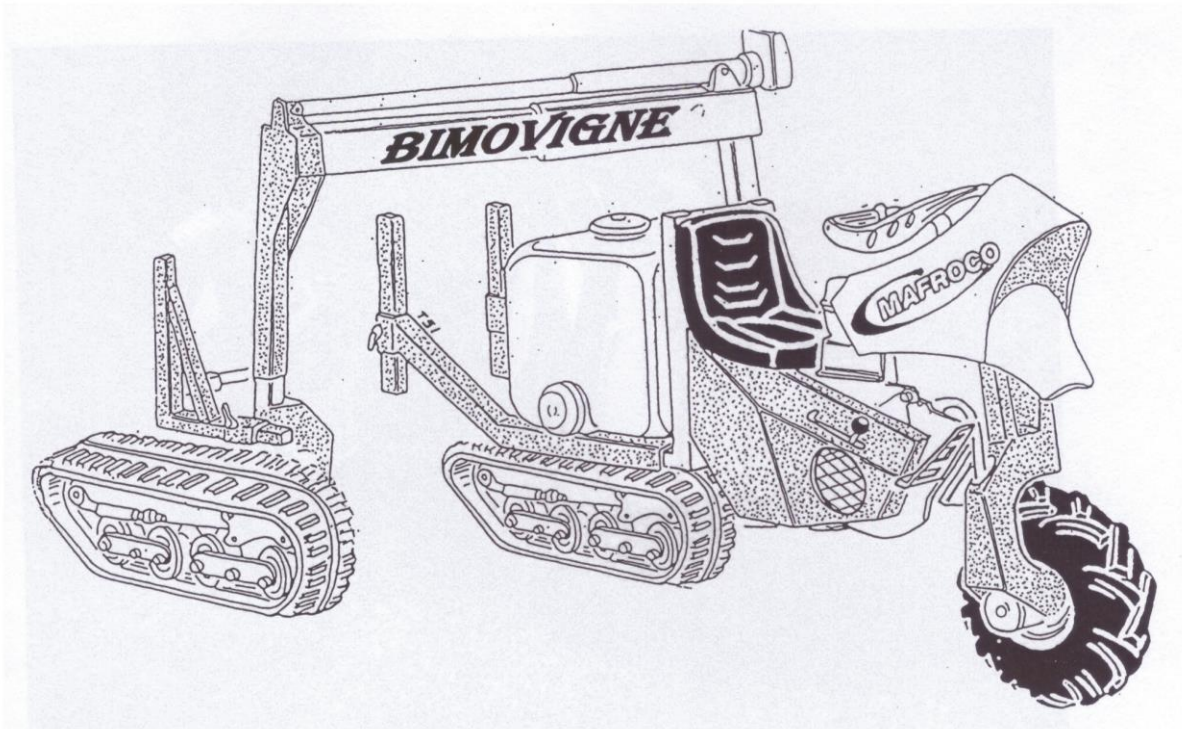


CASE STUDY

Situation

Fixmer company has a leading position on small tractors market. Motors from their tractors are imported from Motosung in South Korea and they face quite often transport disputes with their supplier.

The managing director asks you as purchaser of Fixmer company to find a solution to that situation.



I- TRANSPORT DIFFICULTIES

The last dispute I about a 40' dry container said to contain motor cases has been delivered with 10 missing cases :

- **Question 1** : Have we to refuse this container ? What incoterm would you suggest to avoid that situation ? Justify your decision.

II – FREIGHT CALCULATION

Question 1 : Justify the service you are going to choose considering what might be your transport requirement

Question 2 : Please calculate CIF and DAP cost

You need also to calculate actual cost of these motors for the year to come. It makes sense to calculate CIF and DAP destination prices.

➤ Motors shipping features

Packed in wooden case, one moto per case

Unit dimensions : 0.800X0.280x0.280 m

Net weight : 50 kgs

Gross weight 60 kgs

EXW Seoul value 1000 Euros per motor

1 pallet 100 x 120 cms = 10 cases

III – REVIEW NEGOCIATION POINTS WITH YOUR SUPPLIER CONSIDERING PAST SITUATION

CHAPTER 87

VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING STOCK, AND PARTS AND ACCESSORIES THEREOF

Notes

1.

This chapter does not cover railway or tramway rolling stock designed solely for running on rails.

2.

For the purposes of this chapter, ‘tractors’ means vehicles constructed essentially for hauling or pushing another vehicle, appliance or load, whether or not they contain subsidiary provision for the transport, in connection with the main use of the tractor, of tools, seeds, fertilizers or other goods.

Machines and working tools designed for fitting to tractors of heading 8701 as interchangeable equipment remain classified in their respective headings even if presented with the tractor, and whether or not mounted on it.

3.

Motor chassis fitted with cabs fall in headings 8702 to 8704, and not in heading 8706.

4.

Heading 8712 includes all children's bicycles. Other children's cycles fall in heading 9503.

CN code	Description	Conventional rate of duty (%)	Supplementary unit
(1)	(2)	(3)	(4)
8701	Tractors (other than tractors of heading 8709)		

8710 00 00	Tanks and other armoured fighting vehicles, motorised, whether or not fitted with weapons, and parts of such vehicles	1,7	—
8711	Motorcycles (including mopeds) and cycles fitted with an		

	auxiliary motor, with or without side-cars; side-cars		
8711 10 00	– With reciprocating internal combustion piston engine of a cylinder capacity not exceeding 50 cm ³	8	p/st
8711 20	– With reciprocating internal combustion piston engine of a cylinder capacity exceeding 50 cm ³ but not exceeding 250 cm ³		
8711 20 10	-- Scooters	8	p/st
	-- Other, of a cylinder capacity		
8711 20 92	--- Exceeding 50 cm ³ but not exceeding 125 cm ³	8	p/st
8711 20 98	--- Exceeding 125 cm ³ but not exceeding 250 cm ³	8	p/st
8711 30	– With reciprocating internal combustion piston engine of a cylinder capacity exceeding 250 cm ³ but not exceeding 500 cm ³		
8711 30 10	-- Of a cylinder capacity exceeding 250 cm ³ but not exceeding 380 cm ³	6	p/st
8711 30 90	-- Of a cylinder capacity exceeding 380 cm ³ but not exceeding 500 cm ³	6	p/st

Customs code has to be checked

Importers

When importing from non-EU countries, importers must check that products fulfil all EU safety, health and environmental protection requirements before placing them on the market. The importer has to verify that:

- the manufacturer outside the EU has taken the necessary steps to allow the product to be placed on the EU market
- the necessary documentation such as the [EU Declaration of Conformity](#) (27 KB) and the technical documentation is available upon request
- contact with the manufacturer is possible at any time

EC DECLARATION OF CONFORMITY

1. No ... (unique identification of the toy(s))
2. Name and address of the manufacturer or his authorised representative:
3. This declaration of conformity is issued under the sole responsibility of the manufacturer:

4. Object of the declaration (identification of toy allowing traceability). It shall include a colour image of sufficient clarity to enable the identification of the toy.
5. The object of the declaration described in point 4 is in conformity with the relevant Community harmonisation legislation:
6. References to the relevant harmonised standards used, or references to the specifications in relation to which conformity is declared:
7. Where applicable: the notified body ... (name, number)... performed ... (description of intervention)... and issued the certificate:
8. Additional information:

Signed for and on behalf of:

(place and date of issue)

(name, function)(signature)

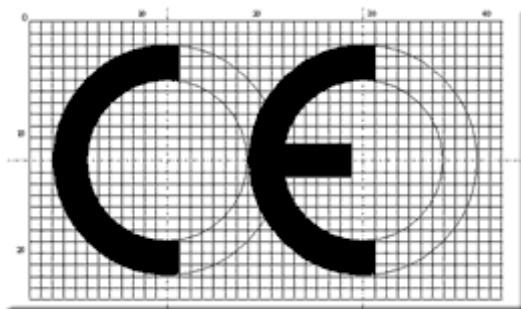
CE marking

The letters 'CE' appear on many products traded on the extended Single Market in the European Economic Area (EEA). They signify that products sold in the EEA have been assessed to meet high safety, health, and environmental protection requirements. When you buy a new phone, a teddy bear, or a TV within the EEA, you can find the CE mark on them. CE marking also supports fair competition by holding all companies accountable to the same rules.

By affixing the CE marking to a product, a manufacturer declares that the product meets all the legal requirements for CE marking and can be sold throughout the EEA. This also applies to products made in other countries that are sold in the EEA.

There are two main benefits CE marking brings to businesses and consumers within the EEA:

- **Businesses** know that products bearing the CE marking can be traded in the EEA without restrictions.
- **Consumers** enjoy the same level of health, safety, and environmental protection throughout the entire EEA.



APPENDIX TRANSPORT OFFERS

➤ Available containers

- 20' Dry container dimensions

Length 5.884 to 5.910 m

width 2.23 to 2.38 m

Height 2.238 to 2.405 m

Doors opening dimensions :

Length 2.23 to 2.37 m - Height 2.139 to 2.295 m - Maximum load: 21.600 to 28.080 t

- 40' dry container dimensions

Length 12.01 to 12.075 m - width 2.33 to 2.37 m - Height 2.375 to 2.391 m

Doors opening dimensions :

Length 2.33 to 2.37 m - Height 2.27 to 2.296 m - Maximum load : 26.480 to 26.970 t

- open top 40' container dimensions

Length 11.892 to 12.040 m - Width 2.300 to 2.335 m - Height 2.24 to 2.365 m

Doors opening : L 2.229 to 2.355 m - H 2.150 to 2.275 m- Maximum load : 26.330 à 26.590 t

➤ available offers

- bulk general cargo through Le Havre

Transport to Busan 20 USD per pallet

Transport Le Havre Epernay 80 Euros W/M

FOB port cost Busan 10 USD W/M

Discharging and port costs in Le Havre 10 Euros per pallet

Import clearance 15 Euros per operation

Freight 200 USD W/M

Insurance cost 1.2%

Weekly departure

- 20' Container through Le Havre

positionning cost and transport Séoul / Busan 500 USD

Transport le Havre Epernay 700 €

THC in Le Havre 90 USD

BAF 6%

Freight Busan / Le Havre 1350 USD

Insurance 0.5 %

Departure each fortnight

- through Le Havre 40' Open top Container

Transport to Busan 600 USD

FOB port cost 150 USD

THC Havre Euros 250

Freight 3200 USD

Transport Le Havre / Epernay 1000 Euros
Insurance 0.9 %
2 departures weekly

○ 40' dry Container through Hamburg
positioning and transport cost to Busan 800 USD
Transport Hamburg / Epernay 1200 USD
THC in Hamburg : 200 USD
FOB port cost 500 USD
Freight 2600 USD
CAF 5%
Insurance cost 0.4%
Two departures weekly

1 Euro = 1.10 US \$
W/M means Weight/Measure