

# EXPORT LOGISTICS

## GET YOUR PRODUCTS TO INTERNATIONAL CUSTOMERS

### KEY TOPICS

- Working out your logistics needs
- Exploring your options
- Using freight forwarders
- Incoterms and HS codes
- Four keys to good export logistics
- Where to go for help
- Useful tools



**EXPORT  
ESSENTIALS  
GUIDES**

**Export logistics is all about getting your products or services to overseas customers on time in the most efficient and affordable way. You'll need to know your logistics needs, understand the freight and delivery options available, and get professional advice on the right choices for your business.**

## **Working out your logistics needs**

There's a lot of steps involved in sending a product overseas. Think carefully about your product, your customer, and where your goods need to go – then write down everything you can think of. A professional freight company or customs broker can help you fill in any gaps.

**Some things to think about:**

### **Your product**

- Will it spoil – does it need to be insulated, frozen or chilled?
- Does it have a limited shelf life?
- Is it hazardous, or need other special treatment when moved around?
- What's its size and weight (by box, carton and pallet)?
- What will it cost to insure your shipment - all the way from you to the customer?

### **Your customer**

- When do they need the product?
- What quantity do they need?
- Where do they need the product delivered – a warehouse, a retail store, or direct to consumer?
- How do they want the product to arrive – pallet, carton, or individual units?
- How will you handle product returns or recalls?

### **Your destination**

- Where are your products going?
- What's the climate like at the destination – hot, cold or humid? How long will your products have to wait at the border (and in what conditions)?
- Do the products need to ship straight to the market (not through other countries on the way)?
- What duties will your products attract at the border?
- What regulations do you need to meet?

## LOGISTICS FOR SERVICES

**If you're exporting services or software, physical shipping will be a low priority – but you'll still need to think about the costs involved in delivering your service to customers overseas, including tech support or insurance for professional liability.**



### Exploring your options

You'll need to balance all of your requirements above, along with cost, to find the right freight and delivery options for your products. It's a good idea to get professional advice from the start.

Freight forwarders and air express companies provide a wide range of services, allowing exporters to offer door-to-door delivery and minimum delivery periods. Airlines, couriers, air express and air freight consolidators are also responding to a trend for fast delivery from New Zealand into our major export markets.

Air freight can work well for perishable items or high-value goods and parts that need to be with a buyer quickly, while sea freight may be better if you're sending bulkier shipments that will last the distance in a refrigerated container (or don't need temperature control).

Your logistics options may change over time as regulations are updated, and when airlines and shipping companies add new destinations and routes. Work with your forwarder or broker to keep up with any changes.

### Working with freight forwarders

Getting your product to an export market and through customs can be very challenging, especially when different languages and different cultures are taken into account.

Consult a freight forwarder or customs broker at an early stage in your logistics planning. They'll help you to avoid problems and find the most cost-effective way to get your products to market.

#### Freight forwarders can:

- Arrange transport from your premises to the port or airport
- Pack your product
- Prepare the necessary export documentation, customs permits and licenses
- Quote a through-rate for your products delivered to the destination.



## How to work with a freight forwarder

- **Tell them exactly what you're shipping.** Be as clear as possible to speed up the process and avoid problems later. Some goods are considered hazardous and need special permits and approvals to be exported. Others can only be transported in certain ways, or need to be stowed in specific areas of a ship or plane away from other goods.
- **Tell them how the product is packed.** Forwarders need to know how many units are in each box, how many boxes in a carton, and how many cartons per pallet. They also need to know the weight and dimensions of each box, carton and pallet, so they can calculate your shipment's LCL (Less than Container Load) weight by cubic metre.
- **Let them know about any special requirements.** Tell your freight forwarder if products need to be refrigerated, insulated, sent by air (due to short shelf-life), or can't be trans-shipped through hot countries.
- **Meet your forwarder's deadlines.** Your forwarder may need documents and information from you by set dates, so they can meet rules and requirements in New Zealand or at your export destination. Make sure you meet the deadlines so your shipments can be processed and sent to market on time.
- **Advise the forwarder of your export conditions.** Keep your freight forwarder informed of all export or purchase contract conditions so they can help you comply with these terms.

## Using Incoterms

Incoterms® are a set of common terms used internationally between sellers and buyers. It's vital to understand Incoterms and how they work, because they determine your responsibilities and what you will be paying for as part of the logistics process.

Incoterms® set out who agrees to pay for what as part of an export transaction, and the point where risk transfers from the seller to the buyer.

Learn more about Incoterms and how they work on NZTE's website:

 [nzte.govt.nz/tools-and-templates/logistics-requirements](https://nzte.govt.nz/tools-and-templates/logistics-requirements)

## Using HS codes

HS codes are used by New Zealand and more than 190 other countries as a basis for their customs tariffs. The HS code for your product determines the duty that's charged when it enters an export market.

Your customs broker, freight forwarder or shipping partner is responsible for ensuring the consignment is sent with the correct HS code, so it's charged the correct duty – but it's also important for you to have some understanding of the system, so you know what tariff costs to expect when exporting your products.

The Statistics New Zealand website holds the most current list of HS codes:

 [stats.govt.nz](https://stats.govt.nz)

## FREIGHT FORWARDERS AND LETTERS OF CREDIT

If you're shipping under a letter of credit (LC), make a copy of this and share it with your forwarder. They're not interested in your sales price, but they need to know who the shipper is, who the cargo is consigned to, and any key deadlines and stipulations regarding shipment so they can help keep you in compliance.



## TARIFF FINDER TOOL

If you're planning to export to markets where New Zealand has an active Free Trade Agreement (FTA), the Ministry of Foreign Affairs and Trade has created an online Tariff Finder Tool to help you determine the impact of the FTA on your duty rates. The tool can also help you determine your HS code. Find the Tariff Finder Tool here:

 [tariff-finder.fta.govt.nz](https://tariff-finder.fta.govt.nz)

### Four keys to good export logistics

1

#### Pay attention to detail

Details that seem minor in New Zealand can make the difference between your shipment passing customs, or being impounded or rejected at the border. Don't rush or take shortcuts when preparing a shipment for export, and make sure you understand how long it can take for products to clear customs at the buyer's end.

2

#### Know where to get information

It can be difficult to know how and where to get advice on logistics and certification for your product. Within New Zealand, check in with industry groups and your local Chamber of Commerce, as well as local freight forwarders and customs brokers. For in-market requirements, refer first to the customs authority of the importing country, then if necessary contact NZTE for more help.

3

#### Talk to people in the know

Start talking to freight forwarders and other exporters to your target market to find out where the pitfalls are. Build up your working knowledge of key logistics terms and concepts, so there's no confusion later on when you're supplying goods or services into overseas markets.

4

#### Collaborate where you can

Working with other companies in your target market to consolidate small shipments can be a good way to reduce costs and increase your shipment frequency. Think about your networks, and who might be a good fit to collaborate with to improve your logistics.

## Where to go for help

### Regional Business Partners

The Regional Business Partner Network (RBP) has specialist growth advisors available to provide you with advice, information and connections to support your business.

 [regionalbusinesspartners.co.nz](https://regionalbusinesspartners.co.nz)

### Customs Brokers and Freight Forwarders Federation (CBAFF)

CBAFF is New Zealand's national federation of freight forwarders and customs brokers, affiliated with the wider transport industry. You can access a list of members online for help with logistics and export requirements.

 [cbaff.org.nz](https://cbaff.org.nz)

### Ministry for Primary Industries (MPI)

MPI provides trusted assurances to importing countries that New Zealand primary products meet their requirements. MPI's Overseas Market Access Requirements (OMARs) resources set out standards which have been agreed between the New Zealand government and foreign governments, to facilitate access to markets for New Zealand exporters.

 [mpi.govt.nz](https://mpi.govt.nz)

### Standards New Zealand

Standards New Zealand can supply standards from other international standards bodies, to confirm requirements that your products need to meet in overseas markets.

 [standards.co.nz](https://standards.co.nz)

### New Zealand Customs Service

Sometimes you will need to obtain firm rulings from overseas customs authorities on duties in their market for specific products. You can find a comprehensive list of these authorities via the New Zealand Customs Service online library: [customs.govt.nz/library](https://customs.govt.nz/library)

 [customs.govt.nz](https://customs.govt.nz)



## Useful tools

You'll find a logistics and Incoterms tool, along with other templates and resources at

 [nzte.govt.nz/tools-and-templates](https://nzte.govt.nz/tools-and-templates)

Get a fuller picture of exporting with our other Export Essentials Guides, available for download at

 [nzte.govt.nz/export-assistance/export-essentials-guides](https://nzte.govt.nz/export-assistance/export-essentials-guides)

The New Zealand Story is a free toolkit that provides a simple set of brand values, images, videos and presentations that can help you define your value proposition and promote your business offshore.

 [nzstory.govt.nz](https://nzstory.govt.nz)



## About NZTE

Export Essentials resources are brought to you by New Zealand Trade and Enterprise (NZTE), New Zealand's international business development agency. We exist for one purpose: to grow businesses internationally, bigger, better and faster, for the good of New Zealand.

We're here to help you get the right focus and information at the right time in your exporting journey, whether you need practical help to get started, a deep partnership to develop a fully global business, or anywhere in between.

Find out more at [nzte.govt.nz/about](https://nzte.govt.nz/about) or get in touch with us: [nzte.govt.nz/contact-us](https://nzte.govt.nz/contact-us)

## Go further with Export Essentials Workshops

Wherever you want to take your business next, it's good to know you're on the right track. NZTE's Export Essentials Workshops put you in full control of your export plans, using lessons learnt by New Zealand businesses in markets around the world.

Find out more and register for upcoming workshops at [nzte.govt.nz/essentials](https://nzte.govt.nz/essentials)

