EXPORT IMPORT MANAGEMENT

1. **Small case study**

You are manager in a famous French brand for children garments. Your products are sold worldwide.

The company policy is to sell FCA warehouse of departure however your Indian distributor is asking for a DAP Delhi.

1. **What are consequences to consider about this change ?**
2. **What are for and cons (seller point of view) ?**
3. **What is the reason for international development as far as**
4. Pharmaceutical industry
5. Finance
6. Steel industry

Are concerned

1. **BIGBILL case study**

BIGBILL is a well known company involved in electronic supplies. For next Christmas, the marketing department needs HDMI cables with gold connections from a Taiwanese supplier. The full order means 400 cartons of 20 cables each. Size of one carton:

0, 4 x 0, 4 x 0, 6 (L x I x h) Unit weight per carton: 13 kgs

Total value: 40 000 USD FCA Taipei, I EUR = 1,10 USD, VAT is 20 percent

The purchaser decides to split the order between sea transport and air transport. He has received the following quotations:

Sea transport: 1 TC 20' with inner volume 30 cbm

Freight rate: 1 400 USD/container + BAF 5% + CAF 9%

Sea insurance: 0,5 % of 110% CIP price

THC = 200 EUR, expenses between terminal to warehouse: 750 EUR all in.

**Air transport**

Mini: 50 USD

|  |  |
| --- | --- |
| From 0 to 49 kgs | : 4 USD/kg |
| From 50 to 299 kgs | : 3,75 USD/kg |
| From 300 to 699 kgs | : 3,50 USD/kg |
| From 700 tp 1 499 kgs | : 3 USD/kg |
| From 1 500 to 3000 kgs | : 2,50 USD/kg |
|  |  |

Air insurance: 0, 25 % on 110 % of CIP price, expenses between airport and warehouse: 450 USD all in.

The container must be stuffed as much (30 cbm) and the remaining is loaded in a plane at once (full cartons only).

**What is the amount paid to customs in the customs clearance by sea freight?**

**What is the final average DDP price?**

Headquarter margin is 25% and the margin for the stores is 1.9

**What is the final price for the customers?**