

February 2003 International Trade Newsletter

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Price Alert: Fuel Surcharge Increases

As well all know fuel prices have been increasing due to war jitters. Carriers are now seeing these increased costs and they are passing them on to shippers. Look for an increase on average of about \$.05/kgs for airfreight. We anticipate the ocean lines will increase their bunker rates or implementing “emergency” rate increases.

Venezuela – Pre-shipment Inspection Prior to Export Now Required

Venezuela has implemented Inspection rules for imported cargo valued over \$5,000.00. Please refer to the outline below for details on this regulation.

1. All shipments imported in Venezuela will be subject to a regulation that all shipments are to be inspected by certain registered inspection companies.
2. Venezuelan Custom Authorities choose 3 companies which are authorized to make the origin inspections. Although there is not official information we understand these companies are: Societe Generale de Surveivance (SGS); Cotecna and Bureau Veritas.
- 3 All shipments with a value over US\$ 5,000.00 will be subject to the inspection.
4. Shipments imported to Venezuela must have the inspection document presented to customs for clearance.

5. Shipments without such inspection report will be returned to origin at consignee's cost or will be declared abandoned and become subject to sale by auction.

6. Following commodities are exempted from inspection

- * shipments with a value of less than USD. 5000.00
- * donations
- * personal effects
- * diplomatic goods
 - shipments consigned to Governmental organizations

7. The inspections were implemented to prevent under declared value fraud.

8. According to the article 23 of this law, the Importer must inform the origin country exporter of the regulations and inform the inspection company which must be contacted prior to shipment.

9. Units that arrive to the country with violated container seals must be checked on site by customs.

COUNTRIES CURRENTLY PRE-SHIPMENT INSPECTION

Clients and governments in the countries listed below may require that inspection of the cargo take place prior to export.

Angola	Argentina
Bangladesh	Belarus
Benin	Bolivia
Burkina Faso	Burundi
Cambodia	Cameroon
Central African Republic	Comoros
Dem.Rep. of Congo	Rep.of Congo
Ecuador	Equatorial Guinea
Ethiopia	Georgia
Ghana	Guinea
Iran	Ivory Coast
Kenya	Liberia
Madagascar	Malawi
Mali	Mauritania
Mexico*	Mozambique
Moldova	Niger
Nigeria	Paraguay
Peru	Rwanda
Senegal	Sierra Leone
Somalia	Suriname
Tanzania	Togo
Uganda	Uzbekistan
Venezuela	Zanzibar

* The Mexican Government has stated that only certain goods from certain origins detailed in Art. 10 of the "agreement on Automatic Import Advice" published in the Official Gazette of the Federation on July 27, 1998 are subjected to Pre-shipment Inspection.

BDG is pleased to furnish this information as an accommodation, but without responsibility, as countries frequently update their requirements.

INSPECTION COMPANIES

There are Three Main Inspection Companies in the U.S.. They are...

1. COTECNA INSPECTION, INC (Co-Ins) phone 305-828-8141, fax: 305-827-0616,
Web Site: www.cotecna.com
2. INTERTEK TESTING SERVICES Florida phone 305-828-8141, fax 305-827-0616 and
Texas phone 713-475-2082, fax 713-475-2083,
Web Site: www.itsglobal.com
3. SGS GLOBAL TRADE SOLUTIONS New York phone 212-482-8700, fax 212-363-3316
Florida phone 305-592-0410, fax 305-592-6925,
Web Site: www.sgsgroup.com

PRESHIPMENT INSPECTION

1. *WHAT IS PRESHIPMENT INSPECTION?*

Worldwide programs requires by governments of many developing countries to verify whether imports meet quality, quantity, price and customs classification requirements.

2. *WHY PRESHIPMENTS INSPECTIONS?*

- * Minimizes import of substandard goods.
- * Assures proper customs declaration of goods.
- * Assists in proper duty, tax collection.
- * Discourages smuggling

3. *HOW ARE QUALITY, QUANTITY, PRICE, CUSTOMS CLASSIFICATION DEFINED?*

- * Quality: Actual shipment quality matches order specifications.
- * Quantity: Count, weight or measurement matches order.
- * Price: Corresponds within reasonable limits to prevailing export market price in country of supply.
- * Classification: Corresponds to current Customs Tariff in country of destination,

4. *HOW DOES IT WORK?*

- * Importing country mandates pre-shipment inspection.
- * Exporter makes pro-forma offer. Importers accepts.
- * Importer establishes Inspection Order with Inspection Company
- * Inspection Company Offices in selling country receives information via Electronic Data Transfer (EDT). Performs preliminary price comparison.
- * Inspection Company contracts exporters for inspection/pricing information.
(Exporter need not to wait to request inspection.)
- * Inspection Company receives requested information, makes inspection appointment.
- * Inspector examines goods. If OK, leaves acknowledgment form.
- * Inspection Company confirms satisfactory inspection to exporter and request final Documents (reminder Memo)
- * Inspection Company receives Final Documents.
- * Inspection Company issues Certificate of Inspection.

6. *WHAT ELSE SHOULD EXPORTERS KNOW?*

- * Preshipment inspection at importing country, or importer's cost
- * Exporter's obligation to present goods.
- * Each shipment is spot-checked by the Inspection Company
- * Physically inspection must be completed before final price evaluation as inspection results relates to price.
- * Inspection Companies do not concern itself with cost, profit, or choice of supplier.
- * Exporters given opportunity to explain and/or correct any apparent anomalies.
- * Inspection Companies respects value of branded goods.
- * Inspection Companies accepts many adjusting factors.
- * Information provided by Exporter is kept confidential

7. *WHAT ARE BENEFITS TO U.S. EXPORTER?*

- * Helps maintain solvency of U.S. trading partners.
- * Provides fairer trading environment for U.S exporters uniquely subjected to U.S. Foreign Corrupt Practices Act.
- * Helps prevent importer from involving U.S. exporters in illegal practices.
- * Provides exporters with free check of their supplier' shipments
Facilities L/C issuance for U.S. goods.

BDG International - Pre-Shipment Inspection Hosting Services

BDG International provides hosting services for our clients. Your cargo may be shipped from your facility with all export paperwork to BDG's warehouse. Upon your written instructions BDG will hold your shipment for Pre-Shipment Inspection. The inspection company will contact your office for an appointment. You would refer them to our office and the appointment time is made between BDG and the inspection company.

Contact our offices to learn more.

BDG Website Services

- Quotation Requests – On-Line Form
- Air Freight Track and Trace
- Archived BDG Newsletters

BDG International is an International Freight Forwarder, NVOCC, Custom House Broker, and Duty Drawback Specialist. We provide international transportation worldwide via air or ocean. Our services include complete export/import documentation support.

We invite you to contact our offices with any questions you may have.

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