# **International Logistics**

When shipping a product overseas as part of a commercial transaction, the exporter must be aware of packing, labelling, documentation, and insurance requirements.

To ship a product overseas, exporters have at least four options. Many exporters rely on an international freight forwarder\_to perform these services. Some companies utilize the services of <a href="Shippers' Associations">Shippers' Associations</a>. Other companies use express delivery or mail services. It is also possible for exporters to arrange their own shipping.

You can find out more about shipping at the <u>Federal Board of Revenue</u> web site. Exporters should evaluate each option to determine which one works best for their unique situation.

#### Incoterms 2010

The new INCOTERMS® 2010 became effective January 1, 2011. Incoterms--which is an abbreviation for International Commercial terms--is a series of sales terms. They are published by the International Chamber of Commerce (ICC) and are widely used in commercial transactions. In addition to providing a set of rules for the interpretation of commonly used trade terms, INCOTERMS® 2010 accomplish the following:

- 1. Significantly revises Group D listed in INCOTERMS® 2000;
- 2. Reduces Incoterms from four groups to two groups, allowing trade experts to choose the most suitable rule related to the mode of transport; and
- 3. Reduces the absolute number of Incoterms from 13 to 11.

Moreover, INCOTERMS® 2010 offers additional guidance which assists users in selecting the most appropriate Incoterm for each transaction. The revised terms also spell out rules regarding the use of electronic procedures; detail information on security-related clearances for shipments; and offer advice with respect to domestic trade.

Learn more about Incoterms 2010

### Schedule B and HS Numbers

The Harmonized System (HS) assigns a 6-digit number to each product that is traded internationally. Each country can assign, on its own, four additional numbers, making the entire number 10 digits. You can see and research , here, <a href="Pakistan Customs Tariff">Pakistan Customs Tariff</a>.

### Tariffs and Import Fees

Tariffs or duties are a tax levied by governments on the value of products imported from one country into another. Before you export to any country, you need to determine what the tariff rate is on your product(s) as well as any import fees for that country.

## INTERNATIONAL FREIGHT FORWARDERS

An international freight forwarder is an agent for the exporter and can move cargo from "dock-to-door," providing several significant services such as:

- Advising on exporting costs including freight costs, port charges, consular fees, costs of special documentation, insurance costs and freight handling fees;
- Preparing and filing required export documentation such as the bill of lading and routing appropriate documents to the seller, the buyer or a paying bank;
- Advising on the most appropriate mode of cargo transport and making arrangements to pack and load the cargo;

- Reserving the necessary cargo space on a vessel, aircraft, train, or truck.
- Making arrangements with overseas customs brokers to ensure that the goods and documents comply with customs regulations.

Export freight forwarders are licensed by the International Air Transport Association (IATA) to handle airfreight and the <u>Mercantile Marine Department</u>, Federal Ministry of Ports & Shipping to handle ocean freight.

Pakistani Shipping Companies List .

Logistics Companies of Pakistan