



# SO YOU WANT TO BE AN EXPORTER?

## TODAY'S TOPICS

- Introduction to CAS
- The role of a freight forwarder
- Why should you use a freight forwarder?
- Incoterms
- Exports: A Step-By-Step Guide
- Determining the needs of an exporter
- Special shipping requirements
- Export checklist
- How should I choose a freight forwarder?
- Question Time

## **FREIGHT FORWARDERS: WHO ARE THEY ?**

- Freight forwarders are specialists in the field of International Cargo Transportation.
- Definition of a Freight Forwarder :  
A company that acts as a broker for cargo services from airlines, shipping lines and all other transportation providers.
- Sometimes known as an International Travel Agent for freight.

## **WHAT ARE THE KEY ROLES OF A FREIGHT FORWARDER?**

- Transportation of goods.
- Determining needs of the importer/exporter.
- Negotiating best rates for the importer/exporter.
- Advising on various shipping, packing & documentation requirements for various countries of destination.
- Booking space on air & shipping lines


## WHAT ARE THE KEY ROLES OF A FREIGHT FORWARDER?

- Cargo tracking; keeping shipper and receiver informed at all stages of cargo status.
- A freight forwarder looks after the total international transport supply chain.
- A one-stop-shop for your import/export requirements.
- Freeing you up to focus on your core business.

## INCOTERMS

### International Buying Terms

- E Group: Ex-Works - All charges from your door.
- F Group: FOB, FCA - Main carriage unpaid.
- C Group: C&F, CIF, CFR - Main carriage paid.
- D Group: DDU, DDP – Door-to-Door.



### Information for EXPORTERS

#### INCOTERMS 2000 quick reference sheet

Incoterms are the international rules for the interpretation of trade terms used in international trade, formulated by the International Chamber of Commerce.

TERM	Recommended for sea freight only					Recommended for all modes of transport				
	FOB	FAS	CFR	CFP	DES	EXW	FCA	CPT	DDP	DDU
Packing costs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Commercial documents	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Inland delivery to first carrier	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Inland delivery to vessel/aircraft	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wharfage (Thru, Soft, LO/LO)	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Export Customs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Transport documentation*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Carriage and freight	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Insurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Delivery at destination	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Import Customs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

✓ Included in the price of goods.  
\* The cost of obtaining an air waybill or bill of lading should still be included in the FOB value, as they are an essential element of getting the goods on board.

FOB (free on board) should be calculated by adding the items that appear above the thick line and subtracting those that appear below the thick line. For example, if calculating FOB from CIP (cost, insurance and freight) you would need to subtract the cost of overseas freight and overseas insurance from CIP to reach FOB.


For further information regarding Incoterms refer to the International Chamber of Commerce's website [www.iccbooks.com](http://www.iccbooks.com)

**Incoterms acronyms**

BBR - Basic service rate	DEQ - Delivered ex quay
CFR - Cost and freight	DEU - Delivered ex ship
CIP - Cost, insurance and freight	EXW - Ex works
FAS - Free alongside ship	FCA - Free carrier
FOB - Free on board	FDN - Free delivery
FOC - Freight collect	LOL - Lift on/lift off
DDP - Delivered duty paid	THC - Terminal handling charge
DDU - Delivered duty unpaid	

Please note this fact sheet is a general guide only. For more information contact the Customs Information Centre on 1300 363 263, visit the website at [www.customs.gov.au](http://www.customs.gov.au) or email [information@customs.gov.au](mailto:information@customs.gov.au)

August 2000



### INCOTERMS – QUICK REFERENCE GUIDE

Incoterms are the international rules for the interpretation of trade terms used in international trade, formulated by the International Chamber of Commerce.

COSTS INCLUDED	EXPORTERS COUNTRY Border of country of export					IMPORTERS COUNTRY Border of country of import						
	EXW	FCA	FAS	FOB	CFR	CIF	CPT	DDP	DES	DEQ	DDU	DPP
Packing costs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Commercial documents	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Inland delivery to first carrier	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Inland delivery to vessel/aircraft	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wharfage	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Export customs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Transport documentation*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Carriage and freight	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Insurance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Delivery at destination	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Import customs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

\* Costs recommended for sea freight only  
- The cost of obtaining an air waybill or bill of lading should still be included in the FOB value, as they are an essential element of getting the goods on board.

Reference material can be purchased from the International Chamber of Commerce's website, [www.iccbooks.com](http://www.iccbooks.com)


Incoterms acronyms	DDU - Delivered duty unpaid
CFR - Cost and freight	DEQ - Delivered ex quay
CIP - Cost, insurance and freight	DEU - Delivered ex ship
FAS - Free alongside ship	EXW - Ex works
FOB - Free on board	FDN - Free delivery
FOC - Freight collect	LOL - Lift on/lift off
DDP - Delivered duty paid	THC - Terminal handling charge
DDU - Delivered duty unpaid	

Please note: this fact sheet is a general guide only. For more information on any Customs matter, contact the Customs Information and Support Centre on 1300 363 263 or email [information@customs.gov.au](mailto:information@customs.gov.au) or browse the website [www.customs.gov.au](http://www.customs.gov.au)

September 2007

# EXPORTS:

## A STEP-BY-STEP GUIDE



ESTABLISHED 1976



## SHIPPING DOCUMENT & PACKING REQUIREMENTS

- Each country has different requirements – check with your forwarder.
- Differing security arrangements both overseas & locally.
- Stringent quarantine & packing declarations required prior to importation into many countries.

## **DETERMINING THE NEEDS OF THE EXPORTER**

- When does your buyer require the cargo?
- Bulky, perishable or dangerous goods?
- Is it to be moved via airfreight or to be packed into a container for ocean freight?
- Does it have to fly/sail a certain way due to special handling requirements?
- What are the terms of sale (Incoterms)?
- Does it require any special approvals/permits ?

## **DETERMINING THE NEEDS OF THE EXPORTER**


- Without correct documentation cargo may not be shipped on time.
- Packaging must suit commodity and be able to protect merchandise in transit.
- Must be packed to ensure weight & measurement are kept to a minimum to avoid additional costs.
- If containerised, should be packed to avoid moisture ingress and damage (especially for LCL cargo).
- Packages clearly marked & labelled.

# DOCUMENTATION REQUIRED FOR AUSTRALIAN EXPORTS

- Shippers Letter of Instruction.
- Commercial Invoice.
- Copy of any required permits.

## Shipper's Letter of Instruction

**SHIPPER'S LETTER OF INSTRUCTION - Sea Freight**

SHIPPER / SENDER		 <b>CMA CGM</b> 373 St David Street D PO BOX 7 Fremantle WA 6155 Sydney NSW 2155 Australia PH: 61 8 9473 3331 FAX: 61 8 9473 3333 Email: <a href="mailto:china@cma.com">china@cma.com</a> <a href="http://www.cma.com">www.cma.com</a>	
CONSIGNEE / RECEIVER			
NOTIFY PARTY (IF REQUIRED)		SPECIAL INSTRUCTIONS	
CARGO READY DATE:		DESTINATION:	
NO OF PACKAGES	CROSS WEIGHTING	TRANSPORT MODE	IN FREIGHT GROUPS
TOTAL NET WT	TOTAL GROSS	TOTAL	IN FREIGHT GROUPS
SHIPMENT TYPE: <input type="checkbox"/> Bulk <input type="checkbox"/> Container <input type="checkbox"/> Other (specify):			
DOES THIS SHIPMENT CONTAIN DANGEROUS GOODS? <input type="checkbox"/> YES <input type="checkbox"/> NO			
IF DANGEROUS, specify the following: <input type="checkbox"/> UN <input type="checkbox"/> Other: <input type="checkbox"/> Factory Group:			
COMMERICAL VALUE SHOWN IS: (Please tick)		CURRENCY:	VALUE:
<input type="checkbox"/> EXW (Ex works) <input type="checkbox"/> FOB (Free on board) <input type="checkbox"/> CIF (Cost, Insurance, Freight) <input type="checkbox"/> DDU (Delivered, duty unpaid) <input type="checkbox"/> DDP (Delivered, duty paid) <input type="checkbox"/> FCA (Free carrier alongside ship) ORIGIN OF GOODS (Please tick): Australia state: <input type="checkbox"/> SA <input type="checkbox"/> NSW <input type="checkbox"/> VIC <input type="checkbox"/> QLD <input type="checkbox"/> TAS <input type="checkbox"/> WA <input type="checkbox"/> ACT <input type="checkbox"/> NT If Other please indicate country:			
SERVICES REQUIRED (Please tick):			
<input type="checkbox"/> EXW - All charges collect <input type="checkbox"/> FOB - Origin charges prepaid, freight charges collect <input type="checkbox"/> CIF - Origin & freight charges prepaid <input type="checkbox"/> DDU - Origin, freight, destination, delivery charges prepaid <input type="checkbox"/> DDP - Origin, freight, destination, delivery, duty charges prepaid			
TYPE OF BILLS REQUIRED (Please tick):			
<input type="checkbox"/> Original Bill <input type="checkbox"/> Express Release			
I HAVE READ AND ACCEPTED THE TERMS & CONDITIONS OF SERVICE			
SIGNED:	NAME:	DATED:	
Shipper certifies that particulars declared in this document are correct and that invoice as any part of the consignment contains dangerous goods, such part is properly described by name and is in proper condition for carriage by sea according to applicable International Goods Regulations. *STANDARDS TRADING CONDITIONS APPLY TO ALL SERVICES, COPY IS ATTACHED			

# Commercial Invoice

**Commercial invoice must be legible and must give the following information:**

- A full description of the goods including quantity (just part number or trade abbreviation is not enough).
- A value of goods and currency.
- Invoice trade term, e.g. FOB, C&F, etc.
- Country of origin/manufacture of goods.
- Full name and address of the exporter and consignee (the company name with ABN numbers or if not a registered company, the legal name and the full address of the importer/exporter).
- Any export permit numbers or any other authority.

## WHEN DO WE NEED EXPORT PERMITS/LICENCES?

There are two types of goods that need permits or licences:

1. Prohibited exports
2. Restricted exports

The Customs Information and Support Centre (CISC) can provide general information about customs procedures in relation to prohibited and restricted goods.

[www.customs.gov.au](http://www.customs.gov.au)- refer to for prohibited and restricted exports.

Tel :1300 363 263 or by email [information@customs.gov.au](mailto:information@customs.gov.au)

## More information on prohibited and restricted goods

Some restricted exports and where to get further information is listed below:

- Dairy/live animals/fish/plants/plant products/eggs/meat/meat products/grain/animal food (frozen raw meat)/organic produce/fresh fruit and vegetables/dried fruit/pharmaceuticals/raw animal material/wool/skins and hide.  
AQIS State Office – (08) 8201 6000  
National Office – (02) 6272 3933 or Free Call 1800 020 504  
Website - [www.daffa.gov.au/aqis/exports/aqis-helps](http://www.daffa.gov.au/aqis/exports/aqis-helps)
- Wine and brandy (over 100 litres)  
Australian Wine and Brandy Corporation (08) 8228 2050  
E-mail - [awbc@awbc.com.au](mailto:awbc@awbc.com.au)

## More information on prohibited and restricted goods

- Military goods/non-military lethal goods/goods with dual use that can be used as military components.  
For further information e-mail :[dtcc@defence.gov.au](mailto:dtcc@defence.gov.au) or phone (02) 6266 2586
- Total prohibition applies to the export of protected wildlife and most Australian native species without a permit. Phone CISC on 1300 363 263 for more information.
- Selected heritage items.  
Department of Environment and Heritage  
Tel: (02) 6274 1810

## More information on prohibited and restricted goods

- Hazardous waste  
Department of Environment and Heritage  
Tel: (02) 6274 1411
- Pornography and other objectionable material (includes computer games/computer generated images, etc. that depicts or deals with matters of sex/drug misuse, crime, cruelty, violence or terrorist acts)  
Classification Board – Tel: (02) 9289 7100  
E-mail: [enquiries@classification.gov.au](mailto:enquiries@classification.gov.au)
- Radioactive substances/waste (uranium/plutonium)  
Ministry of Industry – Tel: (02) 6213 7814  
E-mail: [uranium@industry.gov.au](mailto:uranium@industry.gov.au)

## Commerce Trade Description

- When exporting, it is an offence to knowingly apply false trade descriptions.
- The trade descriptions must be in English.
- Must be in prominent, legible characters.
- Must be displayed on a principle label or brand attached to the goods in a prominent position and as permanent as is practical.
- Further information: CISC - 1300 363 263

## Retention of Documentation

- Exporters must keep commercial documents for 5 years from the time of export.
- Commercial documents include the following:
  - Commercial invoice
  - Master or House Bill of Lading
  - Packing List
  - Technical specification related to goods
  - Permits issued for export
  - Banking and other documents relating to payment
  - Evidence of other costs such as broker fees, taxes, demurrage, etc.

## RATE NEGOTIATIONS

- Once the method of transportation is determined, rates can be calculated.
- Rates include many basic charges ranging from pick up ex-supplier, air/ocean freight, port & airline charges at both origin & destination points.
- Most freight forwarders require payment in Australian Dollars (AUD).

## HOW SHOULD I CHOOSE A FREIGHT FORWARDER?

- In Adelaide there are approximately 80 international logistic providers to choose from.
- Choose a company that will best service & determine your needs.
- The company that you choose must offer a range of services to most trading countries.
- They should have experienced staff with a strong local presence.

## HOW SHOULD I CHOOSE A FREIGHT FORWARDER?

- Your freight forwarder can guide you in making the best decision for the timely & cost effective delivery of your valuable cargo.
- Majority of exporters use the services of a freight forwarder in the same way as you use other specialist service providers, like accountants or lawyers.

## HOW SHOULD I CHOOSE A FREIGHT FORWARDER?

- Exporting can be complicated - a good freight forwarder will take some of the pain away and proactively find you savings and service upgrades.

- You get the product & the customers...

LET YOUR FREIGHT FORWARDER GET YOUR PRODUCT TO YOUR CUSTOMER!



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