

Import Move

The ABC's of International Shipping & Customs Compliance

December 18, 2019

Mercado hosted its fifth global trade webinar on December 18, 2019, this time covering the all-encompassing subjects of international shipping and customs compliance. As we approach the final stages of the six-installment webinar series, these topics offered a perfect opportunity to begin the process of integrating all of the previous topics we've studied, including sourcing, international contracts, purchasing and Incoterms® 2020 Rules. This holistic approach to managing import supply chains has been a central theme of every webinar, and it's gratifying to see the story come together.

Definitely the longest of the series (90 minutes), we kicked this webinar off with an analysis of ocean freight shipping and the identification of all of the players from steamship lines to freight forwarders and drayage companies. From there, we went on to study the role of each of these entities in the maritime eco-system, what services they provide and how they charge for those services. We completed this facet of the presentation by going into detail on how best to approach negotiating ocean transportation rates directly with a carrier or through a Non-Vessel Operating Common Carrier (NVOCC).

Of course, no international transportation analysis is complete without air freight, so we dedicated an equal amount of time and effort to this mode of transport. By focusing on the "consolidated air freight model," we were able to demonstrate the critical role that freight forwarders play in international air shipping and how they work with the airlines to serve as a "travel agent for cargo." Attendees got a clear understanding of the portfolio of services that forwarders offer for air freight, as well as how they charge on an "actual vs. volume weight" basis.

As is always the case, we presented the U.S. customs clearance process as a natural extension of inbound transportation, introducing attendees to U.S. Customs & Border Protection (CBP) as well as the Harmonized Tariff Schedule of the U.S. (HTSUS). We focused on the process of "Classification & Valuation," using the HTSUS to show participants how to classify goods and prepare electronic entries for clearance through CBP's platform, the Automated Commercial Environment (ACE).

Each of the previous five webinars has aided in the buildup to our final webinar on January 8, 2020, "Five Ways to Reduce Import Costs." Based on much of what we've discussed previously, we'll be sharing field-proven tactics to drive down landed costs in areas that include sourcing, purchasing, transportation, and customs!