

Export Marketing



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II M. Com Export Marketing

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Trade

✓ The buying and selling of goods or services between people or countries.
Additional Information:

Transfer of ownership of goods or services. not exactly

Trade is sometimes loosely called Commerce or financial transaction or barter.

International Trade

International Trade is the exchange of Capital, goods, and services across international borders ^{across} ~~over~~ national boundaries.
national boundaries.

Export

✓ In International trade, "export" refers to selling ^{goods} ~~goods~~ and services produced in ~~the~~ ^{foreign} ~~the~~ home country to other countries.
The seller of such goods and services is referred to as an "exporter."

Foreign exchange :- It is the exchange of one currency for another currency. It is the conversion of one currency into another currency.

Capital goods :- Goods which is used for industrial purpose are called capital goods. For Eg. Generators.

Import :-

In International Trade, "Import" refers to buying goods and services produced in a foreign country to other countries.

The buyer of such goods and services is referred to as an "importer".

Need / Importance of Export Marketing.

Need / Importance of Export marketing at National level :-

Earning foreign exchange :-

Exports bring valuable foreign exchange to the exporting country, which is mainly required to pay for import of capital goods, raw materials, spares and components as well as importing advance technical knowledge.

For Eg. :- Western Union money transfer

VAT United Arab Emirates

2) International Relations - Prosper → to make gain - to develop in a successful way - especially with money. - slowly slowly and steadily progress.

Almost all countries of the world want to prosper in a peaceful environment. One way is to maintain political and cultural ties and on the other way is to maintain ^{to keep} peace with other countries through international trade.

3) Balance of Payment -

Deficit: The amount by which the money you receive is less than the money you have spent.

large-scale exports solve BOP problem and enable countries to have favourable BOP position. The ^{Balance of Payment} ^{Balance of Trade}

deficit in the BOP and BOT can be removed through large-scale exports.

Scale exports.

Reputation in the world :-

A country which is foremost in the field of exports, commands a lot of respect, goodwill and reputation from other countries. ^{high reputation}

formulation.

Foreign exchange :- It is the exchange of one currency for another or the conversion of one currency into another currency.

Capital goods :- Generator may be of capital goods when it is used for industries. All machinery.

Capital goods : Goods which is used for industrial purpose are called capital goods. For Eg. Generator.

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8) Higher standard of living :-

Export trade calls for more productions, which in turn increase employee salary ten times (10,000 to 1,00,000).

5) Employment Opportunities :-

Export trade calls for more

production. More production opens the doors for more employment opportunities, not only in export sector but also in allied sector like banking, insurance etc, transportation etc.

Need / Importance of export marketing at Business / Enterprise level :-

Reputation :-

An organization which undertakes exports can become famous not only in the export markets, but also in the home market.

for example, firms like Phillips, Sony, Coca-Cola, Pepsi, enjoy international reputation.

7) Optimum utilization of resources :-
The excess production is exported, thereby making optimum use of available resources.

6) Promoting Economic Development :-
Exports are to be needed for promoting economic and industrial growth and development.

formulation.

2) Optimum Production :-

A company can export its excess production ^{Optimum quantity of goods} after meeting domestic demand, thus, the production can be carried on up to the optimum product.

3) Spreading of Risk :-

A firm engaged in domestic as well as export marketing can spread its marketing risk in two parts. The loss is one part (i.e. in one ~~area~~ area of marketing) can be compensated by the profit earned in the other part/area.

4) Higher Profits :-

Exports enable a business enterprise to earn higher ~~prices~~ ^{profits} for goods. If the exporters offer quality products, they can charge higher prices than those charged in the home market and thereby ~~raise~~ ^{raise} the profit margin.

FEATURES OF EXPORT MARKETING

1. SYSTEMATIC PROCESS
2. SPREADING OF RISK
3. TRADE BARRIERS
4. TRADE BLOCKS
5. THREE FACE COMPETITION
6. DOMINANCE OF MNC's
7. DOCUMENTATION
8. INTERNATIONAL MARKETING REASERCH
9. LAGER SCALE OPERATION
10. OTHER FEATURES

I. SYSTEMATIC PROCESS :

Export marketing is a systematic process of developing and distributing goods and services in overseas markets

The export marketing manager needs to undertake various marketing activities such as marketing research, product design, branding packaging, pricing promotion etc.,

While undertaking of various marketing activities the export marketing manager should collect the right informatin from the right source, analyse it properly and the take systematic export marketing decisions.

II. SPREADING OF RISK

Export marketing helps to spread risks o f business.

Normally export firms sell in a number of overseas markets

If they are affected by risks (losses) in one market, they may be able to spread business risks due to good return from some other markets.

III. TRADE BARRIEERS

Export marketing is subject to various trade barriers because of protective polices of importing countris.

Trade barriers can be,

- i. Tariff barriers
- ii. Non-tariff barriers

1. Tariff barriers : -

Specific duty, advalorem duty, anti-dumping duty.

2. Non tariff barriers :

Quotas, product standards, product packaging etc.

IV. TRADE BLOCKS

Export marketing also affected by trade blocks

Member countries of a trading block remove trade barriers on members but impose common barriers on non-members. Indian exporters should have a good knowledge of important trading blocs such as NAFTA, European union and ASEAN.

NAFTA = the north american free trade agreement

It is an agreement signed by the government of Canada, Mexico and United States to encourage free trade between the three North American countries. The agreement came into force on January 1, 1994.

V. THREE FACE COMPETITION

In export markets, exporters have to face three face competition i.e., competition from three angles.

- ✓ From the other suppliers of the exporters' country.
- ✓ From the local producers of the importing country
- ✓ From the exporters of competing nations

VI. DOMINANCE OF MNC's

Export marketing is dominated by MNCs from USA, Europe and Japan.

They are in a position to develop worldwide contracts through their network and conduct business operations effectively and economically.

They produce quality goods at low cost and also on a massive scale..

VII. DOCUMENTATION

Export marketing is subject to various documentation formalities. Exporters require various documents to submit them to various authorities such as customs, port trust etc.,

The documents include – shipping bill, consular invoice and certificate of origin etc.,

VIII. INTERNATIONAL MARKETING RESEARCH

Export marketing requires the support of marketing research in the form of market survey, product survey, product research and development as it is highly competitive.

Various challenges, identification of needs and wants by of foreign buyer in export marketing can be dealt with through international marketing research.

IX. LARGE SCALE OPERATIONS

Normally export marketing is undertaken on a large scale.

Emphasis is placed in large orders in order to obtain economies in large scale production and distribution of goods.

The economies of large scale help the exporter to quote competitive prices in the overseas markets.

Exporting goods in small quantities is costly due to heavy transport cost and other formalities.

X. CONCLUSION

Export marketing has wider economic significance as it offers various advantages to the national economy. Marketing is more complicated to domestic marketing due to international restrictions, global competition, lengthy procedures and formalities and so on.

2 MARK QUESTIONS

What is consular invoice

It is a type of commercial document generally, it is in a prescribed format and certified by the consular office of the importers country, situated in the exporters country.

The invoice gives particulars of the goods shipped, their quantity, value etc., for determination of customs duty and quick clearance in the importing country.

What is bill of lading

It is one of the types of transporting document. It is formal receipt given by the ship owner or his authorized agent (captain (or) master of the ship) that the goods mentioned.

A bill of lading contains the following particulars to be filled in by the exporter. They are

- Name of the Ship,
- Place of loading,
- Port of destination,
- Date of shipment
- Name of the exporter
- Name of the importer
- Number of packages

What are the three main types of bill of lading ?

i. Clean bill of lading

If the conditions of the packages are good, a clean bill of lading is issued

ii. Dirty bill of lading

If the some of the packages are found damaged , a dirty bill of lading is issued

iii. Party bill of lading

It is issued to a party who has hired space in the ship

What is certificate of origin?

It indicates the country (origin) where the goods have been originally produced. It is generally issued by chamber of Commerce, Export, Promotion Council, Trade Association etc., This is one of the types of official document

LETTER OF CREDIT:

When the exporter is not sure about the credit standing of the importer, he would like to protect himself against non-payment

He will ask the importer to open a letter of credit in his favour with the importer's banker.

That is , at the request of the importer, his banker agrees to issue a letter of

That is , at the request of the importer, his banker agrees to issue a letter of credit in which the issuing banker gives an undertaking, that the bills duly drawn by the exporter will be honoured .

The letters of credit contains details regarding the amount upto which the bill will be honoured, terms of credit, documents to accompany the bill etc.,

Types of letter of credit

1. REVOCABLE LETTER OF CREDIT

This type of letter can be cancelled or amended by the issuing bank without notice to the exporter

Revocable letter of credit is only an advice and not an undertaking to the exporter.

2. Irrevocable letter of credit

Irrevocable letter of credit is also called as confirmed letter of credit.. It cannot be cancelled or amended by the issuing bank

Hence it is safer for the exporter.

3. Documentart letter of credit

Where the bill of exchange drawn by the exporter is to be accompanied by other shipping documents, it is called a documentary letter of credit

4. Clean letter of credit

Where the bill of exchange drawn by the exporter is no need of any other documents accompany the bill, it is known as clean letter of credit.

TARIFFS

It is a tax on imported goods

STUDENTS EXPLANATION

ADDITIONAL INFORMATION

A tariff is a tax on goods when they enter and leave the national boundary.

Types of tariffs

I. On the basis of criterion for imposition of tariffs, these can be classified as,

1. Specific Tariff

It is the fixed amount of money per physical unit or according to the weight or measurement of the commodity imported

Such duties can be levied on such goods as wheat, rice, cement, fertilizers, etc.,

2. Ad valorem tariff

Ad valorem is a Latin word which means "on the value" when the duty is levied as a fixed percentage of the value of traded commodity. It is called ad valorem tariff.

Such duties are levied on the products, the value of which is disproportionately higher, compared to the physical characteristics, such as weight or measurement

Example : watches, diamond, ornament and other costly goods consumed by the rich.

3. Compound tariff

This tariff is a combination of specific and ad valorem tariff. The structure of compound tariff includes specific duty on each unit of the commodity plus a percentage of ad valorem duty.

4. Sliding scale tariff

The import duties which vary with the prices of the commodities are termed as sliding scale duties

These may either be on specific or ad valorem basis. In practice, generally these are on a specific basis.

II. On the basis of purpose for which tariff is imposed, it can be classified into.

- a. Revenue tariff**
- b. Protective tariff**

a. Revenue tariff :

This is imposed for generating more income or revenue to the exchequer. In advanced countries, with the diversification of direct taxes, the importance of tariffs for revenue purpose has been reduced but in developing countries, there is still much reliance on tariff for revenue purpose

b. Productive tariff :

The tariff may be imposed by the government to protect the home industries from the competition of the foreign goods.

III. on the basis of discriminatin the tariff can be classified into:

1. Single column tariff :

When a uniform rate of duty is imposed on all similar commodities, irrespective of the country from which they are imported, it is called single column tariff

It is non discriminatory tariff which is very simple and easy to design and administer. But , it is not elastic and adequate.

2. Double column tariff

Under this section, two different rates of duty exist for all or some of the commodities.

The government of the country declares both the rates at the beginning of one at the beginning and another after settling the rates under trade agreement.



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DIFFERENCES BETWEEN DOMESTIC AND EXPORT MARKETING

Domestic Marketing	Export Marketing
1. One nation, language and culture	Many nations, Many languages and cultures
2. One currency	Different currencies in different countries
3. Political environment and factors are the same	Different political environment and factors in different countries
4. No problems of exchange control and tariffs	There are problems of exchange control and tariffs
5. Transport cost is a major marketing expense	Transport cost influences only to same extent
6. Market is relatively homogeneous	Markets are diverse and highly heterogeneous
7. Delta collection is easy and at less cost	Data collection is difficult and at high cost
8. Freedom from govt. restrictions	No freedom from govt. restrictions
9. Relatively stable business environment	Relatively unstable business environment
10. No problem of understanding the rules and regulations	Little difficult of understanding the rules and regulations

Scope Of Export Marketing:-

- # Management of marketing in foreign countries.
- # Management of sales in export marketing.
- # Management of repeat sales in export marketing.
- # Management of international operations.
- # Improving the standard of living.
- # Improving the quality of life.
- # Opportunity for economic growth.
- # Production will be more.
- # More turnover and profit.
- # Growing stability.
- # No need of depend on particular market.

Problems Faced by Exporters:-



1. Balance of Payment:

India's present balance of payment position was real load. the result is that foreign investors hesitate to start business in india.

2. Huge Foreign Indebtedness:

Many countries cannot even pay the interest on their foreign debt. The result is that foreign investors hesitate to start new business in that countries.

3. Unstable Governments:

High indebtedness, high inflation and high unemployment in countries have resulted in highly unstable governments and this limits trade.

4. Exchange Instability:

High indebtedness and political instability force a country's currency to depreciate. this result is that foreign investors hesitate to hold much of foreign currency, and this limits trade.

5. Foreign Government Entry Requirements:

Governments are placing more regulations on foreign firms, such as requiring joint ownership with the majority share going to the domestic partners, and this limits profits.

6. Tariffs and Other Trade Barriers:

Governments often impose unreasonably high tariffs against imports in order to protect their own industries.

7. Corruption:

Officials in several countries require bribes in order to co-operate, and this limits trade.

8. Technological Pirating:

A company locating its plant abroad worries about foreign managers learning how to make its product and breaking away to compete openly. This has happened in some areas as machinery, electronics, chemicals and so on.

9. High Cost of Product and Product Adaptation:

A company going abroad must study each foreign market carefully for making some adaptations in its products.

1) Export Marketing:

It is the practice by which a company sells products or services to a foreign country.

2) External Trade :-

It involves exchange of goods and services between two or more countries.

3) Quality Control (ISIRI)

It is a system of maintaining standards in manufactured products.

4) Market Information :-

It is a product development activities. The information may come from a single source.

5) Shipment :-

A large amount of goods sent from home country to foreign country.

Types
Shipment by sea
Shipment by air
Shipment by land.

6) Incentives :- (Fajonson)

A thing that motivates or encourages someone to do something.

For Eg. Give
give farmers an incentive to improve their land.

7) Trading House :-

It is an exporter, importer and also a trader that purchases and sells products for other businesses.

8) Export House :-

It is defined as a registered exporter holding a valid export house certificate issued by the Director general of Foreign Trade in India. His main duty is to make available supplies of essential commodities to consumers at reasonable prices on a regular basis.

9) Commodity Board :-

The Government of India has set up commodity board as a separate organisation to promote the export of commodities.

10) EPC (Export Promotion Councils)

They are authorities which are basically promoting, supporting and assisting firms in entering the international markets.

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MMTC :- The Minerals and Metals

Student Explanation - Trading Corporation of India:

Companies like Pepsi, Coca-Cola gets water supplies in India through MMTC.

Introduction :-

MMTC is the largest international trading company of India and ~~the~~

It was established in 1963.

This enterprise has been accorded the status of "FIVE STAR EXPORT HOUSE" by Government of India for long standing contribution to exports.

Aims of MMTC :-

- i) Achieving sustainable growth.
- ii) Generating optimum profits through total satisfaction of shareholders, customers, suppliers, employees and society.

Professionalism = way of doing a job that shows great skill and experience.

Objectives of MMTC :-

- 1) To retain the position of single largest trader in the country for product lines like minerals and metals.
- 2) To promote development of trade related infrastructure.
- 3) To provide support services to the medium and small scale sectors.
- 4) To render high quality of service to all categories of customers with professionalism and efficiency.

Short questions: -

Ex

ഒരു കമ്പനിയിലെ ഉത്പാദന ശേഷി

5) To streamline system within the company for settlement of commercial disputes.

It means more output is produced from the same amount of inputs.

6) To upgrade employees skills for achieving higher productivity.

Productivity:

ISO Certification

ISO = International Standards Organization (23 February 1947)

ISO certification certifies that a management system, manufacturing process, service or documentation procedure has all the requirements for standardization and quality assurance.

What is the difference
between ISO 9000 and ISO 9001?

In a nutshell, ISO 9000
Standards describe a Quality
Management System.

ISO 9001 is a document
that describes all of these
requirements. In this case,
ISO 9001 describes only the
requirements, whereas ISO
9000 describes vocabulary, and
ISO 9004 describes guidelines
for improvement.

Short Questions

E.P.C.

(Export Promotional Councils)

are authorities which are basically promoting, supporting and assisting firms in entering the international markets, and ~~realizing their optimum potential~~

~~from their resources~~. They also provide guidance and assistance to the exporters.

The Major functions of the EPCs are as follows:-

1. To provide commercially useful information and assistance to their members in developing and increasing their exports.

Short note on
A1

facilitation
of foreign
export
-chases

2) To offer professional advice to their members in areas such as technology upgradation, quality and design improvement, standards and specifications, product development and innovation etc.

3) To organise visits of delegations of its members abroad to explore overseas market opportunities.

4) To organise participation in trade fairs, exhibitions and buyer-seller meets in India and abroad.

5) To promote interaction between the exporting community and the government both at the central and state levels.

Short running

Ex

~~6) To~~

- 6) To build a statistical base and provide data on the exports and imports of the country, exports and imports of their members, as well as other relevant 'international trade data.'

— X — X —

STC :-

State Trading Corporation of India.

History :-

1) It was set up in 1956.

2) It is a international trading company of the Government of India.

Short circuiting
M.com

3) It engaged primarily in stages exports and imports operations.

4) It helps to develop industries in the country from the foreign market.

Objectives of STC

To facilitate or establish the market opportunities in the country.

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Export

2) (Assistant of the captain of the shipment)

1) Mate's receipt :- Unit - 5 page 14.3.
L. Natarajan.

A mate's receipt is issued by the mate (assistant to the captain of the shipment) after the cargo is loaded on the ship.

2) Quality Control. Unit - 5 page 14.14
L. Natarajan.

Goods should be exported only after ensuring that they are of proper quality. If the quality of the goods exported is poor, then it will spoil the image of the exporters.

Under the Export (Quality Control and Inspection) Act, 1963, the government can issue a notification about the commodities brought under the compulsory quality control.

short questions
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8) Confirmation of order: ^{write - III}

facilitating
d foreign
exporter
purchases

When the proforma invoice is accepted by the buyer, it becomes a confirmed order. The duplicate copy of the proforma invoice is duly signed by the buyer accepting the conditions therein and is returned to the exporter.

Then the buyer may place an order with the exporter. The exporter should immediately confirm the order by sending his acceptance. To confirm the acceptance of the order, the exporter sends one copy to the importer with exporter signature. After the letter of credit is established, the order is further processed.

short notes

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Export Houses :-

Introduction :-

It is originated in 1958.

It is functioning for the development of specialized agencies for promotion of non-traditional items.

Meaning :-

It is a registered exporter who is holding a ~~valid~~ valid export house certificate that is ~~was~~ issued by the Directorate General of Foreign Trade (DGFT).

Regulatory Bodies :-

~~There~~ There are six major regulatory bodies are regulating export business in India, they are,

1) Directorate General of Foreign Trade :—

It provides export house certificate with code and Import Export Code (IEC) to the exporter.

2) Reserve Bank of India :—

This bank ~~is~~ works as a Government banker and ~~this bank manages~~ for also it manages Foreign Exchange.

3) Customs & Excise :—

i) It helps the exporter for easy trade.

ii) It collects revenue on imports.

4) Export Inspection Agencies:-

It provides pre-shipment inspection and quality control.

5) Export Promotion Councils:-

It is a non-profit organisation which is sponsored by the Ministry of Commerce.

b) Export Credit Guarantee Corporation

~~It assists exporters in mitigating risks.~~
It assists exporters in mitigating risks.

(It assists exporters in heavy risks.)

Short questions: -

1) What do you mean by Trading House?

It is a business that specializes in facilitating transactions between a home country and foreign countries. A trading house is an exporter, importer and also a trader that purchases and sells products for other businesses. It provides a service for businesses.

Functions of Trading Houses:-

- 1) To identify a potential market for a given product.
↑ direction
- 2) To determine the appropriate mode of ~~transportation~~ and the routing with regard to cost, quality of service and security.
- 3) To price the goods for delivery at destination.
- 4) To determine the buyer's credit worthiness.
- 5) To negotiate the transaction.

- b) To prepare the documentation for international trade.
- c) To finance the transaction and pay for the goods and services received.
- d) To collect payment for goods delivered.

Product Planning

Introduction

In order to maintain the sales revenue and profits, a business firm must continuously adjust and adapt its products and services to the changing requirements of customers. From time-to-time, it may have to design and develop new products.

Meaning:-

It Product planning is the process of searching ideas for new products, screening them systematically, converting them into tangible products and introducing the new product in the market. It also involves the formation of product policies and strategies.

SHIPMENT

SHIPPING AND CUSTOMS FORMALITIES:

SHIPPING FORMALITIES

The goods can be exported by land, sea or air. Substantial part of the cargo is exported by sea. The freight charges for shipment by sea are very much less than those for dispatch by air. The physical dimensions of the products and their weight (heavy or light) very often decides the mode of shipment. Heavy machinery and engineering products are very often exported by sea. Land shipments are handled by commercial vehicles and trucks. However, shipment by air is also becoming popular in an age of technological advancement where quick and timely delivery of goods has become an important requirement.

Under "shipment" all the procedural aspects - from the time the product meant for export leaves the export warehouse till it is loaded on board the ship and the relevant documents for such loading are collected from the shipping company - are covered.

As soon as the goods to be exported are ready after completion of Central Excise formalities the following documents are to be prepared and handed over to the forwarding agents:-

- (1) Proforma Invoice
- (2) Packing list, if necessary
- (3) Export contract/order and confirmation
- (4) Insurance policy/certificate, if necessary
- (5) ARE -1 forms with Central Excise certifications
- (6) GR-1 forms/equivalent declaration
- (7) Certificate of inspection wherever necessary
- (8) Form of declaration to be submitted to Customs; and
- (9) Product details/specifications/catalogue etc., if necessary

Before getting into the next stage it is to be noted that the exporter must have already attained the Importer-Exporter code (IEC) from the office of the Director General of Foreign Trade. In addition the exporter ought to have registered with the Reserve Bank of India and the related Export Promotion Council/Authority/Commodity Board.

There are two systems of clearance by Customs.

- (a) Manual (b) EDI - System

Under the manual system of Customs clearance (Non EDI) a Shipping Bill is to be filed with Customs. Customs regulations fix a number of copies of Shipping Bill to be filed in different situations. Further, different forms of Shipping Bills for exports have been prescribed for export of duty-free goods, export of dutiable goods, export under claim of Drawback etc. All the documents indicated at above are to be filed along with the Shipping Bill.

The Customs Assessing Officer check the details declared in the Shipping Bill with reference to the documents produced. Such scrutiny includes checking of:

- The correctness of the value declared
- The rate of duty and / or cess applicable, if any;
- The exportability of goods under Foreign Trade Policy
- The export licence, if applicable;
- The requirements of any other law in force relating to the goods;
- The classification under drawback schedule in case of drawback Shipping Bill
- The correctness of DEPB and DEEC details with reference to the relevant documents, wherever applicable.
- The requirement of quality control and pre-shipment inspection if applicable; and
- The GR-1 form for Reserve Bank requirements.

After assessment of the Shipping Bill the officer gives directions to the Customs formation at Docks to open and examine the goods selectively. After retaining some documents and copies the balance documents are given back to the exporter/his agent.

Carting Order

The export cargo lying in the exporter's factory or warehouse has now to be removed inside the port area and subsequently loaded on board the assigned ship. The Forwarding agent obtains the permission to ship from the

concerned officers of the Port Trust authorities to physically move the goods inside the port area. Thereupon the goods are moved into the appropriate shed of the port.

Customs Examination of Cargo at the Docks

The remaining copies of the entire set of shipping documents—mainly consisting of the duplicate, triplicate and export promotion copies of the Shipping Bill, the proforma invoice with the packing list, the ABE-1 copies, inspection certificate—are presented to the Customs officers at the shed. The main purpose of the Customs examination at the docks is to verify whether the goods packed and kept ready for shipment are the same as those mentioned in the Shipping Bill. The goods are selectively opened and examined for this purpose. The details of the physical examination of the goods are recorded in the Shipping Bill. Once the Customs are satisfied about the correctness of the goods presented for examination with reference to the shipping documents, an order called "Let ship" is given.

Let ship

The goods, thereafter, are loaded on board the vessel under the supervision of Customs officers. Such permission to load is granted by the officers of the Preventive wing of Customs. This is called "Let Ship" endorsement. The documents are then handed over to the agent of the shipping company, who, on the basis of these clearances, arranges for the loading of the cargo. The "Let Ship" order thus constitutes an authorization by the Customs to the shipping company to accept the cargo on board the vessel.

Mate Receipt

As soon as the goods are loaded on board the vessel, the captain or Master of the ship furnishes a document called the "Mate Receipt" to the Port authorities.

Port Trust Formalities

An exporter has to obtain the Bill of Lading from the shipping agent which gives him the title to the goods shipped on the vessel. This is given by the shipping agent only after the mate receipt is presented to him by the exporter or his agent. Thus, the exporter or his agent arranges to pay the