

CHINA SHIPPING

STEP BY STEP



SOURCING WARRIOR
DISCOVER HIDDEN PROFIT

SHIP FROM CHINA TO USA - TUTORIAL

China Factory



amazon Warehouse



SHIP FROM CHINA - TUTORIAL

**A: POINT
OF PICKUP**

CHINA FACTORY



STEP 1

DECISION MAKING

**SHIPPING TERM
SHIP MODE
FREIGHT QUOTE
CARRIER/ FORWARDER**

**B: PORT OF
REPARTURE**

AIR



OCEAN



STEP 2

DOCUMENT LIST

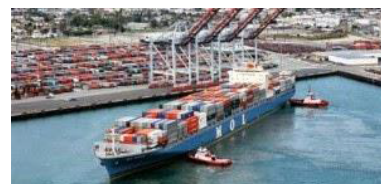
1. CI/PL
2. CERTS.
3. BOND
4. HTS

**C: PORT OF
ARRIVAL**

AIR



OCEAN



STEP 3

**DECISION
MAKING**

**WHERE TO
TIP: SAVE MONEY**

D: POINT OF DELIVERY

- **amazon** Warehouse
- 3rd PARTY Warehouse
- Your Home / Company

SHIP FROM CHINA – TUTORIAL - STEP 1

QUESTION 1: WHAT SHIPPING TERM SHOULD I USE?

**A: POINT
OF PICKUP**

**B: PORT OF
REPARTURE**

- **Inco Terms** (Total 11): define shipping cost and risk transfer

EXW, FCA, FAS, **FOB**, CPT, CFR, CIF, CIP, DAT, DAP, **DDP**.

Groups	E	F	C	D
Seller Responsibility	Factory	Depature	Arrival	Destination

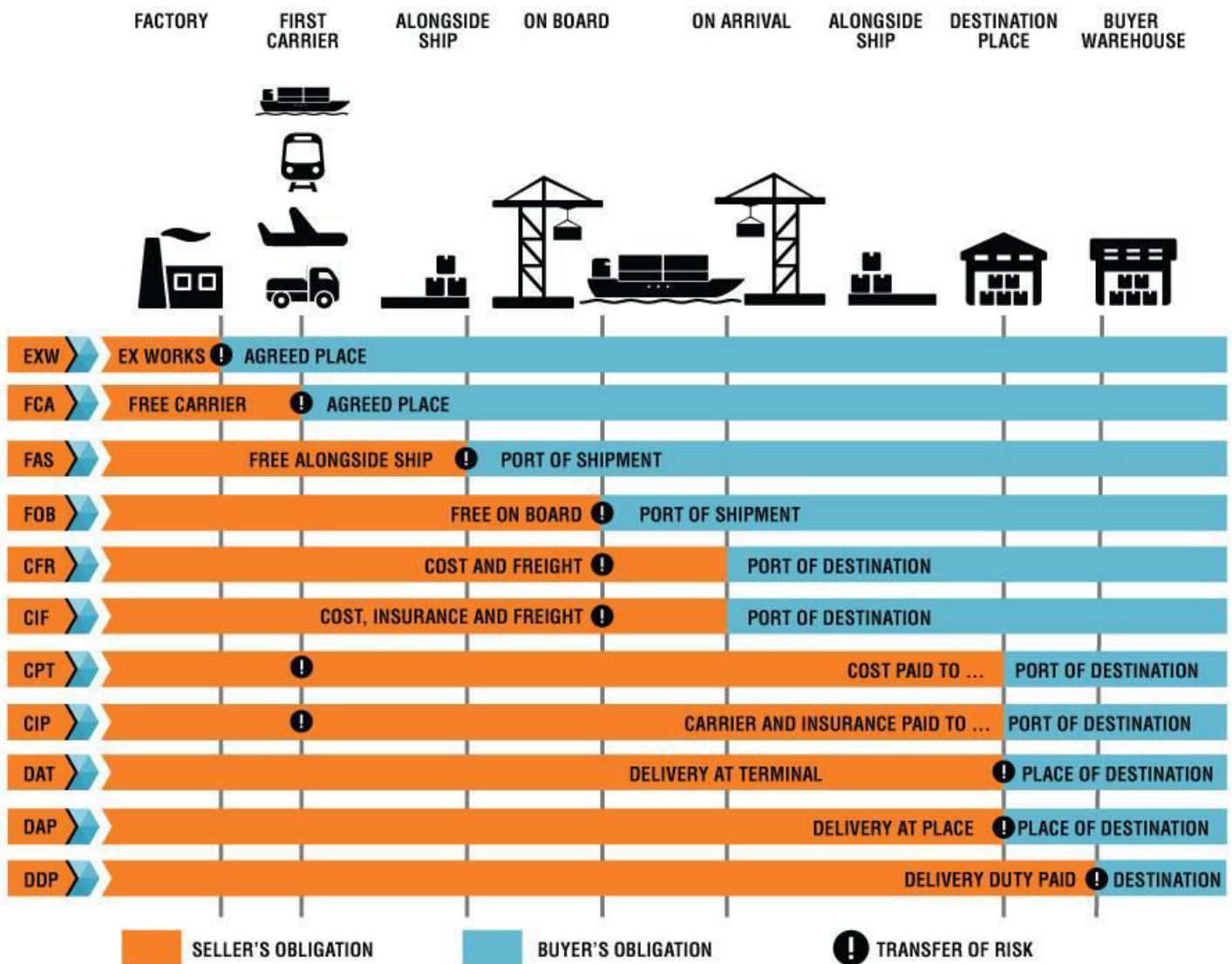
* Term (e.g. FOB) + (name a Place. e.g Ningbo) = Complete Inco Term

• **Must Know 3:**

1. EXW + Factory: Ex Work Factory- every thing is on you
2. FOB + (port name): Free On Board- seller delivers, exports formality
3. DDP + (place): Deliver Duty Paid - everything is on seller

SHIP FROM CHINA – TOTURIAL – STEP 1

QUESTION 1: WHAT FREIGHT TERM SHOULD I USE?



QUESTION 2: WHAT SHIPPING MODE SHOULD I CHOSE?

**A: POINT
OF PICKUP**

**B: PORT OF
REPARTURE**

CHARGEABLE/DIMENSIONAL WEIGHT

2 WAYS TO CALCULATE:

- I. Dimensional Weight Factor: $\text{Volume CM}/6000$
- II. Dimensional Weight Factor: $\text{CBM} \times 167$

Example: Air Freight 8 cartons, **actual weight 450kg**, each carton dim 75 x 65 x 80 cm.

Total volume of the shipment:

8 cartons x (75 x 65 x 80) per carton = 3,120,000 cm = 3.12 CBM

I. $3,120,000/6000 = 521 \text{ kg}$

II. $3.12 \text{ CBM} \times 167 = 521 \text{ kg}$

You will be charged at what weight? 521 kg

Air Shipping:

- Two types of Air Shipping
 - A. Air Express (DHL, FedEx, UPS)
 - B. Air Freight: use a forwarder
- COST: ~ \$6.00/KG to estimate cost
- Transit Time
 - Express: 3-5 business days
 - Freight: 7-10 business days
- Time is Money
 - Priority vs Economy
 - Slow vs Fast



Ocean Shipping:

- 2 Types:
 - LCL: Less than container load (30 +10 days)
 - Consolidate with other people's products
 - Min charge 2CBM at ~300 per CBM
 - Destination charge: SHOCK!
- **LCL rate check 3 rules of thumb:**
 - @3CM or less check AIR cost
 - @10CBM check FCL rate
 - @15CBM definitely FCL
- FCL: 20FT, 40FT, 40HQ (30 +5 days)
 - 20FT = ~30 CBM
 - 40FT = ~60 CBM
 - 40HQ = ~68 CBM

Example: Shipment 150kg: air ~ \$1000; ocean ~ \$700

Time factor, 7 Vs 40 days. 30 days sales = \$\$

QUESTION 3: HOW TO GET SHIPPING QUOTE?

Who is the Freight forwarder?

- Book cargo space; Consolidate freight;
- Import and Export clearance, custom duty, tax.
- Deconsolidate shipments and make final delivery

What do you need to get a quote?

- 1) Shipping Mode: Air or Ocean or Both
- 2) Freight Term: EXW Factory or FOB (name place)
- 3) Product Description: restricted or hazmat product?
- 4) Weight and Dim of each carton
- 5) Total # of Cartons (palletized or loose cartons)
- 6) Pick up address: Factory address or Port Name
- 7) First US Delivery address (Discharge: LAX, OAK, Houston, New York, Norfolk)

* Freight Quote normally does not include: duty & tax (need HTS code)

QUESTION 4: WHAT HAPPENS NEXT?

POA, power of attorney: to authorize the a licensed Customs Broker to clear goods through customs and ensure all documentation is filed correctly. Brokers are regulated by U.S. Customs and Border Protection.

ISF: Importer Security Filing (ocean only), handled by Forwarder

- 10 key elements about a shipment
- Filed minimum 24 hours prior to departure
- If the filing is late, misfiled or not filed at all, then the importer will be penalized a minimum of \$5,000 (max \$10,000).
- A late filing or non-filing of ISF also guarantees that Customs will examine your shipment.

BOL/Airway Bill

- BOL: Issued by a ocean carrier to acknowledge receipt of cargo for shipment
- Airway Bill (AWB): receipt issued by the airline
 - **Payment term and BOL: the shipper can hold the original BOL.**

SHIP FROM CHINA – TUTORIAL – STEP 2

1. COMMERCIAL INVOICE AND PACKING LIST?

**B: PORT OF
DEPARTURE**

**C: PORT OF
ARRIVAL**

Commercial Invoice: *No standard format: PN, Description, Unit Price, QTY, PO #

- Shipper:
- Sold To:
- Ship To:
- Commercial Value
- Country of Origin

* Importer of Record: liable for tax & duty * Consignee: legally allowed to receive the cargo as covered in the BOL * Notify Party: party to be notified of the cargo arrival * Ultimate Consignee: the actual intended recipient of a shipment. e.g. drop ship, custom needs to track the name, address and IRS number of the Ultimate Consignee.

Packing List: Similar to CI:

- Without commercial value
- WITH packaging detail, dim, weight, # of cartons etc.

DOC 2. PRODUCT CERTIFICATIONS

Electronics:

- FCC, Required by LAW
- UL, Optional but consumer preference
- * EU import is much more stringent than US: CE, REACH, ROHS, LVD, R&TTE, GS, REACH, EMC

Electronics:

- CI + PL + HOW it is packed
- Ingredient list
- FDA registration number (11 digit number)
- Full manufacturer info. Incl. company name and full address

Children Product:

- CPC: Children's Product Certificate
 - CPC authorized labs
-

3. CUSTOM BOND

Custom Bond: guarantees the payment of import duties and taxes

Single Entry Bond: good for 1 entry

Non regulated product:

- Minimum charge of \$65
- \$6.50 per \$1000 of the shipment's declared value + duties/taxes

Regulated products (i.e. FDA, USDA)

- 6.50 per \$3000 of the shipment's declared value + duties/taxes

Continuous Bond: good for 1 year

- Cost: \$450-\$500
- Shop surety bond Where to buy? your forwarder or other company, doesn't have to be the same

4. HARMONIZED TARIFF CODE (HTS)

HTS: Harmonized Tariff Schedule (HTS)- determines your import duty rate.

- Global tariffs is an internationally standardized system
 - The first 6 digits of any HTS Code is the same
 - Beyond the six-digit level, individual countries sometimes have different rules
-
- It is YOUR responsibility to confirm HS code. Your supplier could provide it, your forwarder can assist to find it. You are the importer of record.

* Find your product code on line: <https://hts.usitc.gov/>

84 04 00

First digits of the international
Harmonized System (HS Code).

00

The 7th and 8th digits can differ
from one Country to another.

00

Last digits of the TARIC
(Italian) custom code.

SHIP FROM CHINA – TUTORIAL – STEP 3

1. Domestic/Inland Delivery

- Same forwarder, contract domestic carrier
- You pick your own carrier (e.g. Amazon shipping plan UPS rate)

2. Where to

- Amazon warehouse (6 months free, no more final inspection)
- 3rd Party warehouse (bought more, per unit cost low, freight cheap, bundling, labeling, inspection, storage \$)
- Your own home/company

WHAT ELSE?

YOU!!

Make your supplier remember you being a Sharp, Professional and Friendly person.

SMILE.

China is a highly relationship driven country. To succeed in sourcing, you need to equip yourself with all the sourcing tools and learn to become a relationship builder.

*P.S. from Yuping, if you love this guide, why don't you take my training course? The investment pays for itself – you get a lifetime skill to source and make money for many years to come.

Check out Sourcing Warrior's course here: www.sourcingwarrior.com

About Yuping Wang



I am the Founder of the Sourcing Warrior™.

The passion for sourcing runs deep in my blood otherwise I would not have done it for 20 years. My suppliers would say these 3 things about me: Yuping is a tough negotiator, a strong relationship builder and a tenacious profit finder.

Out of all people, how could I become the top supply chain professional in the nation?

When I first came to the USA, I had nothing and knew very little English. But in my mind, there was an uncompromising desire to be the best in everything I do. I put myself through law school in China. In the USA, I pursued the best-in-class training. MBA, CPIM, CSCP, Six Sigma Black Belt certifications are tough to get but are incredibly valuable for my sourcing career.

Professionally, I only want to compete in the most demanding companies. Some are Fortune 500s, some are Hi-Techs, some are small businesses, but all of them are incredibly competitive in the field of sourcing, that is exactly where I excelled.

The experience I gained through 20 years of sourcing is now condensed into Sourcing Warrior's programs to serve more people. As I hold myself to the highest standard of honesty and integrity, I work hard to make sure Sourcing Warrior's programs are the best-in-class. Otherwise, I will refuse to offer them to the world because my name is Yuping Wang.

[Learn More About The Course](#)

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