

Importing - the challenges of international trade

By Sarah Ketchin, PPMA International Director



OK so you've decided to import, but why? It's cheaper, it's better, it's unique and hopefully it is going to make you more profitable. All of these are perfectly plausible reasons as long as you don't launch into it thinking that it will be just like buying from down the road. Some will say that the world is getting smaller, international trade barriers are being lowered and we are all now one happy family. However it's not quite that simple. Issues including culture, politics, economic events and red tape can make it a risky undertaking.

not going to be compromised, and if it is, what potential risks they may have on your reputation.

Developing regular, consistent and dependable communication is fundamental to establishing an ongoing partnership with your supplier. It is important to recognise that business cultures may be different, and more importantly the language barriers can lead to confusion and misunderstanding. Therefore a clear agreement covering specification, quality and delivery should be established at the outset.

How are we going to get it here, and how do we pay for it?

Having established what you are buying you need to ensure the goods are suitable for use, e.g. they have no legal/technical or import licence requirements. The logistics, costs of collection, transport, insurance, duty, VAT and customs clearance must be clearly established; incomplete and inaccurate documentation can severely delay the delivery process. Rules for each country vary and can change. It obviously pays to use an international carrier who is well experienced in these matters. However, remember, the responsibility to get it right is with you the importer. If there are any errors, such as inaccurate duty or VAT declarations then you the importer are going to be held accountable.

Why

are we importing and do we have the right structure (resource) to support it?

In some situations it's clear cut; you are a subsidiary of an overseas company and believe that there is a market opportunity for your parent company's products. These goods may offer a greater technical advantage, differing performance levels or just be cheaper than the competitors. They arrive either fully finished or need some customisation. Alternatively, the goods to be imported could be component parts which can then offer the same advantages as those listed above. It is likely that the import will be an ongoing process rather than a one-off exercise. Under these circumstances you need to be sure that the capability and finances are available to manage the process. For example, can we afford to go out and identify the right suppliers, and when we find them can we handle the day to day activities required to keep them?



The issue of payment is far more complex. If you can get your supplier to deal in GBP it is an advantage as it passes the exchange rate risk to your supplier, however for this same reason they are often reluctant to take this option. Any of us who have been trading in foreign currencies over the last 12-18 months have seen the affect of fluctuations in currency markets. Using forward contracts can minimise the effect on costs and it is certainly worth investigating. However this 'buy now pay later' approach also has its risks so it's a matter of doing what you can to minimise the effect on your business.

What are we going to import and where/who are we going to get it from?

Deciding what to import is arguably the easier issue; the goods are either going to be part of a cost control exercise, or based upon a market opportunity. When looking at cost alone you must be sure that quality is

Contact Point



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Overseas shows...

We need your commitment now!

The following overseas processing and packaging shows need your consideration now. If you would like to attend these events as part of a PPMA pavilion

group we need to know from you asap. For more information please contact:-
janette.fagg@ppma.co.uk T +44 (0)20 8773 5508

Gulfood Dubai, UAE,
21-24 February 2010



www.gulfood.com

Exhibitors ('09)
3,300 companies represented from 76 countries

Visitors ('09)
45,489 from 152 countries

An annual exhibition for manufacturers, distributors, and suppliers representing key sectors within the food and hospitality trade. The PPMA has been allocated a block of 36m x 6m in the centre of the new dedicated Processing and Packaging Hall and will be offering a walk-on stand package (above).

The PPMA UK Pavilion in 2009 was a sell out; eight members exhibited and took a combined total of 700 enquiries. **NOTE: Gulfood 2010 is a UKTI supported show with added support available for a networking event to be held alongside the show.**

Ho Chi Minh City,
Vietnam,
18-20 March 2010



PROPAK VIETNAM 2010
www.propakvietnam.com


Exhibitors ('08)
169 from 23 countries

Visitors ('08)
6,810 from 36 countries

The 5th Propak Vietnam show for processing, filling and packaging is being held at a brand new venue: the **Saigon Exhibition & Convention Centre**. The show will be held in conjunction with Plastics & Rubber 2010 & PIA Vietnam 2010.

In 2008 both the PPMA & Gambica (the association for the instrumentation, control and automation industry) had pavilions at the show. Seven speakers took part in the UK Technology Seminar which was supported by Gambica and operated by the PPMA, in conjunction with the local UKTI/FCO team. **NOTE: Propak Vietnam 2010 is a UKTI supported event.**

Düsseldorf, Germany, 12-18 May 2011



interpack
PROCESSES AND PACKAGING
www.interpack.com

Exhibitors ('08)
2,746 from 60 countries

Visitors ('08)
179,000 from 121 countries

Interpack is widely recognised as the largest and most significant processing and packaging machinery exhibition in the world. At the 2008 show the PPMA pavilion hosted 23 members that took a combined total of 3,331 enquiries.

Recruitment for the 2011 event begins in **October 2009** and in order to meet Messe Düsseldorf deadlines of space allocation, we need members to commit by this time. If members do not provide their feedback we may be unsuccessful in securing our preferred space allocation.

Forthcoming events

Event / Location	Date	Overview	Funding
PACK EXPO - Las Vegas, USA	5-7 Oct 2009	The packaging exhibition for southern USA & South America	Funding available
PROCESS EXPO - Las Vegas, USA	5-7 Oct 2009	Processing exhibition for southern USA & South America (runs alongside Pack Expo)	Funding available
PROPAK INDONESIA - Jakarta, Indonesia	2-5 Dec 2009	International show for packaging & processing machinery and materials	Funding available
GULFOOD - Dubai, UAE	21-24 Feb 2010	The 15th Gulfood, hotel, and equipment (processing and packaging) event	Funding available
PROPAK VIETNAM - Ho Chi Minh City, Vietnam	18-20 March 2010	International processing, packaging and printing exhibition	Funding available
IFFA - Frankfurt am Main, Germany	8-13 May 2010	World leading fair for processing and packaging companies in the meat industry	TBC
INTERPACK - Düsseldorf, Germany	12-18 May 2011	Seven day international processing and packaging event	TBC

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