UNDERSTANDING THE SHIPPING PROCESS FROM BEGINNING TO END

1. Importer orders goods from a supplier.
2. Pro forma invoice is provided (similar to a quote).
3. Purchase order is created.
4. Buyer hires a freight forwarder to handle the transport of the goods.
5. Freight forwarder confirms Incoterms with the buyer and the supplier.
6. Buyer obtains a Letter of Credit from the bank to pay for the goods.
7. The supplier’s bank approves the letter of credit.
8. Manufacturing of the goods begins.
9. Supplier provides the buyer an order confirmation and a Commercial Invoice.
10. Freight forwarder contacts their overseas partner to arrange the movement of the goods locally.
11. Agent contacts the supplier locally to arrange the movement of the freight.
12. Supplier provides all the documents necessary for export, which will be handled on the buyer’s behalf by the freight forwarder.
13. With the documentation in order, the supplier books the shipment for export.
14. When a carrier arrives to pick up the goods at the supplier’s warehouse, a bill of lading is issued.
15. The buyer will be required to present the bill of lading in order to secure the release of the shipment and claim ownership over the goods. The freight forwarder can manage this process.
16. Goods are customs cleared and delivered to the agreed location of the buyer.
17. Suppliers complete the Export Declaration.
18. Only then goods are placed in international transit.
20. The cleared goods are finally delivered from the destination country port to the buyer.

*This infographic outlines the typical shipping process when using an independent forwarder and ordering as an importer on EXW terms. The process will change accordingly based on the terms of shipping and the forwarder you choose to work with.*