

# International Shipping 101: Guidelines, Best Practices and Tips



Almost 90% of the global trade relies on the international shipping industry, with over 50,000 merchant ships from 150 nations propelling the business. While these are promising figures, they also translate to a confusing plethora of options and legalities for small businesses and newbies willing to sell their products overseas. The prospects of exploring new territories and expanding the global footprint ropes in a large number of businesses into the Impex arena each year. To make the decision-making process simple, we came up with this informative piece of content on international shipping,

which is also a crucial part of shipping management. Read the article to learn more about the subject, including the guidelines, tips, and best practices:

## **International Shipping Process Initiation**

The category selection during documentation impacts the speed, costs, taxes, and compliance. Also, the category for your goods doesn't need to be the same in both the place of origin and the place where it is exported to. You should also cross-check for any hazard related listing of your products. Only chemicals and explosives don't need to fall under such categories. Certain medicines and food products require certification for getting imported and exported. You can also consult your courier provider since they can guide better about the particulars.

Treat the process of writing the receiver's address as a comprehensive one. When international shipping is concerned, write the details as extensively as possible. Write down your contact details, company details, receiver's company address, and contact information. Writing the details in the local language is highly recommended. Also, you can add a QR code on the packaging for easing the process. The reason behind spending time and efforts on this part is the fact that getting your goods held at customs or compromising deliverability hurts your firm on multiple fronts. This includes the short term financial loss and the loss of reputation in the long term. It will also save you from hiring the services of third-party mediators in the concerned country.

Despite taking care of the export documentation, it is very much possible that customs will delay your consignment or put them on hold. Under such conditions, export brokers help resolve the problems and ensure prompt release of your goods. The documentation also covers the portion of transferring ownership with respect to the location and the transient state during shipping. Insurances are also a part of international trade, and they are required for the fulfillment of customs clearance in many cases. This is essential

for fixing the liabilities of all stakeholders. These acknowledgments are governed by International Commercial Terms while also mentioning the party responsible for making the payments for various duties.

## **Selecting The Right Shipping Partner**

Finding a shipping partner is tricky since they are major cost centers for your products, and you have no active control over them. Hence, selecting the right courier services should include comparisons for both costing and service quality. Your brand reputation also relies on the timely and undamaged delivery of your products. You should compare the pricing of all the major players like FedEx, DHL, UPS, TNT, USPS, GLS, StarTrack Courier, Fastway, Australia Post, Canada Post, Purolator, Hermes, and Royal Mail depending on the respective country. Also, go through the additional surcharges of these courier service providers since they are mostly hidden costs. Discuss the quotes accordingly. The shipping company issues a unique tracker ID for each consignment, which gives you real-time updates on its current position.

Calculating and comparing rates manually every time you accept an order is virtually impossible, and thus, using a proper order management system is a necessary business requirement for international shipping. It allows your customers to decide the shipping service on the basis of the delivery date and the courier company chosen. The costs are calculated in real-time, and thus, a lot of distribution-related work on your part is eliminated. Your order management system fetches all of these details and also auto-generates labels as required. It can also upload those details on government portals.

## **Documentation Requirements For International Shipping**

The requirements for international shipping depend on the commodity, the purpose of exporting, restrictions in the sender/receiver country, and its value. You may also require an export license/ ECCN number, filing Electronic Export Information with the help of an Automated Export System. On the other end, you also need to ensure that the receiving party is legally suited for receiving the commodity. To get a detailed idea regarding export-import conditions, you can refer to [Export.Gov](http://Export.Gov) and ensure that your firm is compliant to Export Administration Regulations.



(Image Source)

As we mentioned earlier, regulatory norms for all products vary from country to country. Especially the agro products fall into the grey area as the environmental and biological regulations are kept very strict to prevent any alien biological agent acting on the local environment. Also, luxury items have different taxation slabs in every country that are subject to revisions from time to time. You should use the relevant standards for your items while filing regulatory forms to avoid any setbacks. This may also require the

filing of additional forms to confirm the specifications as per the local laws. Shipping regulations form a significant part of distribution and marketing efforts.

The purpose of shipment and its commercial value as per the invoice, including its carriage and customs value, affect the duties and transit duration. On the other end, your carrier uses them for calculating freight charges and their liabilities throughout the shipping process. Usually, carriage value is lower than the value mentioned in customs declarations. In the same way, the Certificate Of Origin affects the duties based on the bilateral trade memorandums and international treaties. Proforma invoices are also included along with other documents provided along with the packaging.

Globally, the import-export liaison structures run on the Harmonized Tariff System. Under this standard, a 6 digit HTS/HS code is assigned to all commodities for easy identification. However, adding additional code digits within the existing framework is also practiced widely. You can use the HSN code of your commodities to learn about its international trade from websites like Zauba. They enable you to access complete details regarding the exporter/seller and the importer/buyer. You can also avail the details of the ports used for import-export and the consignee

Failing to comply with HTS standards may land you in legal troubles in some cases while inviting higher duties and penalties. On the basis of these documents and declared values, the duties and freight tariffs are calculated.

## **Packaging Tips For International Trade**

During packaging, put down the documents mentioned above in plastic sheets on the consignment's major flat side. Barcodes are also stucked on the goods for computerized identification. We also recommended individual packaging documentation as well as for the entire shipment. If you are using bubble wrap, make sure to keep the documents on

the surface instead of wrapping above them. Packaging directly impacts your shipping costs since charges are based on volumetric weight. Try to strike the right balance between reliability, size, and weight of your final packaging.

Key documents like Air Waybills and commercial invoices mention both the parties involved, condition of the goods, pricing, customs declarations, CIO (Country Of Origin), and Harmonized System (HS) codes. They are required at various stages and make sure that your consignment contains all of them along with the MSDS document (for hazardous materials).

Putting appropriate labels helps your shipping partners and customs officials in handling your goods properly. For example, a bicycle company by the name of VanMoof was facing serious damages to its cycles during shipping. They placed the image of a TV and marked it with a fragile tag. As a result, they saw a steep decrease in the number of damaged cycles.

## **Summing Up**

Selling your products overseas is amidst current COVID-19 conditions can be challenging, and thus, making the right moves is necessary like never before. We advise following the advisories issued by your country's government and the country you are willing to export your products. This article has covered many aspects of international trade and shipping that suit our broad audiences. We hope that you find this article useful for your international shipping and trading ventures.

## **Useful Resources:**

- Bicycle company prints TV on boxes to reduce damage during transport

- How to ship internationally in 5 easy steps
- International Shipping 101
- International Shipping: Everything You Need to Know to Deliver Beyond Your Borders
- International Shipping: Logistics ‘Best Practices’ Can Add Greater Efficiency

## **Related Articles:**

- How to process your orders faster using Orderhive shipping management software
- Top 3PL companies of 2020
- Packing Stations: Uses, Setup and Importance
- The Comprehensive Guide To Barcodes: 2020 Edition