

Import Buy & Move

Five Ways to Reduce Import Costs

January 8, 2020

The sixth and final installment in the Mercado Labs international trade series was held on January 8, 2020. This grand finale presentation — “Five Ways to Reduce Import Costs” — drew on the learnings from all five previous webinars to present savings techniques from the world of importing that included sourcing, purchasing, international shipping, and customs regulations. It was very gratifying to see not only new people tuning in to our final webinar but to also see many people who had viewed all six events!

The first technique we introduced was from the sourcing side of importing with an emphasis on purchasing goods from vendors in countries that have either Free Trade Agreements with the U.S. or are beneficiary countries to Special Tariff Treatment programs like the Generalized System of Preferences. We shared a number of examples that showed how sourcing in these countries can reduce U.S. customs duties from upwards of seven percent down to zero percent.

We also talked about the advantages to consolidating purchases from multiple suppliers that are located in the same geographic region. Whether it’s the Pearl River Delta region in China, the area around Ho Chi Minh City in Vietnam or Singapore, the advantages of consolidating Less-Than-Container load ocean freight into a single container under a “Buyer’s Consolidation” program are many. When combined with the technique of integrating multiple services with a few — or even one freight forwarder from origin to destination — the savings in time, effort, and opportunity costs are even greater.

Just in time for the 2020 Trans-Pacific Eastbound ocean bid season, we went into great detail on how to negotiate multi-service logistics contracts with steamship lines, as well as 3PL’s, Customs Brokers, and domestic U.S. transportation service companies. Presented from the perspective of an actual U.S. importer, this section was important for people preparing to negotiate their import contracts in the coming months. There should be a lot of savings accruing to importers that implement these techniques during their negotiations!

Finally, we topped things off with a review of the benefits inherent to digitizing the “First Mile” of the supply chain. By using Mercado’s integrated suite of purchase order, in-factory status, and shipping management tools, we demonstrated how importers can save millions of dollars by gaining the same level of visibility on the front end of their supply chains as they do in the last mile.

Perhaps the best news about the entire webinar series is that every one of Mercado’s six presentations are available in recorded format on the [company’s website](https://www.mercadolabs.com). With zero cost to the viewer, people from around the world can learn from each video at their own pace, any time, day or night!

Thank you to all who tuned in, and stay up-to-date on Mercado’s social media channels for future webinar announcements!