing list



13.E. Airway Bill/ Bill of Lading

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13.F. Declaration under Foreign Exchange

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13.G. Certificate of Origin/ GSP

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13.H. Inspection Certificate (wherever necessary)

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13.I. Any other document as required in the L/C or by the buyer or statutorily

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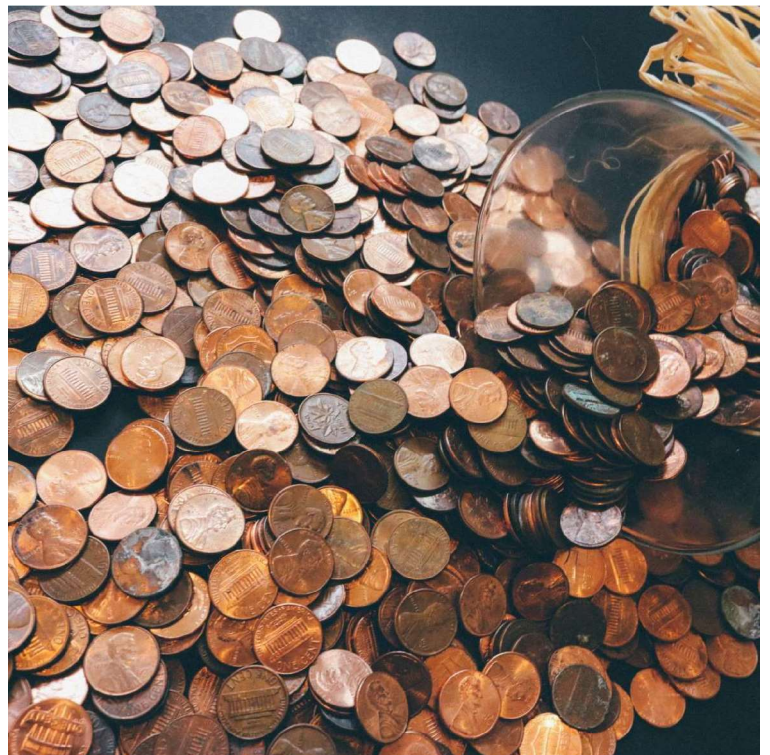
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14. Realization of Export Proceeds

Export proceeds should be realized in 9 months; export contracts and invoices shall be denominated in freely convertible currency of Indian Rupees, except for export to Iran



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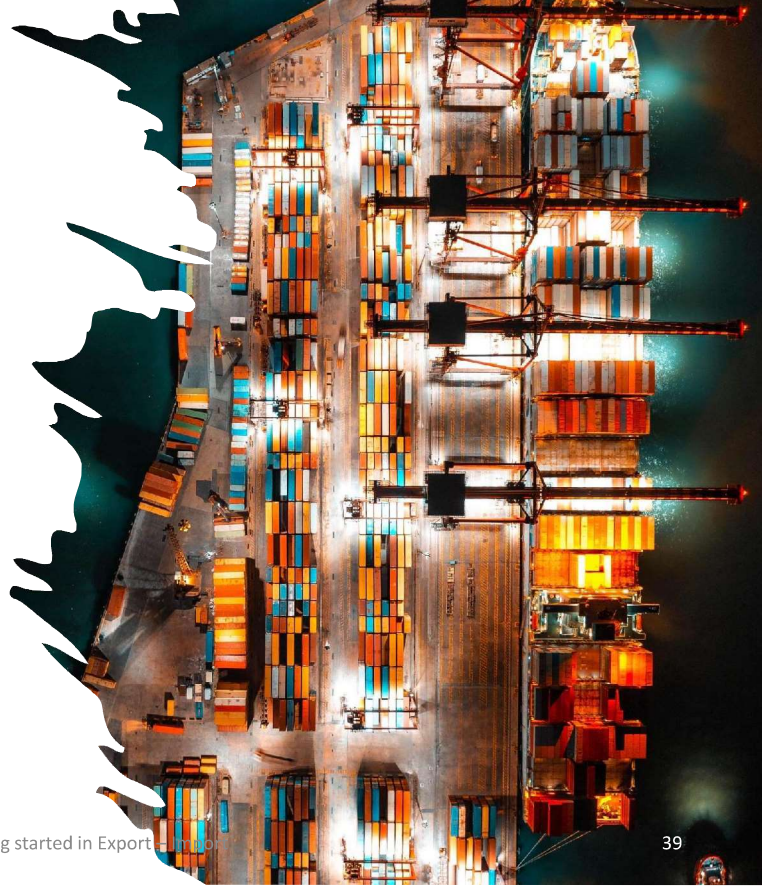
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Thank you

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Step by Step Process of getting started in Export



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Chapter No 2

Clear Understanding of Export-Import Documentation

Module 5: Trade Operations and Documentations

Online Session 2/6

Clear understanding of export – import documentation

Six Months Certificate Training Program on “Agri-Export and Import Management”

Speaker: Dr Raosaheb R Mohite, Agri-Value Chain Expert - GFFM Group, Bangalore

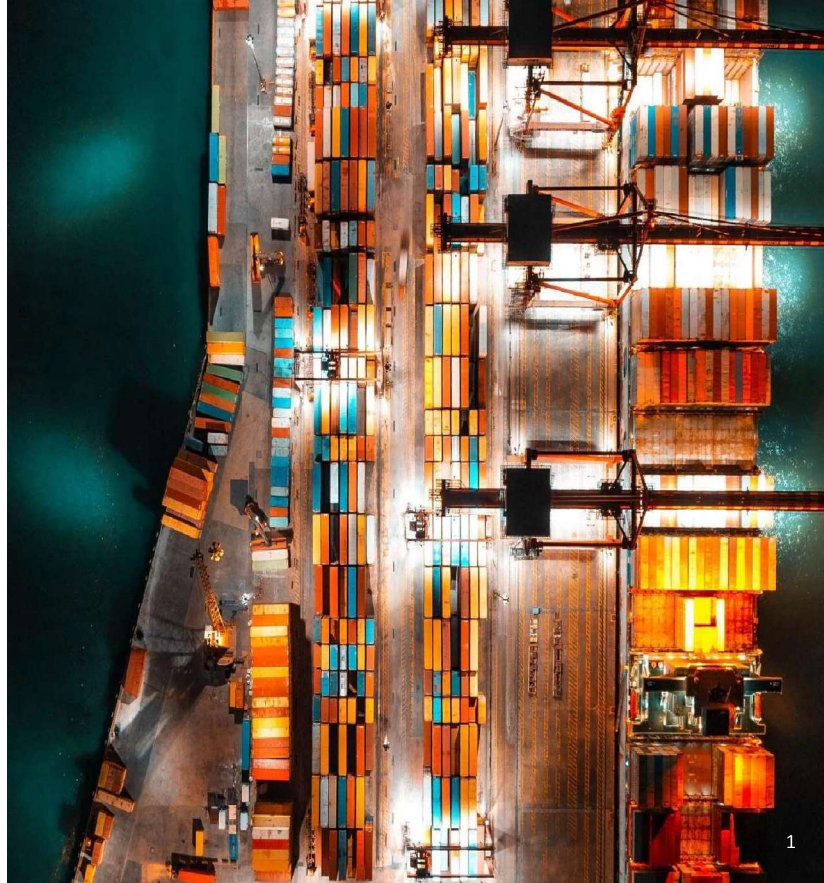
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Module 5: Session 2: Clear understanding of export – import documentation

Session 1	Step by Step Process of getting started in Export – Import
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Step by Step Process of getting started in Export – Import

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Exporting from India – brief recap

Decide where you want to export: The first step is to understand global markets and the products in demand - decide the right marketplace for your export business.

Get the required documentation: Obtain PAN (from IT Department) and IEC (from DGFT).

Find customers: Participate in trade fairs, buyer-seller meets and via Internet

Ship and receive payments: Timely delivery not only builds trust among your customers but also leads to repeated purchase. Receive payments, in your bank account/ open a bank account in the respective country.

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Clear understanding of export – import documentation

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The List of requirements for Exports Compliance

1. Export registration documentation
2. Product documentation
3. Shipping documentation
4. Payment reconciliation documentation
5. Tax documentation

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Clear understanding of export – import documentation

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Documentation in Agricultural Exports

- Documentation is an integral part of business that is mandatory, and important for the success of exports.
- Documents are generated at every step and the process of documentation needs to be carried out correctly.
- At times this can be difficult since it can be both confusing and tedious.
- Benefits of documentation include: a) Streamlining of the goods and services process and b) offer help with 'ease of doing business'

What is 'Process of Documentation'

Export Documentation includes:

1. Applying for
Licences, Certification, Clearances etc
2. Submitting of
Supporting documents, Certificates, Licences etc
3. Obtaining of
Certificates, licences, clearances, permissions etc
4. Producing paperwork as required by
Customs, Shipping, Quality etc

Streamlining of the goods and service process

- Documentation is indispensable for streamlining of the goods and service processes including the payment.
- Its especially important in international markets, where the export – import regulations differ from country to country.
Eg: Documentation requirement in Dubai is different from the documentation requirement in Germany
- Preparing and submitting all the paperwork correctly is important
 - To avoid any delays in processing and
 - To block possible legal consequences and related implications on the export business.

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Clear understanding of export – import documentation

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Checklist of Documents in Exports

- The certifications required can also vary based on:
 - Type of product exported
 - Importing country requirements
 - Customer needs in the importing countries
 - Country to country bilateral or multi-lateral trade policies in place
 - Country of origin (exporter) etc

In summary,

- Largely the checklist of documents required depends on the importer requirements and the product type.
- Another thing that can make it complicated is the 'dynamic nature' of the import regulations which may change anytime for any number of reason/s.

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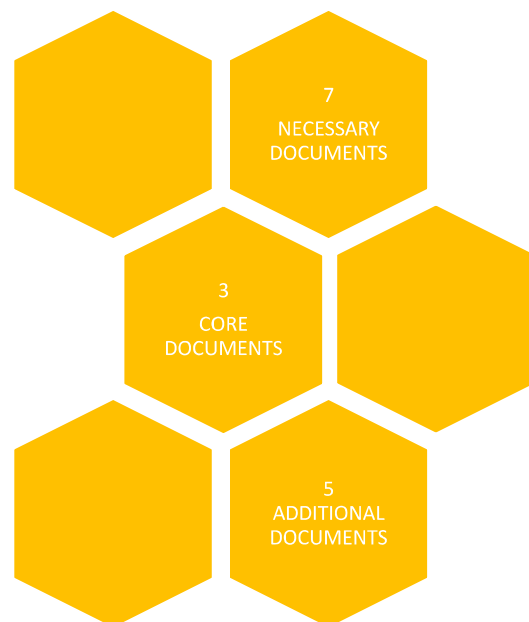
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Documents For exports from India

Core Documents

Other Necessary Documents

Other Additional Documents



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Clear understanding of export – import documentation

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Documents for Export - Import

MANDATORY DOCUMENTS FOR EXPORT & IMPORT		
S. No.	EXPORTS	IMPORTS
1	Bill of Lading/ Airway Bill	Bill of Lading/ Airway Bill
2	Commercial Invoice cum Packing List	Commercial Invoice cum Packing List
3	Shipping Bill/ Bill of Export	Bill of Entry

MANDATORY DOCUMENTS LISTED BY WORLD BANK IN DOING BUSINESS REPORT 2015		
S. No.	EXPORTS	IMPORTS
1	Shipping Bill	Bill of Entry
2	Commercial Invoice	Commercial invoice
3	Packing List	Packing List
4	Bill of Lading	Bill of Lading
5	Foreign Exchange Control Form (SDF)	Foreign Exchange Control Form (Form A-1)
6	Terminal Handling Receipt	Terminal Handling Receipt
7	Technical Standard Certificate	Certified Engineer's Report
8		Cargo Release Order
9		Product manual
10		Inspection report

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Clear understanding of export – import documentation

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Mandatory Documents Required For Export And Import Reduced To Three Each

- India took a leap forward in improving 'Ease of Doing Business' today by reducing the mandatory documents required for import and export of goods to three documents each.
- The Directorate General of Foreign Trade (DGFT) issued a Notification to this effect today

*<https://pib.gov.in/newsite/printrelease.aspx?relid=116935>

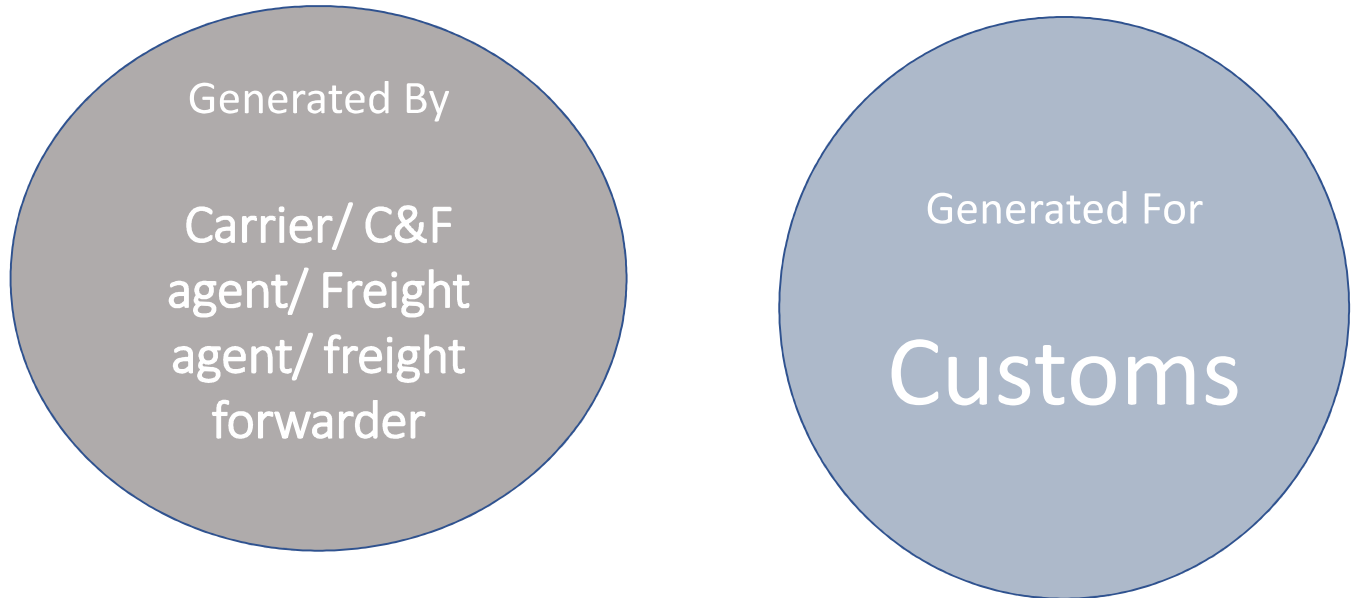
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1. Bill of Lading (BoL or B/L)

Core Document for exports from India



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1. Bill of Lading (BoL or B/L)

Core Document for exports from India

1. The B/L is an absolute must and one of the first export documents required
2. Its for export-bound cargo & denotes a contract between the shipper & the carrier.
3. The B/L specifies that the carrier has acknowledged that the goods are received in proper condition to be shipped.

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Bill of Lading (B/L)



- B/L is issued by the carrier of the goods after checking the Mate's Receipt
 - a receipt issued by the commanding officer of the ship when the cargo is loaded on board), by the Cost & Freight agent.
- Master BL: Issued by the main carrier
- House BL: issued by the freight forwarder

A freight forwarder, or forwarding agent, organizes shipments for the shipper for a fee by liaising with carriers - a forwarder does not move the goods but acts as an agent in the logistics network)

Clear understanding of export – import documentation

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2. Commercial Invoice cum Packing List Core Document for export from India



2. Commercial Invoice cum Packing List

Core Document for export from India

- The Commercial Invoice: is handed over to customs once products are ready for export. Without a signature from customs, your shipment cannot go forward.
- The Packing List is compulsory if your cargo has more than one product. In this list, all the export items are mentioned distinctly.

Both the documents can be merged and submitted provided the Packing List details are visible on the Commercial Invoice, viz., Commercial Invoice cum Packing List.

3. Shipping Bill/ Bill of Export

Core Document for export from India



*generated from e-filing of bills – submitted by Exporter

3. Shipping Bill/ Bill of Export

Core Document for export from India

- The Shipping bill is issued by ICEGATE (*Indian Customs Electronic Gateway*). ICEGATE procures an electronic filing of bills.
- This bill falls under the umbrella of export documents required for customs for giving the green go for export.
- The Shipping Bill gives clearance to exporters from customs.

Reference: Shipping Bill and Bill of Export (Form) Regulations, 1991 (cbic.gov.in)

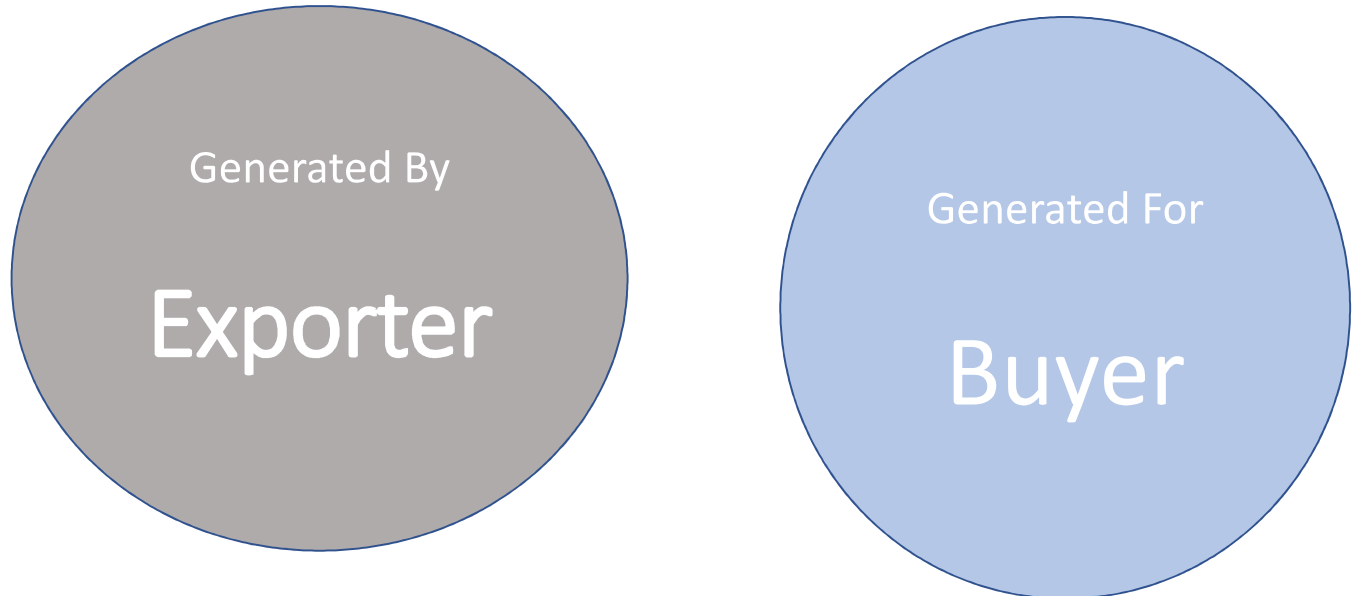
Other **Necessary Documents**

for export from India

4. Proforma Invoice
5. Export Order/ Purchase Order
6. Certificate of Origin
7. Bill of Exchange
8. Letter of Credit
9. Inspection or Quality Check
10. Phyto-Sanitary & Fumigation Certificates

4. Proforma Invoice

Necessary Document for Export from India:

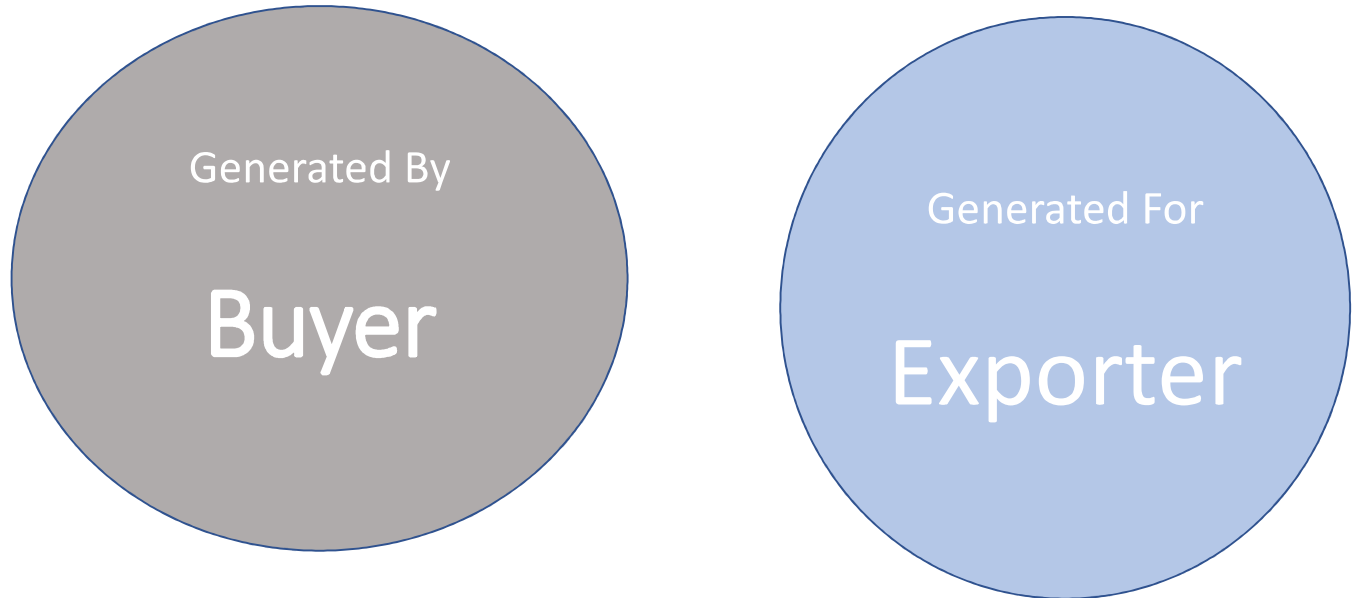


4. Proforma Invoice

Necessary Document for Export from India:

- The Proforma Invoice contains all the required details and information about the export.
- The Buyer will be able to view the products, delivery & cost, payment terms, and other vital information at a glance.
- The document acts as an agreement between the exporter and the buyer. And can be used for getting, if required, to receive advance payment.

5. Export Order or Purchase Order Necessary Document for Export From India



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5. Export Order or Purchase Order Necessary Document for Export from India

- This required document for export comes in after the Proforma Invoice is issued.
- The order is confirmed via the Export Order/ Purchase Order.
- Details filled in by the buyer include: cost, shipping details, type of currency, and any other specific goods information and requirements.

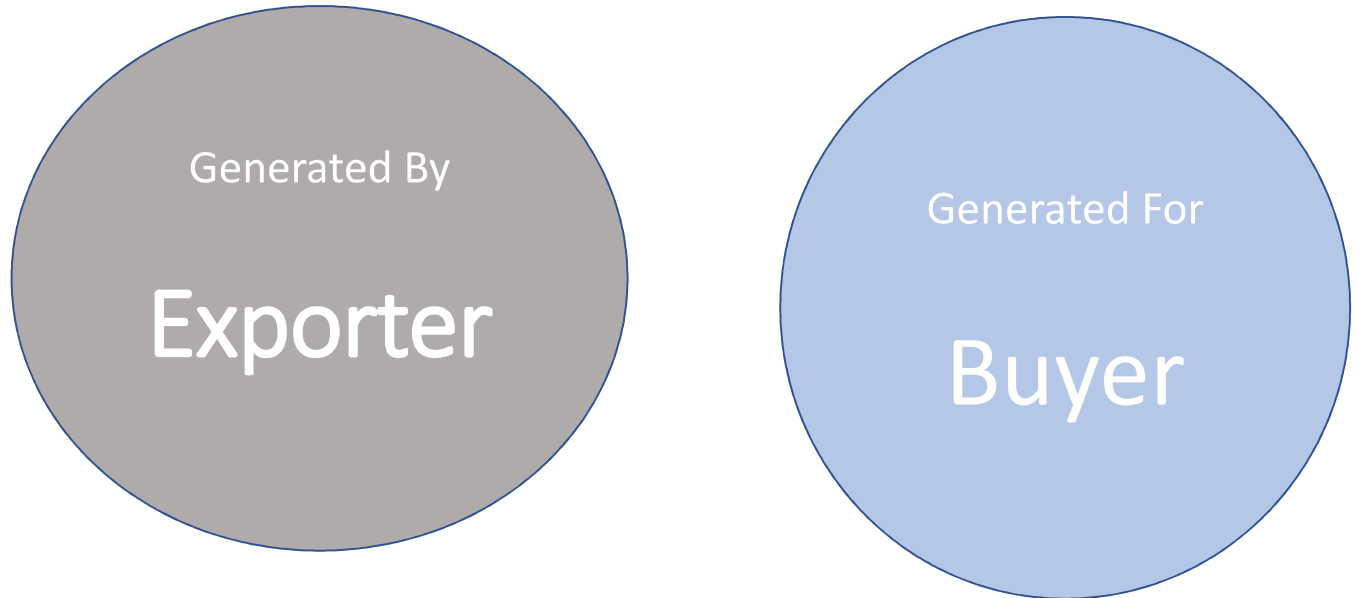
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6. Certificate of Origin (COO)

Necessary Document for Export from India:



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6. Certificate of Origin (COO)

Necessary Document for Export from India

- The Certificate of Origin is like the birth certificate of your goods and products. It is one of the necessary documents required for export
- This COO contains the country from where the goods originate from, and, the specific place they were manufactured. COO needs to be produced for each item in the export shipment.
- The certificate is an affidavit and attached to the Commercial Invoice

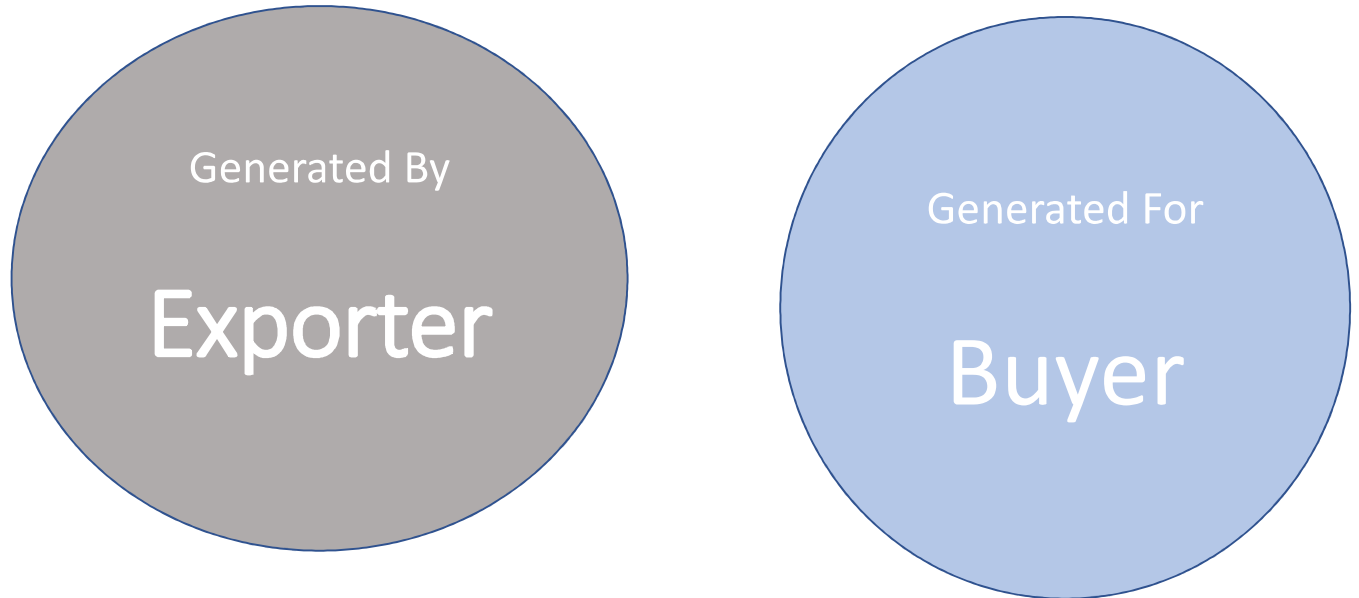
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7. Bill of Exchange

Necessary Document for Export from India



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7. Bill of Exchange

Necessary Document for Export from India

- The Bill of Exchange is an internal document prepared by the exporting party.
- Its purpose is to notify the buyer to pay the requisite amount to the exporter or bank.

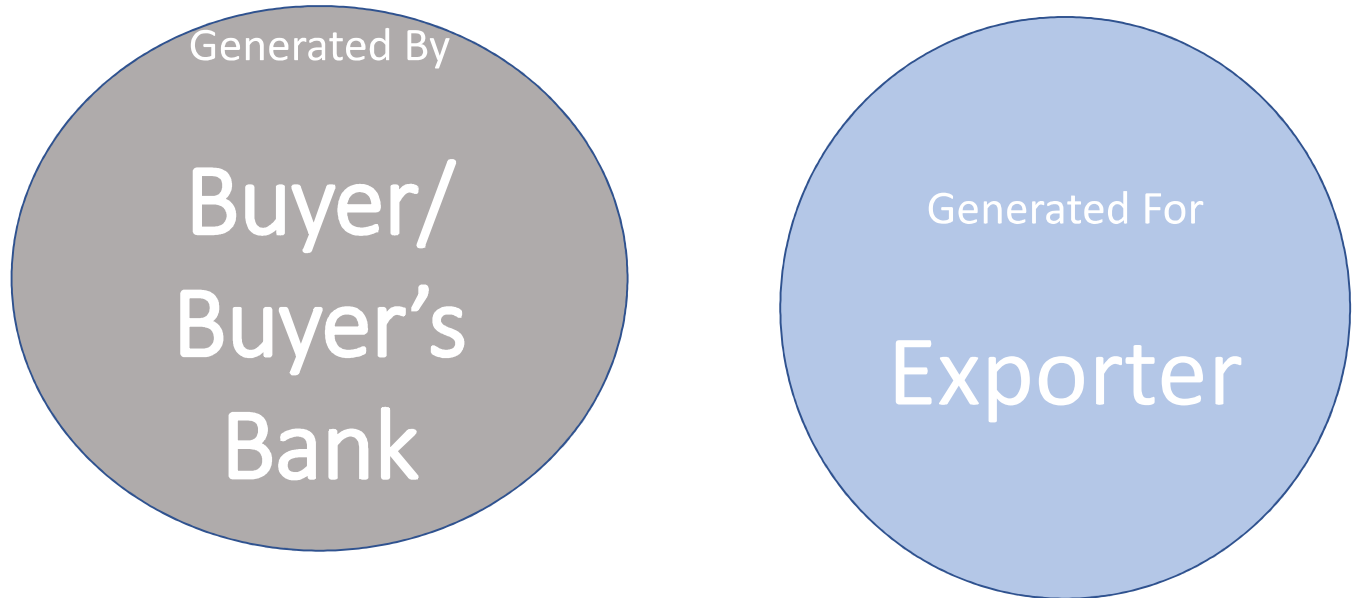
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8. Letter of Credit

Necessary Document for Export from India



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8. Letter of Credit

Necessary Document for Export from India

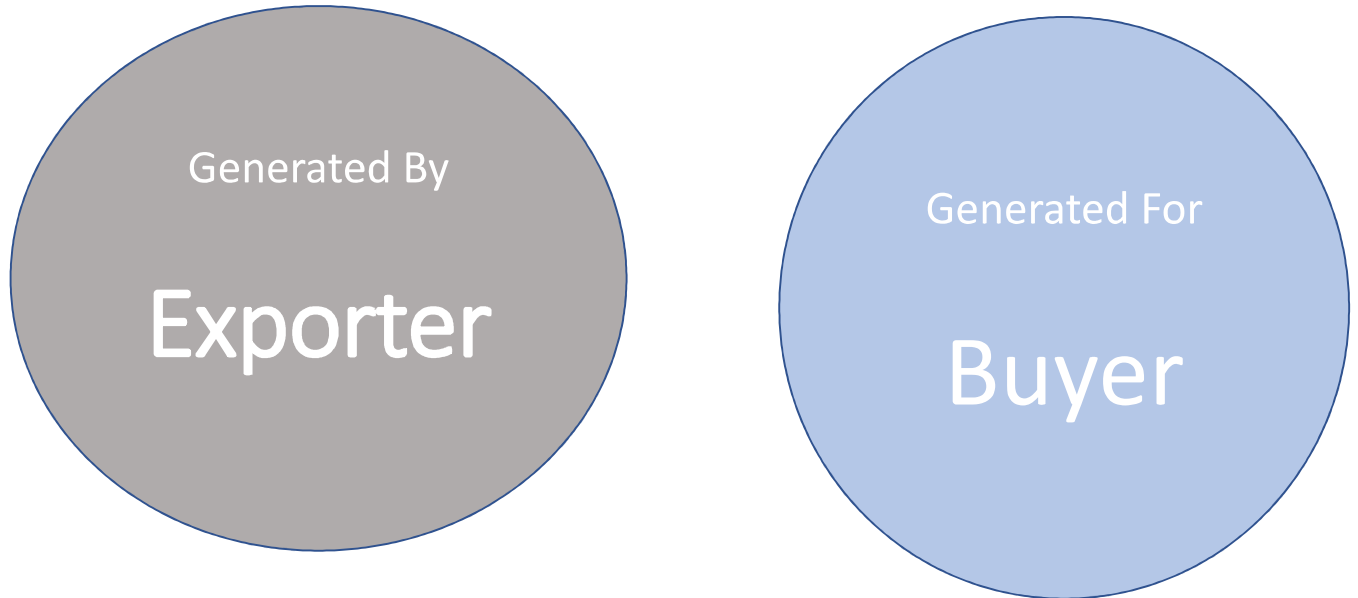
- While this document isn't a part of the shipping process directly, it's still required and procured as a mandate.
- The buyer's bank generates and issues the letter of credit to commit the date of payment to the exporter if by chance the buyer delays it.
- It's a necessary document required while exporting to honor the purchase order of the buyer.

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9. Inspection or Quality Check Necessary Document for Export from India



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9. Inspection or Quality Check Necessary Document for Export from India

- Before the shipment of the goods, an importer can demand to investigate the quality of your goods and check if the packing parameters are being adhered to.
- It's the exporter's job to keep the documents and certificates required if this comes up.

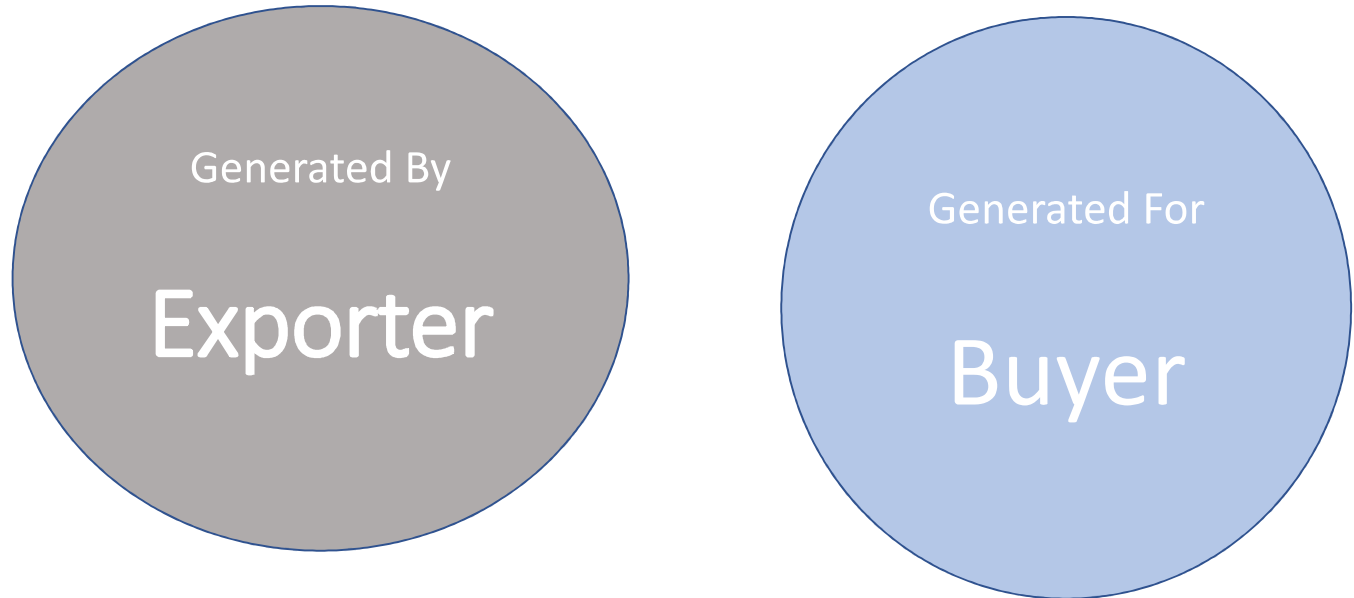
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10. Phyto-Sanitary & Fumigation Certificates

Necessary Document for Export from India Other Necessary



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10. Phyto-Sanitary & Fumigation Certificates

Necessary Document for Export from India Other Necessary

- Like the Inspection/ Quality check certificates, these certificates are asked by the importer to check the quality of the goods under international parameters.
- The Phyto-sanitary certificate and the fumigation certificate is demanded by the importer in regard to quality check of products under international quality standards and norms.

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Clear understanding of export – import documentation

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Other **Additional Documents**

Required For Export From India

Besides the list of documents required for export as above (generated before the export process by the exporter), the following **'additional documents' are procured during the process:**

11. Marine Insurance Policy
12. Mate's Receipt
13. FEMA Declaration for exporters
14. Let Export Order
15. Export General Manifest

Additional Document Required for Export from India

11. Marine Insurance Policy

Ensures the safety coverage of the products shipped overseas.

Additional Document Required for Export from India

12. Mate's Receipt

The Mate's Receipt confirms the loading of your goods on the shipment, and is issued after the same.

Additional Document Required for Export from India

13. FEMA Declaration for exporters:

This declaration states that the exporter agrees to comply with the principles of the FEMA (Foreign Exchange Management Act, 1999)

Additional Document Required for Export from India

14. Let Export Order

Issues after the customs clearance procedure is completed. Also acts as proof that the necessary formalities and activities have been fulfilled. After the goods are relocated from the exporting country, the Manifest is filed by the carrier.

Additional Document Required for Export from India

15. Export General Manifest

After the goods are relocated from the exporting country, the Manifest is filed by the carrier.

Requirement of Health Certificate for import of



TIC-20012/2/2021-IMPORTS-FSSAI (F-2475)
Food Safety and Standards Authority of India
(A Statutory Authority established under Food Safety and Standards Act, 2006)
(Trade and International Cooperation Division-TICD)
FDA Bhawan, Kotla Road, New Delhi - 110002



Dated, 10th January, 2023

- Milk and Milk Products
- Fish and Fish Products
- Port and Pork Products
- Order dated 3rd August 2022
- Effective from March 2023

Order

Sub: Extension for compliance towards requirement of Health Certificate-reg

Food Safety and Standards Authority of India has issued an order dated 3rd August, 2022 and its subsequent clarification vide order dated 26th September, 2022 regarding the requirement of Health Certificate for import of Milk & Milk products, Fish & Fish products and Pork & Pork Products. Further, FSSAI vide order dated 27th October, 2022 issued order extending the requirement till 1st January, 2023. Since many trade partners are in process of adopting it, the date of implementation of said requirement shall be extended by two months and the order will now be effective from 1st March, 2023.

This issues with the approval of Competent Authority.

Check all Export Documentation for Compliance before actual export

- Once you have an initial understanding of the documents required for export in India, you can start the process of procuring & generating them.
- Make sure to thoroughly check all the information in all the documents is accurate and in compliance with the rest of your products and goods.
- Also avoid all last-minute chaos by knowing beforehand what products and goods are to be inspected, and how you can prepare for the same.

SUPPORT FOR EXPORT WITH AMAZON

- Amazon Global Selling assists sellers to export from India in a hassle-free manner.
- Support in understanding the compliance requirements and regulations for different countries and product categories.
- Support by providing guidance on the key requirements and regulations, and
- Connects with experts who will assist in obtaining documentation for Exports Compliance.

<https://sell.amazon.in/grow-your-business/amazon-global-selling/exports>

5 Feb 2023

Clear understanding of export – import documentation

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Jardalu Mango

India exported the first commercial consignment of Geographical Indications (GI) certified 'Jardalu' mangoes from Bhagalpur, Bihar, to the United Kingdom on 14 June 2021 giving a boost to the potential exports from the eastern region.



Jardalu Mango is grown mainly in Bhagalpur and parts of some neighbouring districts. Of the over 1,200 ha, Banka and Munger jointly produce these mangoes in over 700 ha. The annual production is 10,000 tons. These mangoes have better shelf life and flavour. The mangoes received GI tag in 2018 due to their exceptional quality, distinct aroma and taste.

The GI certified Khirsapati & Lakshmanbhog (W. Bengal) & Jardalu were displayed at importer Al Jazeera group (Bahrain).

Thanks You

5 Feb 2023

Clear understanding of export – import documentation

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Chapter No 3

**Drafting An Export Sales Contract;
Negotiating Suitable INCO Terms**

Module 5: Trade Operations and Documentations

Online Session 3/6

Drafting an export sales contract; Negotiating suitable INCO Terms

Six Months Certificate Training Program on “Agri-Export and Import Management”

Speaker: Dr Raosaheb R Mohite, Agri-Value Chain Expert - GFFM Group, Bangalore

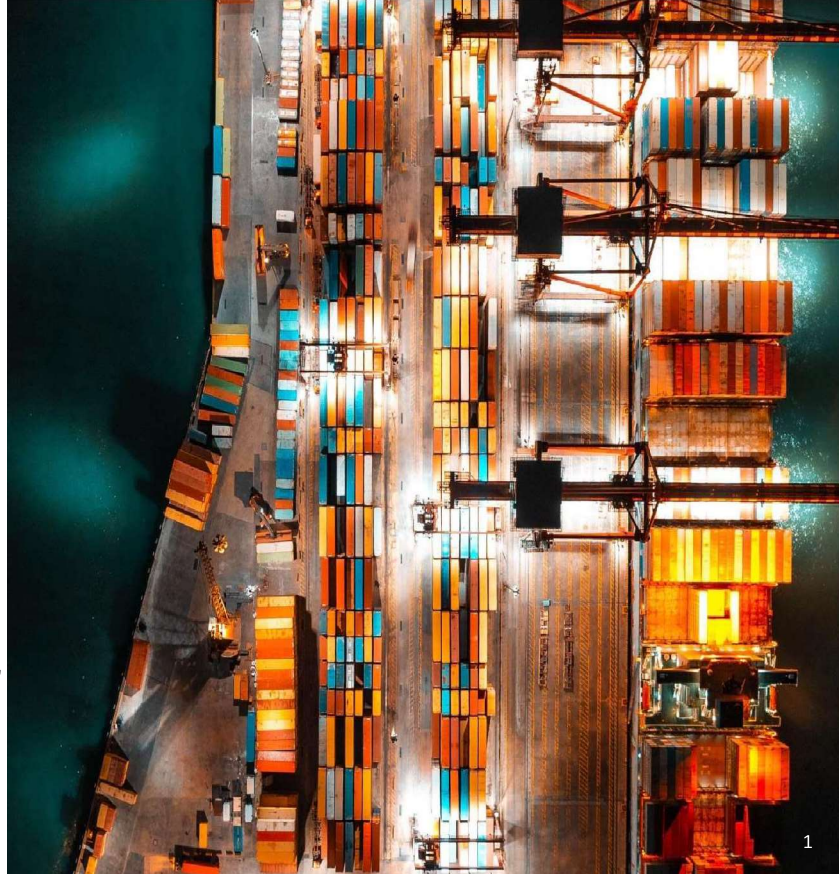
Organized By: “Indo-German Cooperation Project on Agricultural Market Development”

Knowledge Partner: CCS National Institute of Agricultural Marketing

Supported by: Agricultural and Processed Food Products Export Development Authority

Date: 08 February 2023 | Time: 19:00 – 20:30 Hr

01 Feb 2023



Module 5: Session 3: Drafting an export sales contract; Negotiating suitable INCO Terms




Session 1	Step by Step Process of getting started in Export – Import
Session 2	Clear understanding of export – import documentation
Session 3	Drafting an export sales contract; Negotiating suitable INCO Terms
Session 4	Getting tuned to Operational issues in international business
Session 5	Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo
Session 6	Export clearance and Incentive assessment

Export Sales Contract

- All exports take place thru Export Sales Contracts
- 'Export Sales Contract is a contract whereby the exporter (seller) transfers/ agrees to transfer the property/ goods to the importer (buyer) for a price'
 - Contract involves 2 different parties: exporter and importer
 - Goods refer to 'movables' - existing/ future

8 Feb 2023

Drafting an export sales contract

SALES CONTRACT					
Seller ABC Exports 4300 Longbeach Blvd Longbeach, California, 90807 United States +121388447711 Randy Clarke Company Tax ID: 93377112 info@abcexports.com			 ABC Exports		
Buyer XYZ Imports 430 Queen Street Brisbane, Queensland, 4814 Australia +61404822536 Bob Jones			Invoice Number INV-34567S	Date 04 Jul 2022	
Delivery Date 04 Jul 2022					
Method of Dispatch Sea		Type of Shipment FCL		Terms / Method of Payment 30% DEPOSIT, BALANCE UPON BILL OF LADING	
Port of Loading Long Beach		Port of Discharge Sydney			
Product Code	Description of Goods	Unit Quantity	Unit Type	Price	Amount
B-STOOL	BAR STOOL ALUMINIUM 500 X 100 X 100MM STAINLESS STEEL	150	EACH	77.20	11.58
B-TABLE	BAR TABLE ALUMINIUM 1800 X 600 X 400MM STAINLESS STEEL	75	EACH	110.40	8.28
Total This Page		225			19.86
Consignment Total		225			19.86
Conditions SUBJECT TO OUR STANDARD TRADING CONDITIONS			TOTAL: Incoterms® 2020 FOB LONGBEACH Currency: USD		
Bank Details Account Name: ABC EXPORTS Bank Account Number: 845590XXXX Bank Name: Community Federal Savings Bank ACH Routing Number: 02607XXXX Fedwire Routing Number: 02607XXXX SWIFT Code: CMFGUS33 Bank Address: 88-15 Jamaica Ave, Woodhaven, New York, NY 11421			Signatory Company ABC Exports Name of Authorized Signatory Randy Clarke Signature 		

- A sales contract is a legally binding document between a buyer and seller.
- Sales contract vs export sales contract
- In a sales contract (domestic sales contract), the applicable law will always be the Indian law.
- In an export sales contract, the applicable law will be that of the importing country, which is mutually agreed to by the parties in the contract.

- The export sale contract follows the basic law of contract covering :
 - price, offer, acceptance,
 - delivery, shipping, acceptance of goods,
 - complaints, and returns.
- The terms of any of these can be changed to suit the parties
- A good sales contract leaves no doubt about either party's rights & obligations during a transaction

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Drafting an export sales contract; Negotiating suitable INCOTERMS

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Elements of Sales Export Contract

- There is no standard format of export contract as the elements of export contract may vary from individual to individual, transaction to transaction and country to country.
- The elements of an export contract also depend upon the nature of product being exported. However, some of the elements of the export contract that are common are:
 - (a) Name and addresses of the parties, i.e. importer and exporter must be stated clearly and fully.

<https://howtoexportimport.com/Elements-of-Export-Contract-4599.aspx>

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Drafting an export sales contract; Negotiating suitable INCO
Terms

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Elements of Sales Export Contract

- (b) Product standards and specifications such as name of the product, its technical name, if any, applicable national or international standards, etc
- (c) Nature, manner and focus of the envisaged inspection, as well as the name of the inspection agency.
- (d) Terms of delivery as per the latest applicable version of INCOTERMS presently INCOTERMS 2020.
- (e) Quantity in terms of number of units both in figures as well as words and specifications relating to packaging, labelling and marking.

<https://howtoexportimport.com/Elements-of-Export-Contract-4599.aspx>

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Drafting an export sales contract; Negotiating suitable INCO
Terms

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(f) Total contract value in words and figures and the currency, responsibility for the payment of taxes, duties and levies.

(g) Terms and place of dispatch and delivery and the date from which the period of delivery begins.

(h) Part-shipment, trans-shipment and consolidation of cargo. If goods are to be shipped under a “consolidation of export cargos”, it should be specified.

(i) Terms of payment, amount, mode and currency, discounts and commissions and their basis.

(j) Details of insurance goods against loss, damage, or destruction during transportation, type of risk covered and the extent of coverage.

<https://howtoexportimport.com/Elements-of-Export-Contract-4599.aspx>

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Drafting an export sales contract; Negotiating suitable INCO
Terms

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SALES CONTRACT

PARTIES

- This Sales Contract (hereinafter referred to as the “**Contract**”) is entered into on _____ (the “**Effective Date**”), by and between _____, with an address of _____, (hereinafter referred to as the “**Seller**”) and _____, with an address of _____, (hereinafter referred to as the “**Customer**”) (collectively referred to as the “**Parties**”).

GOODS AND PRICE

- The goods that the Seller is selling to the Customer are enlisted below with their quantities (hereinafter referred to as the “**Goods**”).

Good	Quantity	Price per unit	Total Price

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Drafting an export sales contract; Negotiating suitable INCO
Terms

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PRICE AND PAYMENTS

- The Seller hereby agrees to sell the Goods to the Customer for an amount of _____.
- The Seller will provide an invoice to the Customer at the time of the delivery.
- All invoices are to be paid in full at least within thirty (30) days.
- Any balances not paid within thirty (30) days will be subject to a five percent (5%) late payment penalty.

DELIVERY AND SHIPPING

- The delivery of the goods (hereinafter referred to as the “Delivery”) will be at the location _____
- The shipping method will be decided by the _____ and _____ will be responsible for the costs of the shipment.

WARRANTIES

- Except as expressly set forth in this Agreement, the Parties acknowledge and agree that the Goods are provided as is.
- Except for the express warranties set forth herein, neither party makes any representations or grants any warranties, express or implied, either in fact or by operation of law, by statute or otherwise, and each party specifically disclaims any other warranties, whether written or oral, or express or implied, including any warranty of quality, merchantability, or fitness for a particular use or purpose or any warranty as to the validity of any patents or the non-infringement of any intellectual property rights of third parties.

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Drafting an export sales contract; Negotiating suitable INCOTerms

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INSPECTION

- Hereby, the Customer acknowledges that it has relied solely on the investigations, examinations, and inspections that the Customer has chosen to make and that the Seller has afforded the Customer the opportunity for full and complete investigations, examinations, and inspections.

RISK OF LOSS AND TITLE

- The risk of loss or damage for the goods will be on the Seller until the goods pass upon delivery to the Customer or its designee.
- The Title of the goods will also remain with the Seller until the goods pass upon delivery to the Customer or its designee.

DELAY OR FAILURE TO PERFORM AND FORCE MAJEURE

- Under no circumstances will the Seller be held liable to the Customer for any delay that may occur, non-delivery or an arising fault of this Agreement that may be due to any labour dispute, shortage in transportation, delay or shortage of materials to produce the Goods, fires, accidents, Acts of God, or any other causes outside Seller's control. The Seller will notify the Customer immediately upon realization that it will not be able to deliver the Goods as promised. Upon such notice, either Party may terminate this Agreement.

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Drafting an export sales contract; Negotiating suitable INCOTerms

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TERMINATION

- This Agreement may be terminated by either party or both Parties at any instant provided that the terminating party provides a written notice of termination _____ days in advance.

LIMITATION OF LIABILITY

- Under no circumstances will the Seller be liable for any indirect, special, consequential, or punitive damages (including lost profits) arising out of or relating to this Agreement or the transactions it contemplates (whether for breach of contract, tort, negligence, or other form of action).

GOVERNING LAW

- This Agreement shall be governed by and construed in accordance with the laws of _____.

AMENDMENTS

- The Parties agree that any amendments made to this Agreement must be in writing, where they must be signed by both Parties to this Agreement.
- Accordingly, any amendments made by the Parties will be applied to this Agreement.

SEVERABILITY

- In the event that any provision of this Agreement is found to be void and unenforceable by a court of competent jurisdiction, then the remaining provisions will remain in force in accordance with the Parties' intention.

ENTIRE AGREEMENT

- [This Agreement](#) contains the entire agreement and understanding among the Parties hereto with respect to the subject matter hereof, and supersedes all prior agreements, understandings, inducements and conditions, express or implied, oral or written, of any nature whatsoever with respect to the subject matter hereof. The express terms hereof control and supersede any course of performance and/or usage of the trade inconsistent with any of the terms hereof.

FORCE MAJEURE

- The Seller will not be liable for delays in performance or for non-performance due to unforeseen circumstances or causes beyond the Seller's reasonable control.

SIGNATURE AND DATE

- The Parties hereby agree to the terms and conditions set forth in this Agreement and such is demonstrated throughout their signatures below:

CUSTOMER	SELLER
Name: _____	Name: _____
—	—
Signature: _____	Signature: _____
—	—
Date: _____	Date: _____
—	—

INCOTERMS

INCOTERMS

- The Incoterms or International Commercial Terms are a series of pre-defined commercial terms published by the International Chamber of Commerce relating to international commercial law.
- This set of rules, created by the International Chamber of Commerce (ICC), defines the responsibilities of buyers and sellers around the delivery of goods.
- It establishes who's responsible for shipping, insurance, and tariffs in a contract between a buyer and a seller.
- The ICC updates this set of rules every ten years, with the most recent update—the Incoterms 2020 rules—having been released in 2020.

- The Incoterms rules form a crucial part of any agreement between buyers and sellers by dictating who will pay for loading and unloading costs, customs export procedures, insurance, import costs, and more.
- By understanding the Incoterm rule defined in a contract, buyers and sellers can get a firm grasp on their costs and, ultimately, their margins.
- All International purchases will be processed on an agreed Incoterm to define which party legally incurs costs and risks. Incoterms® will be clearly stated on relevant shipping documents.
- By defining eleven different costs in a three-letter designation, the Incoterms rules quickly define who will for what.
- Note: Even though the Incoterms rules were updated in 2020, some parties may still use the Incoterms 2010 rules. (Or an earlier version!) Make sure that both parties to your contract are working from the same version when entering into a contract.

INCOTERM	LOADING ON TRUCK	EXPORT CUSTOMS DECLARATION	CARRIAGE TO PORT OF EXPORT	UNLOAD AT PORT OF EXPORT	LOADING AT PORT OF EXPORT	TRANSIT TO PORT OF IMPORT	UNLOADING AT PORT OF IMPORT	LOADING TRUCK AT PORT OF IMPORT	CARRIAGE TO DESTINATION	UNLOADING AT NAMED DESTINATION	CARGO INSURANCE	IMPORT CUSTOMS CLEARANCE	IMPORT TAXES
(EXW) Exworks	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
(FCA) Free Carrier	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
(FAS) Free Alongside Ship	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
(FOB) Free Onboard	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
(CFR) Cost and Freight	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER	BUYER
(CIF) Cost, Insurance, and Freight	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	SELLER	SELLER (Clause C)	BUYER	BUYER
(CPT) Carriage paid to	SELLER	SELLER	SELLER	BUYER	SELLER	BUYER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	BUYER
(CIP) Carriage & Insurance paid to	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER (Clause A)	BUYER	BUYER
(DAP) Delivered at place	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER
(DPU) Delivered at place unloaded	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	BUYER	BUYER	BUYER	SELLER	BUYER	BUYER
(DDP) Delivered duty paid	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER	SELLER

Incoterms® is a registered trademark of The International Chamber of Commerce. To learn more visit: <https://iccbo.org/resources-for-business/incoterms-2010/>

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Drafting an export sales contract; Negotiating suitable INCOTerms

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INCOTERMS explains the Import – Export contract

- As an importer/ buyer defining his agreement with exporter/ seller, he will negotiate two elements:
 - The three-letter Incoterms designation (from the chart).*
 - The named place for the final destination (to ensure delivery to a location where the importer can access the freight, either to pick them up or arrange for further transport.*

Note: It's important to get very specific, especially in cities with multiple ports. Otherwise, you may spend a day chasing your delivery around.

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Drafting an export sales contract; Negotiating suitable INCOTerms

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An overview of Incoterms® 2020 for 11 Terms

1. EXW – Ex-Works or Ex-Warehouse
2. FCA – Free Carrier
3. FAS – Free Alongside Ship
4. FOB – Free On Board
5. CFR – Cost and Freight
6. CIF – Cost, Insurance and Freight
7. CPT – Carriage Paid To
8. CIP – Carriage And Insurance Paid To
9. DAP – Delivered At Place
10. DPU – Delivered At Place Unloaded (replaces Incoterm® 2010 DAT)
11. DDP – Delivered Duty Paid

An overview of Incoterms 2020 for 11 Terms

EXW – Ex-Works or Ex-Warehouse

- Ex works is when the seller places the goods at the disposal of the buyer at the seller's premises or at another named place (i.e., works, factory, warehouse, etc.).

- The seller does not need to load the goods on any collecting vehicle. Nor does it need to clear them for export, where such clearance is applicable.

FCA – Free Carrier

- The seller delivers the goods to the carrier or another person nominated by the buyer at the seller's premises or another named place.

- The parties are well advised to specify as explicitly as possible the point within the named place of delivery, as the risk passes to the buyer at that point.

An overview of Incoterms 2020 for 11 Terms

FAS – Free Alongside Ship

- The seller delivers when the goods are placed alongside the vessel (e.g., on a quay or a barge) nominated by the buyer at the named port of shipment.
- The risk of loss of or damage to the goods passes when the products are alongside the ship. The buyer bears all costs from that moment onwards.

FOB – Free On Board

- The seller delivers the goods on board the vessel nominated by the buyer at the named port of shipment or procures the goods already so delivered.
- The risk of loss of or damage to the goods passes when the products are on board the vessel. The buyer bears all costs from that moment onwards.

An overview of Incoterms 2020 for 11 Terms

CFR – Cost and Freight

- The seller delivers the goods on board the vessel or procures the goods already so delivered.
- The risk of loss of or damage to the goods passes when the products are on board the vessel.
- The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.

An overview of Incoterms 2020 for 11 Terms

CIF – Cost, Insurance and Freight

- The seller delivers the goods on board the vessel or procures the goods already so delivered. The risk of loss of or damage to the goods passes when the products are on the ship.
- The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination.
- The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage.
- The buyer should note that under CIF the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.

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Drafting an export sales contract; Negotiating suitable INCO
Terms

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An overview of Incoterms® 2020 for 11 Terms

CPT – Carriage Paid To

- The seller delivers the goods to the carrier or another person nominated by the seller at an agreed place (if any such site is agreed between parties).
- The seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

CIP – Carriage And Insurance Paid To

- The seller has the same responsibilities as CPT, but they also contract for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage.
- The buyer should note that under CIP the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have more insurance protection, it will need either to agree as much expressly with the seller or to make its own extra insurance arrangements.

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Drafting an export sales contract; Negotiating suitable INCO
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An overview of Incoterms® 2020 for 11 Terms, 7 for any mode of transport.

DAP – Delivered At Place

- The seller delivers when the goods are placed at the disposal of the buyer on the arriving means of transport ready for unloading at the named place of destination.
- The seller bears all risks involved in bringing the goods to the named place.

An overview of Incoterms® 2020 for 11 Terms

DPU – Delivered At Place Unloaded (replaces Incoterm® 2010 DAT)

- DPU replaces the former Incoterm® DAT (Delivered At Terminal). The seller delivers when the goods, once unloaded are placed at the disposal of the buyer at a named place of destination.
- The seller bears all risks involved in bringing the goods to, and unloading them at the named place of destination.

DDP – Delivered Duty Paid

- The seller delivers the goods when the goods are placed at the disposal of the buyer, cleared for import on the arriving means of transport ready for unloading at the named place of destination.
- The seller bears all the costs and risks involved in bringing the goods to the place of destination. They must clear the products not only for export but also for import, to pay any duty for both export and import and to carry out all customs formalities.

Differences between Incoterms 2010 and Incoterms 2020

- The main explanations of Incoterms 2020 have remained the same, with a few key updates and changes.
- The main change includes a new DPU term replacing DAT, along with other changes to Incoterms.
- It's imperative that all parties involved in global trade understand these updates and how they may affect your supply chain.

8 Feb 2023

Drafting an export sales contract; Negotiating suitable INCO Terms

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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

*CIP requires at least an insurance with the minimum cover of the Institute Cargo Clauses (C) (Number of listed risks, subject to itemized exclusions)

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INCOTERMS 2020



EXW	EX WORKS	AGREED PLACE								
FCA	FREE CARRIER	AGREED PLACE								
FAS	FREE ALONGSIDE SHIP	PORT OF LOADING								
FOB	FREE ON BOARD	PORT OF LOADING								
CFR	COST & FREIGHT					PORT OF DESTINATION				
CIF	COST, INSURANCE & FREIGHT					PORT OF DESTINATION				
CPT		COST PAID TO							PLACE OF DESTINATION	
CIP		CARRIER & INSURANCE PAID TO							PLACE OF DESTINATION	
DDP	DELIVERED DUTY PAID								DESTINATION	
DAP	DELIVERED AT PLACE								DESTINATION	
DDU	DELIVERED AT PLACE UNLOADED								PLACE OF DESTINATION	

SELLER'S OBLIGATION
⚠ TRANSFER OF RISK
 BUYER'S OBLIGATION

Thank you



Chapter No 4

Getting Tuned to Operational Issues in International Business

Module 5: Trade Operations and Documentations

Online Session 4/6

Getting tuned to Operational issues in international business

Six Months Certificate Training Program on “Agri-Export and Import Management”

Speaker: Dr Raosaheb R Mohite, Agri-Value Chain Expert - GFFM Group, Bangalore

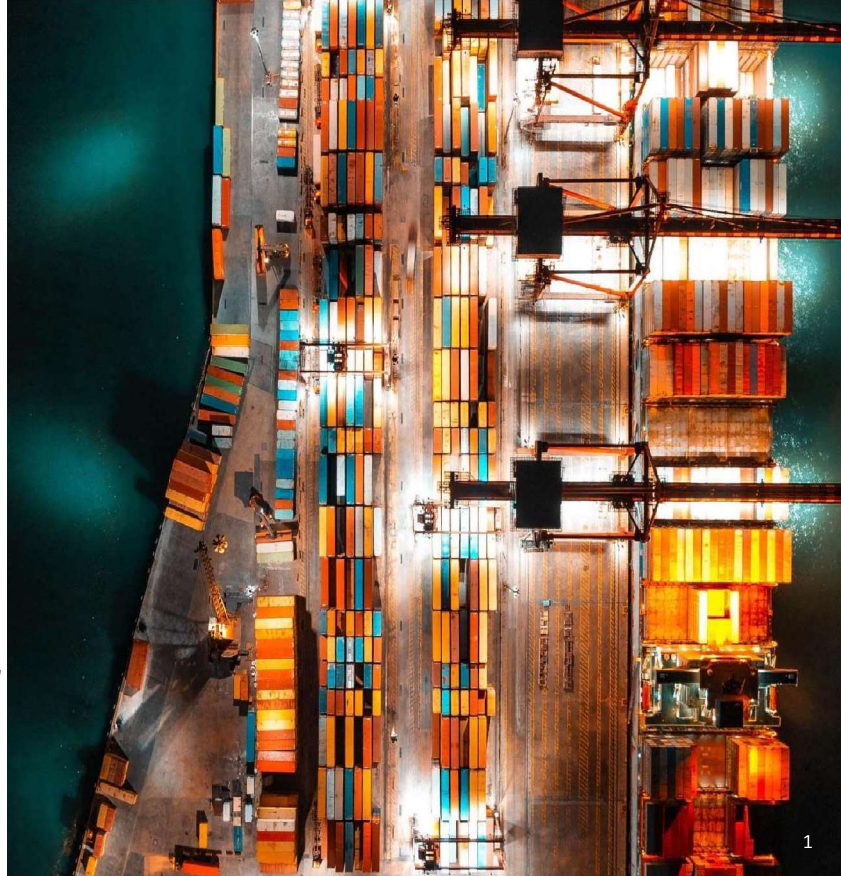
Organized By: “Indo-German Cooperation Project on Agricultural Market Development”

Knowledge Partner: CCS National Institute of Agricultural Marketing

Supported by: Agricultural and Processed Food Products Export Development Authority

Date: 11 February 2023 | Time: 10:00 – 11:30 Hr

11 Feb 2023



Module 5: Session 3: Drafting an export sales contract; Negotiating suitable INCO Terms



Session 1	Step by Step Process of getting started in Export – Import
Session 2	Clear understanding of export – import documentation
Session 3	Drafting an export sales contract; Negotiating suitable INCO Terms
Session 4	Getting tuned to Operational issues in international business
Session 5	Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo
Session 6	Export clearance and Incentive assessment

Getting tuned to Operational issues in
international business
(अंतरराष्ट्रीय व्यापार में परिचालन संबंधी
मुद्दों के साथ तालमेल बिठाना)

11 Feb 2023

Getting tuned to Operational issues in international business

Brief Outline of Module 5: Session 4

1. Challenges in International Business and Overcoming the same
 - A. Common Challenges in International Business
 - B. Challenges faced by Small Export Businesses
 - C. Case study of 'nuances' in exporting to the Kingdom of Saudi Arabia*
2. Inco term related Challenges

11 Feb 2023

Getting tuned to Operational issues in international business

International Challenges

International Business is extremely exciting and at the same time it can also be 'risky'.

It has potential to gain large consumer base, new customers and increased revenue

11 Feb 2023

Getting tuned to Operational issues in international business



11 Feb 2023

Getting tuned to Operational issues in international business

Common Challenges of International Business

1. Language Barriers
2. Cultural Differences
3. Managing Global Teams
4. Currency Exchange and Inflation Rates
5. Nuances of Foreign Politics, Policy and Relations

Source: Catherine Cote, 2020, 5 Common Challenges of International Business you should consider, HBS

11 Feb 2023

Getting tuned to Operational issues in international business

1. Language Barriers

- Consider languages spoken in the countries
- Translate well – hire translator – consult native speaker and resident of that country
 - Mercedes Benz brand – Mandarin Chinese name was chosen – ‘Bensi’ similar to Benz
 - The name when translated meant ‘rush to death’ – wrong impression. Soon changed to ‘Benchi’ – which translates into run quickly, speed or gallop.
- Consider the languages spoken by company’s team

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Getting tuned to Operational issues in international business

1. Cultural Differences

- Holidays,
- Arts,
- Traditions,
- Foods and
- Social Norms
- Working Hours
 - USA – 9 am to 5 pm
 - Spain – 9 am to 1.30 pm and 4.30 to 8.30 pm with Siesta break

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3. Managing Global Teams

- Language barriers
- Cultural differences
- Time zones
- Various degrees of technology access and reliance
- More video conferencing

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- **Currency Exchange and Inflation Rates**

- Familiarize with currencies and inflation rates in the importing countries
- Fluctuations will affect the bottom line
- Inflation rate in a country can affect buying power and in turn spending on imported goods
- Together with Exchange rate and Inflation can affect imports (and in turn the exporters prospects)

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5. Nuances of Foreign Politics, Policy, and Relations

- It is important to follow closely the above as they can influence trade (exports)
- Policies and politics can affect taxes, labour laws, raw material costs, transportation infrastructure, educational systems etc

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Challenges faced by Small Export Businesses

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1. Identifying the export market
 - A. Screen – Identify - Select
2. Finding Buyers and Diversifying Client base
 - A. Diversifying client base mitigates risk
3. Creating Brand Awareness
 - A. Brand creation and first impression (website with good graphics)
4. Supply Chain Issues
 - A. Shipping rates
5. Changing foreign policies
 - A. Do own research and revisit every source used to collect information and see if they have updated or changed
6. Communication gap
 - A. Finding and connecting in non-English speaking countries may be difficult

Source: Webinar on Foreign Trade by Dr Rajendra Prasad Sharma, IIFT, Kolkatta

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A case study of Exports of Agricultural Products to Saudi Arabia

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India's Exports of Agricultural Products to Saudi Arabia

Source: APEDA website

Product	Country: Saudi Arab		Qty In MT
	Value in Rs Lacs		
	2021-22		
	Qty	Value	
Basmati Rice	674,851.09	482,457.14	
Buffalo Meat	51,635.41	117,748.52	
Non Basmati Rice	132,071.25	51,440.03	
Processed Fruits, Juices & Nuts	43,730.23	31,609.78	
Cashew Kernels	4,769.82	28,692.48	
Dairy Products	5,031.01	18,579.99	
Mango Pulp	24,539.37	14,176.07	
Miscellaneous Preparations	10,173.21	11,155.21	

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Country: Saudi Arab		Qty In MT
		Value in Rs Lacs
		2021-22
Product	Qty	Value
Cereal Preparations	7,751.38	11,051.31
Processed Vegetables	10,533.22	8,833.75
Other Fresh Fruits	15,928.91	7,630.67
Cocoa Products	936.98	7,380.87
Pulses	7,208.35	6,401.28
Milled Products	18,765.78	6,108.98
Fresh Grapes	5,782.28	5,457.68
Millet	20,154.19	4,957.46
Other Fresh Vegetables	16,223.49	4,944.83
Casein	711.00	4,392.74
Natural Honey	2,475.43	3,707.36
Fresh Onions	15,156.12	3,380.48
Groundnuts	2,333.85	2,275.73
Jaggery & Confectionery	2,645.41	2,165.73

Cucumber and Gherkins(Prep'd. & Presvd)	1,674.35	1,259.1
Guargum	718.20	951.5
Sheep/Goat Meat	194.64	757.5
Fruits & Vegetables Seeds	134.04	504.8
Floriculture	164.15	428.2
Fresh Mangoes	337.37	376.5
Maize	997.00	245.4
Wheat	867.20	233.5
Poultry Products	19.04	78.5
Others (Betel Leaves & Nuts)	6.77	36.3
Other Cereals	25.83	15.0
Albumin(Eggs & Milk)	0.00	0.1
Alcoholic Beverages	0.00	0.0
Walnuts	0.00	0.0
Total	1,078,546.37	839,435.14

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Key steps in exports

Negotiate contract

- At the contract signing stage with an importer, who is interested in the order and ready to sign a export sale contract – the exporter engages in negotiations – discounts/ exclusions – inclusions etc.
- Thereafter the importer is provided with a proforma invoice including breakup of prices, as required.
- Next, the offered prices should be accepted by the importer.
- It is suggested that at least 20% of total value of the export order be given to the exporter as 'advance payment', at the time of signing or after the signing of the contract.
- At the end of this step, a sales-purchase order (PO) is signed by the exporter (contract signed) with the importer.

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Key steps in exports

Export License

- The export license is proof of legitimacy - allowing of the country's goods and services to be traded internationally.
- Also important, to bear in mind, that the original set of documents must be enclosed.
- Hence it is essential that the exporter has a license issued by the responsible authorities, if one does not have an export license then apply for it. (PS: In some cases, depending on the regulations of the country, some products may not need an export license or even need to apply for an export license).
- And if required, in some countries the documents must be translated into the importing country's language (for instance in Arabic in Middle East)
- Certain products, such as animals, or ancillary products, antiques, may require special export licenses and permits.

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Key steps in exports

Book shipping

- After receiving export orders, you need to proceed with the delivery.
- Before selecting the shipping company, get offers from many shipping companies/ service providers and get the best prices and conditions possible
- There are many shipping services you can choose from to ensure your customers receive goods quickly and conveniently.
- Make a reservation (booking) with an international shipping line (a carrier carrying import and export goods) or forwarding company, well in advance.
- Also, some manufacturers can provide you a drop-shipping service*.
- Sometimes even no need to book a full container.

*When a drop shipping retailer sells a product, it purchases the item directly from a third party (a manufacturer, wholesaler, or another retailer) that ships the product directly to a customer.

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Key steps in exports

Check before delivery

After the signing of the order & receiving of the advance payment plan the delivery and produce or outsource goods according to the quantity and quality promised in the contract.

- Before delivery, carefully check as below:
 1. Do goods need a permit for export? Is cargo allowed to unload at the port of destination?
 2. Although the buyer places an order, regarding the delivery there can be some extra costs, you shall agree on all with the customer.
 3. Is your product dangerous? Do you have an MSDS (Material Safety Data Sheet)?
 4. Is the packing list correct or not? Does the net weight match?
 5. In case of an OOG (Out of Gauge viz., any cargo that is too large to fit in standard container), get a permit.
 6. Make sure that the words are correct in every document when exporting any shipment - the mistake of documents can waste lots of money and time.
 7. If the customer need a certificate of origin (COO) – include the same.

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Key steps in exports

Regulatory requirements

- It is recommended that the exporter make sure with the importer/ customer, at the ordering stage, all the required certifications
- For instance, a Certificate of Conformity (CoC)* required for each exported shipment (for specified products)
- For Saudi Arabia, CoC can be issued by only SASO** accredited compliance body who has the authority to issue this certificate.
- **CoC or Certificate of Conformance or Certificate of Conformity, is a document issued by manufacturers or designated personnel with authority to assure importers/ customers or buyers that the product has been manufactured with test results showing compliance to international or regulatory standards.*
- ***SASO (The Saudi Standards, Metrology and Quality Organization) - A SASO CoC is a Certificate of Conformity that is specific to Saudi Arabia. This document certifies that the item has been successfully tested and inspected to meet the country's quality and safety standards.*

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Key steps in exports

Regulation for foods imported: Case of Saudi Arabia

- Importers must have a valid Business Registration Certificate (registered food business)
- Exporters, as well as a food product (s) (conditional), must be registered with SFDA*
- Food products must comply with the SFDA regulations and other requirements
- Food products for export to Saudi Arabia must comply with
 - GSO 993 and GSO 1-2055 (slaughtering & processing practices) – for Halal reqts
 - GSO 323 for Chilled and frozen food products reqts
 - GSO Standard (GSO 150) – that addresses the specific reqts related to expiry date and minimum shelf life. for export to Saudi Arabia.

*SFDA = Saudi Food and Drug Administration

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Key steps in exports

Labeling & Packing Requirements: Case of Saudi Arabia

- Labelling:
 - Labelling information must be in Arabic and conform to GSO 9 requirements for consumer information and respect for Arabic culture and Islamic values (from images to content).
- Packing:
 - Shipment must have an origin (certificate of origin)
 - Items must be packed carefully and ensure safety
 - Shipping address should be clearly stated
 - Each box, carton, pallet, the container shall be numbered and the numbers shall be presented in the packing list with goods description. Make sure there is total match.

Don't ship the goods without receiving the balance payment.

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Key steps in exports

Commercial Invoice & Bill of Lading: Case of Saudi Arabia

- Commercial Invoices:
 - The Saudi customs office requires that commercial invoices issued by the exporter include an accurate description of the goods exported to Saudi Arabia, specifically:
 - For equipment: model number, brand, manufacturer's full name, etc.
 - For other goods: description of the material, manufacturer's full name, brand, etc.
- Bill of Lading (B/L):
 - Three copies of B/L are required, with signatures.
 - The documents must have the vessel name and shipping date, and full address of the manufacturer and or exporter.
 - Origin of each item and components indicated
 - The description of the goods: list of ingredients and origin of each package, with signed declaration saying the information is accurate.

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Key steps in exports

Buying Shipment Insurance: Case of Saudi Arabia

- Insurance certificate is a document issued by the insurer to the assured.
- It addresses the risks that may occur during international transshipment.
- It is a necessary document for making a claim against damages that may occur during shipment and also as insurance indemnity in case of disputes or litigation.
- The exporter provides insurance certificates to the importer with following details:
 - Actual insured amount,
 - description and value of insured goods, name of the ship/ carrier
 - the port of loading,
 - The port of discharge, and
 - address.

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Key steps in exports

Customs Documentation: Case of Saudi Arabia

Customs documentation for Saudi customs includes:

- Submission of Customs Declaration:
 - A document that shows the lists and detailed description of goods bound for import or export.
 - Through customs declaration, the customs authorities control what types of goods or items are imported or being exported.
 1. For import: to protect the country against harmful or dangerous goods to the economy and environment.
 2. For export: to executive orders restricting certain goods to be exported and to take surveillance measures.

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Key steps in exports

Customs Documentation: Case of Saudi Arabia

- Commercial Invoice: 1 copy
- Bill of lading (B/L):
 - 1 photocopy, with the enterprise's seal + shipping carrier/ forwarding company seal
- International freight bill (with Ex-Work, or FOB conditions),
 - CIC surcharge, hygiene, document fee: 1 copy
- Certificate of origin: 1 original (if any)
- Certificate of specialized inspection (if goods are subject to inspection):
 - 1 original with the certification of the specialized agency

CIC is a acronym for Container Imbalance Charge (also known as Container Imbalance Surcharge), This charge is collected because of the imbalance of trade volume or seasonal change – that creates imbalance of cargo flow and containers.
The CIC is levied by the Shipping company to manage transporting empty containers.

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Customs Documentation: Case of Saudi Arabia

- Other documents (if any, depending on the type of goods):
 - A copy of Quality Certificate (Certificate of Quality – CQ),
 - Certificate of Analysis (Certificate of Analysis – CA),
 - Health Certificate (Health Certificate) ...
- Besides, a copy of other documents for reference or presentation, when needed is to be prepared:
 - Foreign Trade Contract (Sales Contract),
 - Packing List (Packing List), and
 - relevant documents such as catalogs, photos, technical documents of the shipment.

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Inco term related Challenges

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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

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*CIE requires at least an insurance with the minimum cover of the Institute Cargo Clause (C) (Number of listed risks, subject to removal exclusions)



Suggestive list of Inco terms and Exporter – Importer Benefits

- New Exporter
 - EXW | FCA | FAS | FoB
- New Importer
 - DAP | DPU | DDP
- Established Exporter
 - CFR | CIF | CPT | CIP
- Established Importer
 - CFR | CIF | CPT | CIP

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Questions

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Dry Cargo Containers

Type	Container Weight			Interior Measurement				Door Open	
	Gross (kg)	Tare (kg)	Net (kg)	Length (m)	Width (m)	Height (m)	Capacity (m³)	Width (m)	Height (m)
20 ft	24,000	2,370	21,630	5.898	2.352	2.394	33.20	2.343	2.280
40 ft	30,480	4,000	26,480	12.031	2.352	2.394	67.74	2.343	2.280



Refrigerated Containers

Type	Container Weight			Interior Measurement				Door Open	
	Gross (kg)	Tare (kg)	Net (kg)	Length (m)	Width (m)	Height (m)	Capacity (m³)	Width (m)	Height (m)
20 ft	24,000	3,050	20,950	5.449	2.290	2.244	26.70	2.276	2.261
40 ft	30,480	4,520	25,960	11.690	2.250	2.247	57.10	2.280	2.205



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Drafting an export sales contract; Negotiating suitable INCO Terms

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Open Top Containers

Type	Container Weight			Interior Measurement				Door Open	
	Gross (kg)	Tare (kg)	Net (kg)	Length (m)	Width (m)	Height (m)	Capacity (m³)	Width (m)	Height (m)
20 ft	24,000	2,580	21,240	5.629	2.212	2.311	32.00	2.330	2.263
40 ft	30,480	4,290	26,190	11.763	2.212	2.311	65.40	2.330	2.263



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Drafting an export sales contract; Negotiating suitable INCO Terms

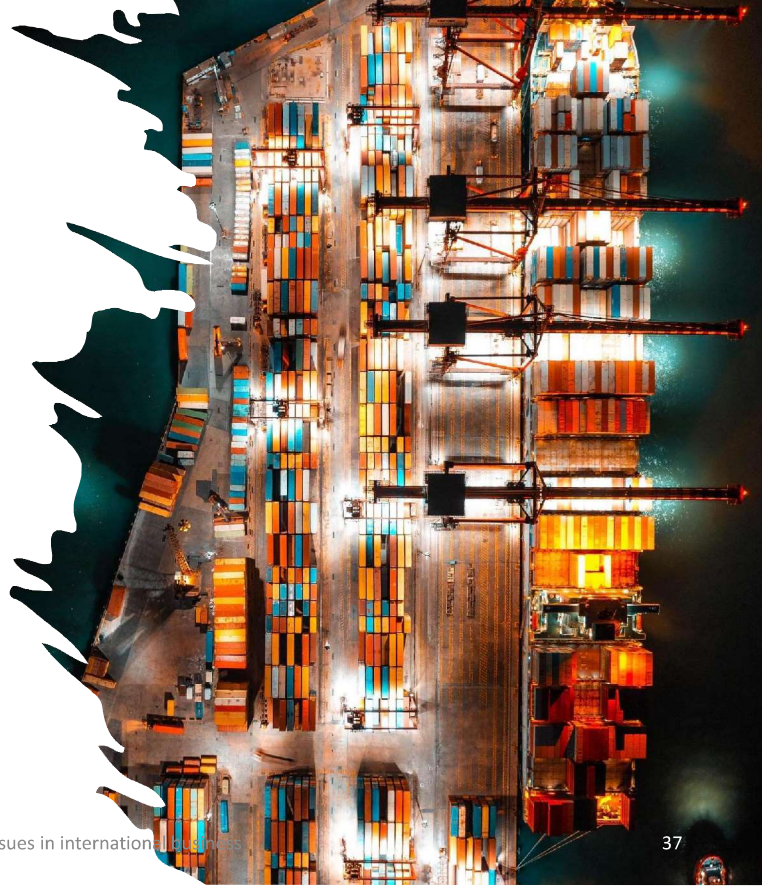
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Thank you

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Chapter No 5

**Procedure For Clearance of Export-
Import Cargo; Duty Assessment and
Payment of Import Cargo**

Module 5: Trade Operations and Documentations

Online Session 5/6

Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo

Six Months Certificate Training Program on “Agri-Export and Import Management”

Speaker: Dr Raosaheb R Mohite, Agri-Value Chain Expert - GFFM Group, Bangalore

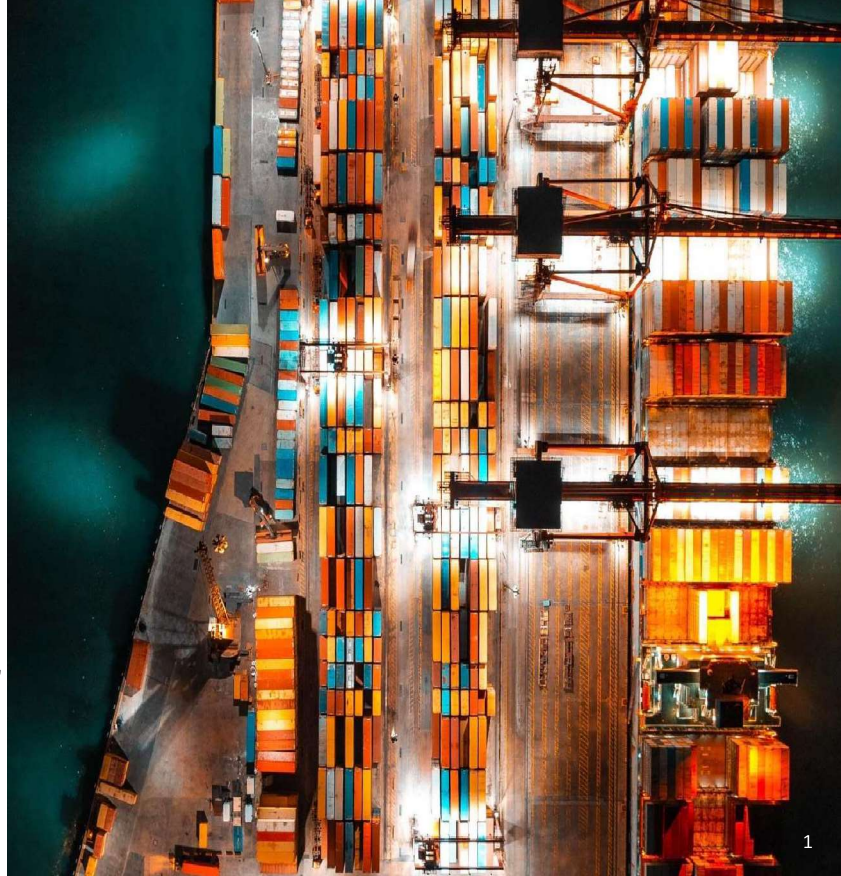
Organized By: “Indo-German Cooperation Project on Agricultural Market Development”

Knowledge Partner: CCS National Institute of Agricultural Marketing

Supported by: Agricultural and Processed Food Products Export Development Authority

Date: 14 February 2023 | Time: 19:00 – 20:30 Hr

14 Feb 2023



Module 5: Session 3: Drafting an export sales contract; Negotiating suitable INCO Terms



Session 1	Step by Step Process of getting started in Export – Import
Session 2	Clear understanding of export – import documentation
Session 3	Drafting an export sales contract; Negotiating suitable INCO Terms
Session 4	Getting tuned to Operational issues in international business
Session 5	Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo
Session 6	Export clearance and Incentive assessment

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Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo (निर्यात-आयात कार्गो की निकासी की प्रक्रिया; शुल्क निर्धारण और आयात कार्गो का भुगतान)

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Structure of Presentation

- Steps in Export and Import from India
- Custom Clearance – Details
 - EDI and Non-EDI Ports
- Specialized schemes
- Factors Impacting Customs Clearance
- Rules Regulations and Policies
- Documents generally required
- Basic Duty
- Other Duties
- Anti Dumping Duty

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Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo

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Formalities to undertake by exporter/ importer or his agent in clearance of export goods

• Exports:

- The exporters have to obtain PAN based Business Identification Number(BIN) from the Directorate General of Foreign Trade (DGFT) prior to filing of shipping bill for clearance of export goods.
- And pay the required GST charges, as per regulation, as per declared value of the cargo.

• Imports:

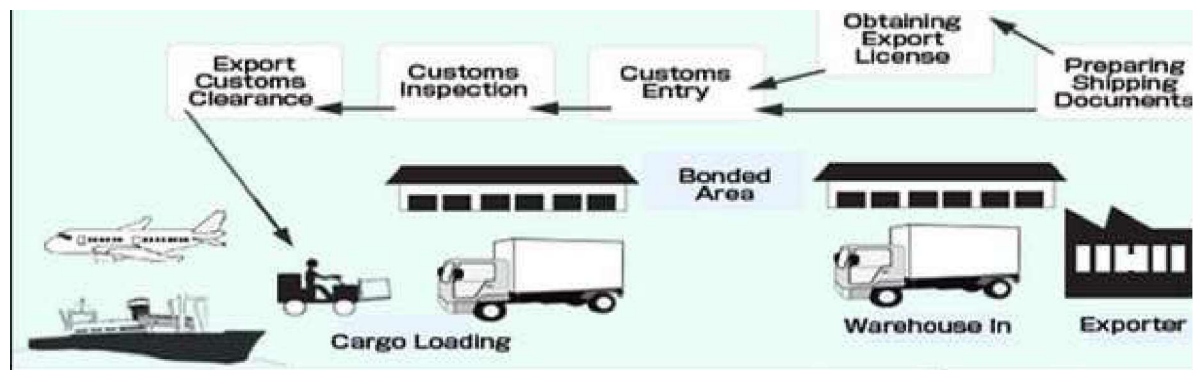
- All goods imported into India have to pass through the customs procedure - for proper examination, appraisal, assessment and evaluation – which helps the customs to charge the proper tax and also check illegal import.
- No import is allowed in India if the importer doesn't have the IEC number issued by the DFGT. If the goods are imported for the personal use, there is no requirement of IEC number.

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Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo

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CUSTOMS CLEARANCE - EXPORTS



<https://digitalexim.com/an-essential-step-to-make-custom-clearance-easy/>

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Exporting from EDI and Non-EDI Ports

- **Exports from Non EDI ports**

- An exporter would be able to file his application on DGFT website at <http://dgft.gov.in/>.
- Applicant will then submit to concerned RA (Registration Authority) the hard copy of application along with requisite documents.
- Authorisation/ Scrip shall be issued on the basis of hard copies of documents as prescribed in HBP (Handbook of Procedures) after due scrutiny.

Electronic Data Interchange (EDI) is generically defined as the computer-to-computer exchange of business information through standard interfaces

- **Exports from EDI ports**

- Applications relating to exports from EDI ports will be filed online as per relevant provisions.
- Physical or Hard copy of the following documents shall not be required to be submitted:
 - (i) Applications to DGFT
 - (ii) EDI shipping bills
 - (iii) Electronic Bank Realisation Certificate (eBRC)
 - (iv) RCMC

The Indian Customs EDI System (ICES) is now operational at **245 major customs locations** handling nearly 98 per cent of India's international trade in terms of import and export consignments

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Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo

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Steps in Clearance of Exports

1. Registration:
2. Processing of Shipping Bill - Non-EDI:
3. Processing of Shipping Bill - EDI:
4. Octroi procedure, Quota Allocation & Other certification for Export Goods:
5. Arrival of Goods at Docks:
6. System Appraisal of Shipping Bills:
7. Status of Shipping Bill:
8. Customs Examination of Export Cargo:
9. Variation Between the Declaration & Physical Examination:
10. Stuffing/ Loading of Goods in Containers
11. Drawal of Samples:
12. Amendments:
13. Export of Goods Under Claim for Drawback:
14. Generation of Shipping Bills:
15. Export General Manifest:

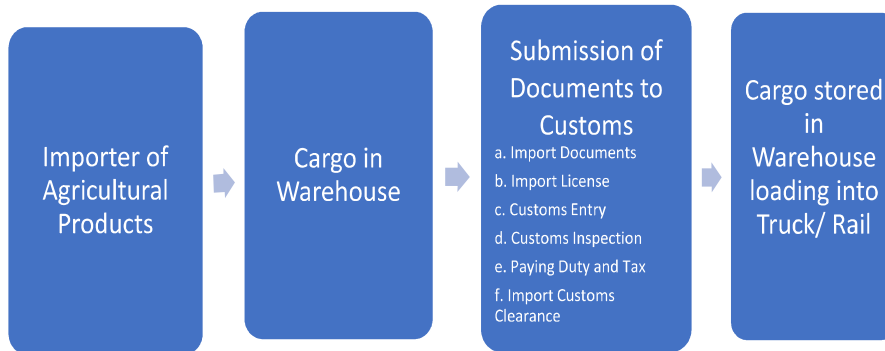
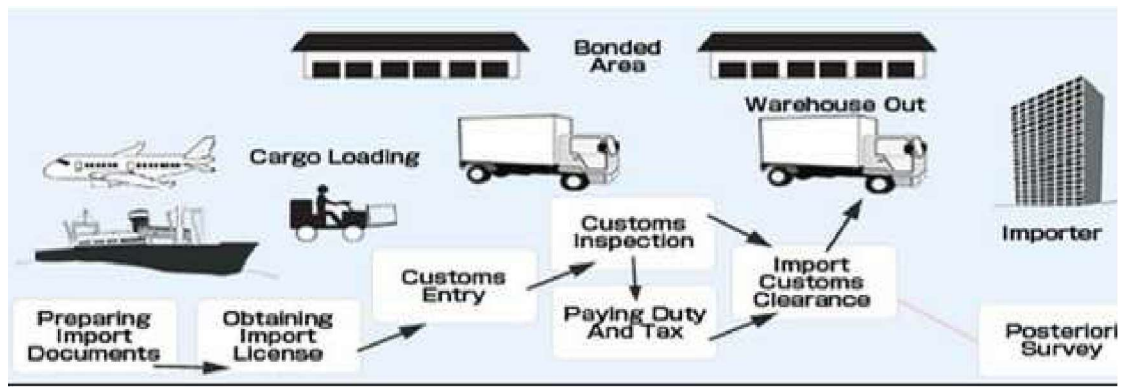
<http://www.eximguru.com/exim/indian-customs/customs-manual/procedure-for-clearance-of-imported-and-export-goods.aspx>

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Customs Clearance - Imports



<https://digitalexim.com/an-essential-step-to-make-custom-clearance-easy/>

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Steps in Clearance of Imports

1. Bill of Entry – Cargo Declaration:
2. Assessment:
3. EDI Assessment:
4. Examination of Goods:
5. Green Channel facility:
6. Execution of Bonds:
7. Payment of Duty:
8. Amendment of Bill of Entry:
9. Prior Entry for Bill of Entry:
10. Mother Vessel/ Feeder vessel:
11. Specialised Schemes:
12. Bill of Entry for Bond/ Warehousing:

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Details of Custom Clearance

- Custom clearance is one of the important processes in any export import business.
- Customs:
 - It is a government department that implements policies related to import and export.
- Custom clearance:
 - It is a document which is issued by the customs authorities to a shipper that indicates all the duties have been paid and the goods are cleared to export.

Further Reading: An Essential step to make Custom Clearance Easy, by [Kavit Shah](#)

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Details of Custom Clearance:

1. Every international ocean shipment must meet the customs clearance in each country.
2. Custom clearance procedure works include ‘formation and submission of documentation’ needed to help export or import procedure into the country.
3. The importer or exporter should have to submit valid documents to clear the custom clearance procedure successfully.

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Details of Custom Clearance in India:

1. Calling of Vessels-

- The person who carried the vessel (Ship Captain/ Chief Mate) should make sure that the calling of vessels is done at the customs port after reaching the country.

2. Bill of Entry-

- The customs officer will be assigned to check the paperwork of the desired shipment. The customs officer will make a bill in 4 copies.

3. Modification to Bill of Entry-

- After the first process the duty of a customs officer will be to check whether there would be any alteration required.

4. Green Channel Facility-

- This ensures that there will be no need for routine examination procedures for checking of goods.

An Essential step to make Custom Clearance Easy, by [Kavit Shah](#)

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Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo

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Process of Custom Clearance in India:

5. Payment-

- All the importer and exporters have to pay the duty through TR-6 challans.

6. Shipping Bill-

- The bill of entry will be valid if the goods have arrived 30 days before the actual date of presentation of the shipping bill.

7. Custody of Custodian-

- After the ship arrives the goods remain in the custody of the Custodian until it clears the customs process.

8. Bill of Entry for warehousing-

- There is a different bill of entry for customs clearance of goods for warehousing procedure.

TR-6 challan is used for payment of any amount under accounting code given in accounting directory related to customs duty assessments; say customs duty, MOT (Merchant Overtime fee) etc

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Procedure for clearance of export – import cargo; Duty assessment and payment of import cargo

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- **Prior Entry for Shipping Bill or Bill of Entry:**

- For faster clearance of the goods, provision has been made to allow filing of bill of entry prior to arrival of goods.
- This bill of entry is valid if vessel/ aircraft carrying the goods arrive within 30 days from the date of presentation of bill of entry.

9. **Delivery of Goods-**

- After showing the custom clearance to the port authority the importer can take the delivery of the goods

Specialized Schemes

- **Specialized Schemes:**

- Import of goods under specialized scheme such as DEEC (Duty Exemption Scheme) and EoU etc is required to execute bonds with the custom authorities.
- In case failure of bond, importer is required to pay the duty leviable on those goods.
- The amount of bond would be equal to the amount of duty leviable on the imported goods.

- The bank guarantee is also required along with the bond - the amount of bank guarantee depends upon the status of the importer like Super Star Trading House/ Trading House etc.

- **Bill of Entry for Bond/ Warehousing:**

- A separate form of bill of entry is used for clearance of goods for warehousing.
- Assessment of this bill of entry is done in the same manner as the normal bill of entry and then the duty payable is determined.

Factors Impacting Customs Clearance:

1. Nature of Cargo:

- While exporting food products to any country, then one must have safety and quality assurance and certification requirements from both the countries.

2. Free Trade Agreements:

- If the product falls under free trade agreement, one will need to produce a certificate of origin (COO) as a proof.

3. Digital Customs:

- It is important to know about the EDI (electronic data interchange) system used for the customs clearance process and other activities (done digitally).

Rules Regulations and Policies:

1. Every country annually publishes its foreign trade policy (FTP), under which goods and services can be exported or imported.
2. Cargo imported into the country are customs bonded under custom jurisdiction until it is released after clearance.
3. It requires the trader to file all the paperwork, licenses, and certificates for the accurate and complete submission.
4. No vessel/ aircraft can leave a customs station unless a written order for port clearance is given by a customs officer.
5. The commercial invoice is most important because it lists the contact information for the suppliers, receiver, export data, and airway bill.

Documents generally required in the non-EDI system along with the bill of entry filed by the importer or representative

- Signed invoice
- Packing list
- Bill of Lading or Delivery Order/ Airway Bill
- GATT declaration form duly filled in
- Importers/ CHA's declaration
- License wherever necessary
- Letter of Credit/ Bank Draft/ wherever necessary
- Insurance document
- Import license
- Industrial License, if required
- Test report in case of chemicals
- Adhoc exemption order
- DEEC (Duty Exemption Entitlement Certificate) Book, DEPB (Duty Entitlement Passbook Scheme (DEPB) in original
- Catalogue, Technical write up, Literature in case of machineries, spares or chemicals as may be applicable
- Separately split up value of spares, components machineries
- Certificate of Origin (COO), if preferential rate of duty is claimed
- No Commission declaration

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Basic Customs Duty

- Basic customs duty levied u/s 12 of Customs Act i
- Countervailing Duty (CVD)
 - CVD equal to excise duty is payable on imported goods u/s 3(1) of Customs Tariff Act to counterbalance impact of excise duty on indigenous manufactures, to ensure level playing field.
 - CVD is payable equal to excise duty payable on like articles if produced in India. It is payable at effective rate of excise duty.
- CVD is payable on assessable value plus basic customs duty.
- In case of products covered under MRP provisions, CV duty is payable on MRP basis as per section 4A of Central Excise.

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Tariff on imported agricultural products in India

- Maize attracts 50 per cent import duty (2020)
- To help poultry feed industry the Gol announced a special tariff of 15% on import of 5 lakh tons of Maize
- Custom Import Duty on Processed Food (HS CODE 98051000):29.5%
 - Prepared Or Preserved Meat Fish And Vegetables; dairy Products; Soup; Lard; Fresh Fruits
- The basic customs duty on refined varieties of palmolein and refined palm oil is 12.5 per cent, while social welfare cess is 10 per cent. So, the effective duty is 13.75 per cent.
- For refined soyabean and sunflower oil, the basic customs duty is 17.5 per cent and taking into account 10 per cent social welfare cess, the effective duty comes to 19.25 per cent.

CVD

- CVD can be levied only if there is 'manufacture'.
- CVD is neither excise duty nor basic customs duty. However, all provisions of Customs Act apply to CVD.
- **Special CVD**
 - is 4% on imported goods u/s 3(5) of Customs Tariff Act. This is in lieu of Vat/sales tax to provide level playing field to Indian goods.
 - CVD is not payable if goods are covered under MRP valuation provisions.
 - Education Cess of 2% and SAH (Secondary and Higher) Education cess of 1% is payable (since then it is changed to Health and Education Cess at 4% including surcharge, 2018)

Other duties

- **Other duties**

- NCCD has been imposed on a few articles. In addition, on certain goods, anti-dumping duty, safeguard duty, protective duty etc. can be imposed.
- Cess is payable on some goods imported/ exported.
- Safeguard duty can be imposed if large imports are causing serious injury to domestic industry.
- In addition, product specific safeguard duty on imports from China can be imposed

Anti dumping duty

- Dumping is unfair trade practice and the anti-dumping duty is levied to protect Indian manufacturers from unfair competition.
 - Antidumping duty is leviable u/s 9A of Customs Tariff Act when foreign exporter exports his good at low prices compared to prices normally prevalent in the exporting country.
 - Margin of dumping is the difference between normal value (i.e. his sale price in his country) and export price(price at which he is exporting the goods).
 - Price of similar products in India is not relevant to determine 'margin of dumping'.
 - 'Injury margin' means difference between fair selling price of domestic industry and landed cost of imported products.

Anti dumping duty

- Benefits accruing to local industry due to availability of cheap foreign inputs is not considered - this is a drawback.
- CVD is not payable on antidumping duty.
- Education cess and SAH education cess is not payable on anti-dumping duty.
- In case of imports from WTO countries, antidumping duty can be imposed only if it causes material injury to domestic industry in India.
- Dumping duty is decided by Designated Authority after enquiry and imposed by Central Government by notification.
- Provisional antidumping duty can be imposed. Appeal against antidumping duty can be made to CESTAT (Customs Excise and Service Tax Appellate Tribunal) .

Shortage of Containers and High Surcharges

- As the demand for maritime transport has exceeds forecasts,
 - unexpected logistical obstacles, unreliable sailing schedules, bottlenecks & port congestion push up surcharges in particular: demurrage & detention expenses.
- In April 2022, there were 1,826 containers, or 20% of the world's fleet, waiting to dock at ports
 - as a result, some demurrage charges have increased from USD 20 to USD 200 while others moved from USD 200 to USD 700.
- In this context, CMA CGM implemented a new surcharge of
 - USD 1,000 per container in the peak season as of 15 May 2021 for reefer cargoes(from Morocco to all US destinations).
 - similarly, a surcharge of USD 250 for reefer containers departing from Morocco to Asia and West Africa.

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Export Reefer Repositioning

OT = OpenTop

RF = Refrigerated

FR = FlatRack

EMPTY REPOSITIONING COST FOR SPECIAL EQUIPMENT W.E.F 01ST JANUARY 2023						
From	To	ZONE	20 OT (INR)	40' OT (INR)	20 FR (INR)	40' FR (INR)
Aurangabad	Nhavasheva	Z1	20,000	35,000	NO SERVICE	NO SERVICE
Dhanand	Nhavasheva	Z1	25,000	40,000	NO SERVICE	NO SERVICE
Hyderabad	Nhavasheva	Z1	20,000	35,000	NO SERVICE	NO SERVICE
Mandidip	Nhavasheva	Z1	25,000	40,000	NO SERVICE	NO SERVICE
Nagpur - Borkhedli	Nhavasheva	Z1	25,000	40,000	NO SERVICE	NO SERVICE
Nagpur - Wardha	Nhavasheva	Z1	25,000	40,000	NO SERVICE	NO SERVICE
Nagpur-Mihan	Nhavasheva	Z1	25,000	40,000	NO SERVICE	NO SERVICE
Naya Raipur	Nhavasheva	Z1	25,000	40,000	NO SERVICE	NO SERVICE
Tilhi	Nhavasheva	Z1	25,000	40,000	NO SERVICE	NO SERVICE
Ankleshwar	Nhavasheva	Z2	20,000	30,000	NO SERVICE	NO SERVICE
Dashrath	Nhavasheva	Z2	20,000	30,000	NO SERVICE	NO SERVICE
Kandla	Mundra	Z2	10,000	15,000	NO SERVICE	NO SERVICE
Khodiyar/Sanand	Nhavasheva/Mundra/Pipavav	Z2	20,000	35,000	NO SERVICE	NO SERVICE
Sachana	Mundra/Pipavav	Z2	25,000	40,000	NO SERVICE	NO SERVICE
Tumb	Nhavasheva	Z2	25,000	40,000	NO SERVICE	NO SERVICE
Viramgam	Nhavasheva/Mundra/Pipavav	Z2	25,000	40,000	NO SERVICE	NO SERVICE
Agra	Nhavasheva	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Bawal	Mundra / Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Dadri	Nhavasheva/Mundra/Pipavav	Z3	20,000	35,000	25,000	40,000
Dagger	Nhavasheva/Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Delhi/Tughlakabad	Nhavasheva/Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Faridabad - ACTL	Nhavasheva/Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Faridabad - Piyala	Nhavasheva/Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Garhi Harsaru	Nhavasheva/Mundra/Pipavav	Z3	25,000	40,000	25,000	40,000
Jaipur	Nhavasheva/Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Jodhpur	Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Kanpur	Nhavasheva	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Kanpur - Panki	Nhavasheva	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Kashipur	Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Kathuwas	Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Kota	Mundra	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Loni	Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Ludhiana - Chawa	Mundra/Pipavav	Z3	25,000	40,000	25,000	40,000
Ludhiana - Dhandarikalan	Nhavasheva/Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE
Ludhiana - Kila Raipur - Hind Terminal	Mundra/Pipavav	Z3	25,000	40,000	NO SERVICE	NO SERVICE



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	40' RH	20' RF
MERCHANT HAULAGE - CAR45	INR.	INR.
Empty picked up from port and handover to ICD for loading from Nhavasheva/Mundra/Pipavav	7,950	5,450

Empty picked up from ICD Kanpur and handover at ICD Kanpur for loading fm Nhavasheva/Mundra/Pipavav	42,450
Empty picked up from ICD Dadri handover at ICD Dadri for loading fm Nhavasheva/Mundra/ Pipavav	38,450
Empty picked up from ICD Chawapail (Ludhiana) handover at ICD Chawapail (Ludhiana) for loading fm Nhavasheva/Mundra/ Pipavav	39,450
Empty picked up from ICD Sonipat handover at ICD Sonipat for loading fm Nhavasheva/Mundra/ Pipavav	42,450
Empty picked up from ICD Palwal handover at ICD Palwal for loading fm Nhavasheva/Mundra/ Pipavav	38,450

CARRIER HAULAGE - CAR00	INR.
Empty picked up from ICD Dadri and handover at ICD Dadri for loading fm Nhavasheva	1,45,000
Empty picked up from ICD Dadri and handover at ICD Dadri for loading fm Mundra	1,42,500
Empty picked up from ICD Dadri and handover at ICD Dadri for loading fm Pipavav	1,37,400
Empty picked up from ICD Kanpur and handover at ICD Kanpur for loading fm Nhavasheva	1,40,000
Empty picked up from ICD Chawapail and handover at ICD Chawapail for loading fm Mundra	1,47,700

NOTE:-

1) DTHC will be additional.

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Demurrage charges

Brand / Trade	Effective date
CMA CGM, ANL-All Trades	20 th January 2022

Revised Export Demurrage applicable will be as follows:

GENERAL				
CMA - CGM				
Period	Currency	20'	40'	45'
Free days		0 Days	0 Days	0 Days
1 to 17 days	USD	35	70	70
18 to 24 days	USD	65	130	130
25 days onwards	USD	82	164	164

****Charges are applicable per day**

SPECIAL				
CMA - CGM				
Period	Currency	20'	40'	45'
Free days		0 Days	0 Days	0 Days
1 to 17 days	USD	55	110	110
18 to 24 days	USD	79	158	158

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Terminal Handling Charges (THC)

- (1) All surcharges related to Reefer and Haz cargo payable to the port.
- (2) Berth used cannot be predicted; all surcharges related to reefer and Haz cargo
- (3) Reefer accepted 3 days before cut off; if containers are returned earlier additional
- (4) *Kolkata & Haldia - HAZ & Reefer THC = Dry THC + Electricity, Haz & Fireman charges
- (5) * Vizag – EXPORT : “HAZ REFEER THC tariff as INR 20380/20’ & INR 31100/40’.

IMPORT : “HAZ REFEER THC tariff as INR 20800/20’ & INR 31820/40’.

Additional Charges are applicable for:

OOG/ODC CARGO

REEFER HAZ CARGO

CFS STUFFING CHARGES

PORT STORAGE WHEN APPLICABLE

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Terminal Scanning Charges and Customs Permission Charges



Scanning Tariff (Nhava Sheva, Mundra, Pipavav)		Effective 19th Jan 2023	
Nhava Sheva (All Terminals)			
Charge Head	20	40	
Terminal Scanning Charges (INR)	4500	7250	
Customs Permission / Liaisoning (INR)	1500	1500	
Port Ground Rent	20	40	
First 5 days free	Nil	Nil	
Beyond 5 days	At actuals	At actuals	
Mundra (All Terminals)			
Terminal Scanning Charges (INR)	3000	4000	
Lift on @ Adani Exim CFS (INR)	1112	1602	
Lift off @ Adani Exim CFS (INR)	1112	1602	
Custom Permission / Liaisoning (INR)	1500	1500	
Port Ground Rent (USD)			
First 10 days Free	Nil	Nil	
11-15 days	USD 4	USD 8	
16-30 days	USD 9	USD 18	
Over 30 days	USD 18	USD 36	
Pipavav (All Terminals)			
Terminal Scanning Charges (INR)	USD 48	USD 64	
First 10 days	Free	Free	
11-22 days	USD 3.5	USD 6.5	
23-45 days	USD 6.5	USD 13	
Thereafter	USD 13	USD 26	

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Ocean Freight

India to Saudi Arabia
Nhava Sheva to Jebel Ali

15 Feb 2023 B/L
6 Days
21 Feb 2023 Unloading

Solutions

Track a shipment

Contact Us

Sign In

15 Feb - 21 Feb

6 days

Cheapest

Earliest

INR 64,740

SELECT

15 Feb - Nhava Sheva

5 days

Bill of Lading3,750

MANDATORY USAGE CHARGES170

SEAL CHARGES750

Org. Terminal Handling - Carrier9,350

TOLL CHARGES495

INFRASTRUCTURE DEVELOPMENT CESS LOAD25

OCEAN FREIGHT EXPORT50,200

Total64,740

19 Feb - 23 Feb

4 days

Cheapest

Fastest

INR 64,740

SELECT

23 Feb - 28 Feb

5 days

Cheapest

INR 64,740

SELECT

<https://www.cargoes.com/search-result/BTEBRID>

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Thank you

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Getting tuned to Operational issues in international trade

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