

## Summary of Export Price Costing for Pakistani Exporters

**Here are some basic** example of how costing can be done in local currency and thereafter, can be easily converted to foreign currency for export pricing of product.

- 1.- Determine Product Cost -in your local currency
- 2.- Determine Factory Sales Price - in your local currency
- 3.- Determine Shipping Cost - in your local currency
- 4.- Total the above costing and convert into foreign current to **arrive at your export price** in foreign currency

### 1. Determine the cost of your product by:

- a. Materials Cost ..... = PKR ?
- b. Labor Cost ..... = PKR ?
- c. Factory overhead ..... = PKR ?
- d. Administration Cost..... = PKR ?
- e. Selling Costs ..... = PKR?  
(phone, telex, cables, travel etc.)
- f. Advertising, catalogues etc. .... = PKR ?

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**Add up all the above cost  
to arrive at your **Product Cost****

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**Next:**

## **2. Determine Export Cost**

- a. Use your above **Product Cost** = PKR?
- b. Add Crating cost ..... = PKR ?
- c. Add Forwarding cost ..... = PKR ?
- d. Add Documentation cost ..... = PKR?
- e. Add Product Insurance cost ..... = PKR ?
- f. Deduct Duty Drawback, if any ..... = PKR?
- g. Add your required Profit ..... = PKR?

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**Total it up, this will be your Basic selling price**

- h. Add Agent's commission ..... = PKR ?
- i. Add Bank Interest ..... = PKR ?

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This will be your **Factory sales price**

or Ex Works Price

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**Next**

### 3. Determine Export Shipping Cost

a. Use your above **Ex Works Price** ..... = PKR ?

b. Add Local Inland Freight Wharfage Charge etc. ... = PKR?

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**Total it up and this is now your FOB price**

c. Add Ocean/Air Freight Marine Insurance ..... = PKR ?

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**Total it up and this is now your CIF price**

**Next**

### 4. Determine your Export Price in US\$

Take your above CIF price ..... = PKR ?

Add the charges for shipping your goods to

the foreign port of entry (CIP) ..... = PKR ?

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**Total it up and**

**convert it into foreign** currency at current exchange rate and this will be your **C.I.F. export price** to the foreign port of entry in US\$ currency.