



Becoming an importer in Europe

HOW TO IMPORT NATURAL INGREDIENTS FOR FOODS AND COSMETICS FROM DEVELOPING AND EMERGING COUNTRIES?

PUBLISHED BY

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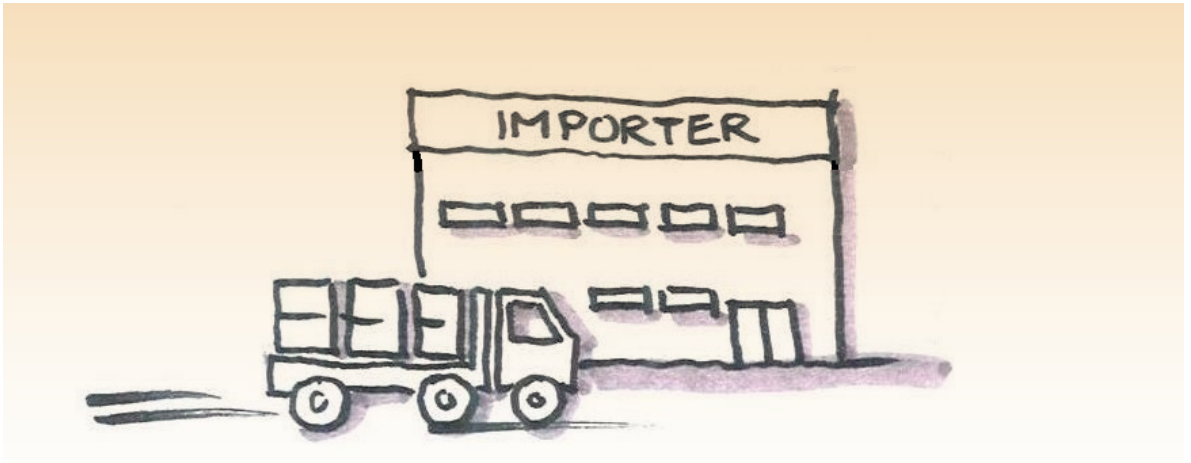
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List of abbreviations

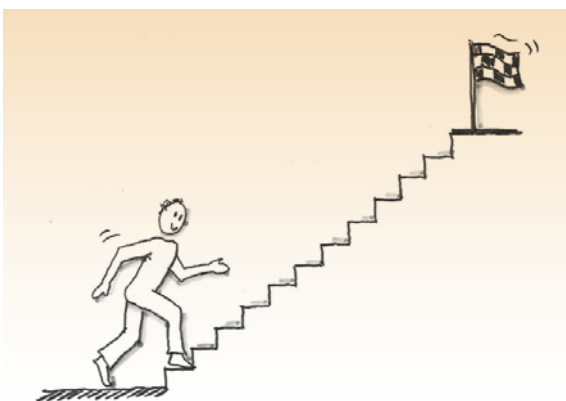
BGA	Federation of German Wholesale, Foreign Trade and Services
BMWi	German Federal Ministry for Economic Affairs and Energy
BMZ	German Federal Ministry for Economic Cooperation and Development
BRC	British Retail Consortium
CBI	Centre for the Promotion of Imports from Developing Countries
CIF	Cost of Insurance and Freight
CSR	Corporate Social Responsibility
DDP	Delivered Duty Paid
EC	European Commission
EFSA	European Food Safety Authority
EORI	Economic Operators Registration and Identification
EU	European Union
EXW	Ex-Works
FLO	Fairtrade Labelling Organizations International
FSSC	Food Safety System Certification
FOB	Freight on Board
HACCP	Hazard Analysis and Critical Control Points
HS	Harmonized System
IBCs	Intermediate Bulk Containers
ICC	International Chamber of Commerce
IFS	International Features Standards
IFOAM	International Federation of Organic Agriculture Movements
IHK	Industrie- und Handelskammern
IPD	Import Promotion Desk
ISO	International Organization for Standardization
ITC	International Trade Centre
MSDS	Material Safety Data Sheet
RASFF	Rapid Alert System for Food and Feed
REACH	Registration, Evaluation, Authorization of Chemicals
SIPPO	Swiss Import Promotion Programme
TRACES	Trade Control and Expert System
UN	United Nations
UK	United Kingdom
USP	Unique Selling Points
VAT	Value Added Tax
WCO	World Customs Organization

Introduction



Welcome to the Import Promotion Desk (IPD) Guide on “Becoming an importer in Europe: How to import natural ingredients for foods and cosmetics from developing and emerging countries”. IPD is a project funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and is implemented by sequa gGmbH – a partner for German businesses – in cooperation with the Federation of German Wholesale, Foreign Trade and Services (BGA). Its objective is the promotion of the import of selected products from partner countries, usually by bringing together the interests of established European importers with those of exporters in emerging growth markets.

IPD has realized in recent years that there is a growing need for information to be provided to enthusiastic new entrepreneurs in Germany and Europe on how to import from developing countries. Even though this has not been IPD's main objective, the project has always provided such information to entrepreneurs who contact IPD. This guide comprises basic information which is useful to those people who would like to establish their first import business in Europe – especially those planning to import from developing countries.



The information provides an overview of the different aspects which need to be considered and encourages further research to be conducted. The document does not, by any means, claim to be exhaustive, as for many issues only the surface has been scratched. Each individual idea and business venture has its own particularities and needs to be planned in detail. But the information in this guide provides future importers with a comprehensive introduction to the importing business.

This guide is focused on natural ingredients for foods and cosmetics as well as processed foods. These are the sectors which – according to IPD's experience – attract the newcomers. However, much of the information provided is of a rather general nature and therefore also holds true for other possible import ventures such as fresh foods, clothes, decorations for the home, technical wood, and cut flowers.

The guide's target group are new entrepreneurs based in Germany who would like to enter the importing business. The document is, however, written in English for a reason: Many of the general aspects mentioned are not exclusive to German business founders; they also hold true for the newest businesses in Europe. Therefore, even if you are planning to start your importing business in a European country other than Germany, the following information give you an insight into the most important aspects of doing so and possible ways to conduct your research.

Practical pieces of advice for prospective importers

In the following chapters you will find some of the most important aspects to consider when planning to become an importer. Since the specific actions to be taken will depend very much on your own personal situation and business idea, all the aspects have been described on a general level. Many useful links have been provided for finding further information.

The insights and tips have been derived from IPD's and its experts' practical day-to-day work. IPD staff and external experts are in ongoing contact with European importers from many different sectors and at different levels of

business development. Furthermore, IPD coaches over two hundred export enterprises from its 14 partner countries and gains an insight into all their different set-ups and challenges.

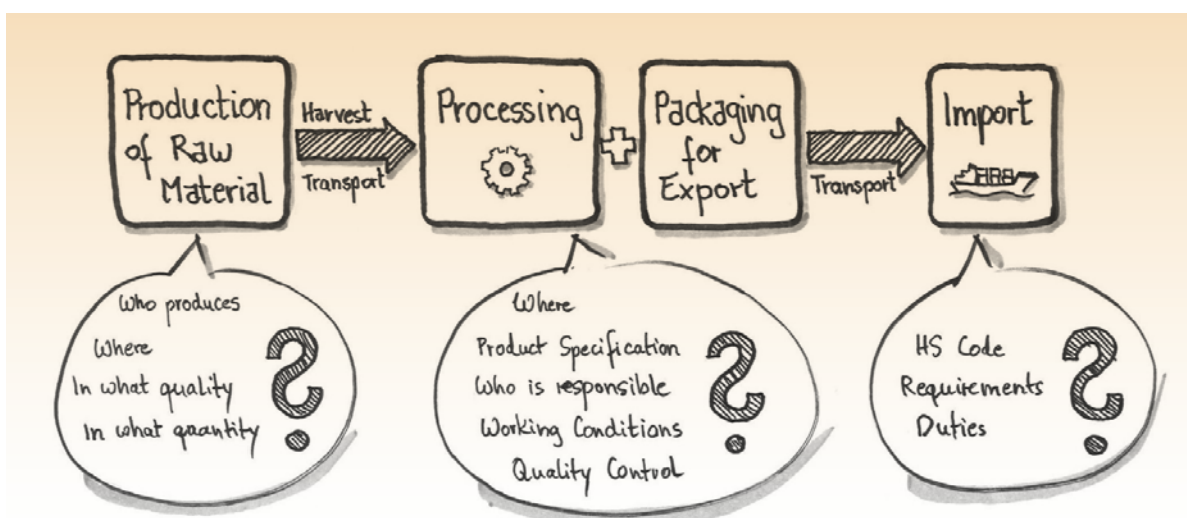
2.1 CHOOSING A PRODUCT FOR IMPORT INTO EUROPE

Choosing the product which you would like to import into the European market requires a lot of research and therefore might require a significant amount of time. Depending on your personal situation, you might approach the issue from one of two different angles:

- + Either you already have an idea about the product you want to import, maybe due to links to producers or your knowledge about a niche market in Europe.
- + Or you do not have a pre-defined idea and want to define your product after analyzing several possible products and/or target markets.

In both cases, you need to become an expert in your product. It is not sufficient to have a general idea about the production process and the regulations for importing the product. If you want your importing and sales to be successful, you must invest time (and maybe some money) in becoming familiar with all the aspects of your product. Furthermore, you must of course analyze in detail the market for your product (see chapter 2.2).

Generally, it is useful to visualize the production and marketing process of your product in a flow chart, which might roughly look as follows:



The next step is to conduct your research according to the respective phase of the product. It is recommendable to start with one product or one product category. For example, instead of planning to become an importer for all kinds of food ingredients used for muesli production, focus first on only importing nuts (maybe even just one kind of nut). Later on, after gaining some initial experience, you could start to extend your portfolio by also integrating, for example, dried fruits, pulses, or dairy products. If you are a newcomer to the import business, you will most probably face difficulties if you try to do everything at once.



BE AWARE

... of a pitfall which many ambitious potential importers face: Increasing the range of the products you plan to import, increases the complexity of your business venture and makes gaining a detailed understanding of it more difficult.

PRODUCTION AND PROCESSING PHASE(S)

The production of the product either takes place in its entirety in its country of origin or further processing (into a new product) takes place after you import a product. You might also import a raw material or a partly processed product which is then sold to your client who uses it for further processing. In any case, you should research the production and processing process which takes place before the product reaches you as an importer. You need to ask yourself some key questions which help you to understand the product and hence to market the product successfully, for example:

- + Who produces the raw material and under what circumstances?

The question of traceability is very important, particularly regarding food products, but nowadays it is also important for most other natural products and ingredients. On the one hand, traceability ensures effective quality control, on the other hand the social aspects of production in developing countries are an important issue for the marketing of the product. Traceability is also the basis for many certifications such as organic or fair trade certifications.

Some aspects of the raw material production might even influence the export/import procedure such as, for example, the Nagoya Protocol of the UN Convention on Biological Diversity which might prohibit exporting certain natural products.

This becomes especially relevant, when you are planning to import food products that have not been consumed to a significant degree in the European Union before the 15th of May 1997. These new and innovative products will fall under the Regulation (EU) 2015/2283 on novel foods and will need pre-market authorization before they may be placed on the market in the EU as a food or food ingredient. Therefore, if you are planning to import food consisting of or produced from e.g., microorganisms, fungi, algae, minerals, food supplements, plants or animals, it will be necessary to check if that product is subjected to the Novel Food regulation. For traditional foods from third countries a simplified assessment procedure is in place. The consumer safety of the traditional food must be established, through evidence of a history of consumption in the third country.



USEFUL LINKS

- + [International Trade Centre: "Traceability in Food and Agricultural Products"](#)
- + [United Nations Global Compact: "A Guide to Traceability"](#)
- + [Import Promotion Desk: "Guide on Traceability"](#)
- + [European Commission: "The Nagoya Protocol – Questions and Answers on Access-Benefit-Sharing"](#)
- + [German Federal Ministry for Economic Cooperation and Development: "Ministers Müller and Heil advocate fair supply chains"](#)
- + [European Commission: EU Novel food catalogue](#)

Another key question to ask yourself might be:

- + From a technical perspective, what are the fundamental aspects of the production and processing procedures?

Certainly, the technical aspects of your product will vary according to your type of product. However, it is crucial that you understand the process in as much detail as possible, simply because your own clients are likely to ask many questions about these technical aspects. Production and processing techniques define the quality of your product. Therefore, understanding these issues also helps you in selecting your partners in the developing countries.

You must be able to tell a good quality product from a bad one, so that you can be sure you are trading a trustworthy product. You might want to think about visiting the producers in the developing country in order to fully understand their situation and realities, as well as possibly discussing any necessary improvements with them.

Certifications also act as a good indicator when choosing a product (see the two lists of useful links for certifications in chapter 2.2). Which certification you will want to look for will depend on your interests as an importer. Products for food consumption, for example, should follow a high food safety standard; the respective certifications being HACCP, FSSC/ISO 22000 or even BRC/IFS. Some buyers choose to focus on organic products. Such products have to at least be certified in accordance with the EU Organic Standard, but you may even choose to go for higher organic standards such as the Naturland or Demeter certifications. When choosing natural cosmetic products, you might want to look for the COSMOS certification. Or, should you want to enter into the fair trade market, it will be necessary for you to analyze the possibilities for FLOCERT or another fair trade certification. There are many standards and certifications out there. The [ITC's Standards Map](#) provides a good overview.



USEFUL LINKS

- + [International Trade Center: "Sustainability and Standards Map"](#)

EXPORT/IMPORT PHASE

The task of importing your product is likely to be the aspect of your venture which involves the most administrative tasks and it certainly needs to be well-prepared. The better prepared you are, the less likely you are to make mistakes during your first imports. Depending on your particular situation, small mistakes can cause severe problems and financial losses. Let us assume, for example, you want to import an organic food product and calculated the possible profits based on organic market prices. But when importing you make the mistake of not correctly declaring the product as being certified-organic. All of a sudden, you can only market your product as non-certified – and will therefore not generate the profits planned. Another example can be highly perishable products. Maybe you did not prepare one of the necessary documents in time, and your product per-



ishes in customs while you try to manage the administrative requirements (more information about customs procedures can be found in chapter 2.7).



The most important step is to first define your product's Harmonized System (HS) code. The HS is managed by the World Customs Organization (WCO). It is usually updated every five years and forms the basis for trading products in almost every country of the world. The HS assigns specific six-digit codes to currently about 5,000 commodity groups. Countries or trade unions are allowed to add longer codes for the purpose of further classification. The EU added additional 8-digit subdivisions specifically created to address the needs of its internal market. The combination of the international HS codes as well as the

EU-specific additional codes is called the "Combined Nomenclature of the European Union". In order to find the correct importing code for your product, you can classify it systematically with the help of the [EU product classification system's website](#).

Once you have identified the correct code according to the Combined Nomenclature, you must then research the European tariffs and import requirements for your product. It can be helpful to access the European Trade Helpdesk (see link below). Take into consideration that since the European internal market was established, goods can circulate freely between the member states of the EU. This means that it does not matter which EU country you import your goods into, you will then be able to market them freely within the EU.

A special requirement, which is often unknown to new importers, is that products of animal origin (i.e. meat but

also dairy and honey) can only be imported from certain listed non-EU countries which have been authorized for the import of the specific product in question. To check whether a specific country is authorized for a specific product, you need to check [the Annex to Commission Decision 2011/163/EU \(1\)](#).

Another important aspect to take into account is the application of VAT. Generally, the country of arrival will charge its [standard rate of VAT](#) (e.g. in Germany the current rates are 19% and 7% depending on the product) on the import transaction. The actual charge will depend on the value of the imported products and the product itself. It is recommendable to ask for professional advice if, for example, you want to market your products in a EU country other than the country you imported into. In such a case, you will need to manage the different VAT rates and how you might possibly get them reimbursed by the respective governments.

Under certain circumstances, you can become exempt from import duties and/or VAT at import. 0% import duties are quite common for many products from developing countries as different preferential tariff agreements are often in place. You will find such information under the links given below. One additional mode of exemption – which also involves becoming exempt from VAT – is known as [inward processing](#). This could be of interest if you plan to further process the imported goods, thereby producing a new product which is then marketed and taxed.



BE AWARE

... that not all the countries in Europe belong to the EU single market. Be careful if you are planning to extend your marketing to, for example, Switzerland (which is not a member of the EU) or the UK (which is no longer a member of the EU – import regulations are currently inexplicit).



USEFUL LINKS

- + [European Commission Access2Markets - EU Tariffs](#)
- + [European Commission Trade Agreements](#)
- + [International Trade Centre Market Access Map](#)

SPECIAL EMPHASIS ON PRODUCT QUALITY

You should, certainly, import a product of good quality, so that you are running a sustainable business. For food products or food ingredients, you need to be aware that the EU has one of the highest food safety standards in the world with many regulations in place. Be sure to check which guidelines and regulations exist for your selected product. To understand the most problematic aspects of your chosen product, it is useful to check which problems have occurred with other importers in the past. This can be done using the Rapid Alert System for Food and Feed (RASFF – see link below).



When importing a food product, which is already in its final packaging for the end consumer, you need to be aware of a very important fact: the entity selling to the consumer is also responsible for consumer safety. This means that, for example, a supermarket can be liable if a food safety problem occurs with one of the products on its shelves. It also means that if you sell to consumers yourself, you can be made responsible if problems occur.

This fact is the reason why many buyers are reluctant to buy packaged goods which cannot undergo another quality control before being sold to the consumer. If a supermarket chain, for example, puts a chocolate bar manufactured in the Ivory Coast on its shelves, it needs to trust that the manufacturing took place in line with food safety standards. This trust can be obtained through certain certifications (e.g. ISO/FSSC 22000, BRC or IFS standards - see links below). But it also means that you – as the importer – must trust that no food safety issues will arise with the product you imported. Because food safety is a complex issue, choosing to market a product which is already package ready for consumption is more difficult than importing ingredients, raw materials or semi-processed products.

Likewise, the responsibility for consumer safety also holds true for cosmetic products already packaged for consumption. The cosmetics market is regulated by the EU Cos-

metics Regulation (see links below), which legally stipulates that each cosmetic product sold in the EU must name a so called “Responsible Person”, an entity within the EU which is responsible for the product documentation, the product formula and all legal aspects of product registration. If you choose to import a cosmetic product from a producer who does not yet have a “Responsible Person” in the EU, it is likely that you yourself might become this “Responsible Person”. It is important to follow the EU Cosmetics Regulation in this regard, since violations are punished with fines. In order to avoid problems, it might be appropriate to invest in a specialist’s advisory service in this regard.

In order to make sure that the quality of your product – food, cosmetic or any other type – is good, a first step towards this is to trust in certifications and to know what certain certifications really mean in terms of quality standards. However, many importers also choose to perform laboratory tests on products and sample products themselves in order to exclude and/or identify quality issues. When selecting a testing laboratory for your type of product make sure it is accredited for the certification tests which relate to your field of business. You can find them, for example, through a national association; in Germany, the [German Association of Independent Professional Laboratories](#) provides a [search page](#) for finding an appropriate laboratory.



USEFUL LINKS

- + [European Food Safety Authority \(EFSA\)](#)
- + [European Commission: “The General Food Law Infosheet”](#)
- + [European Commission: “Food Safety Overview”](#)
- + [Directive 2001/95/EC on general product safety](#)
- + [EU Rapid Alert System for Food and Feed \(RASFF\) portal](#)
- + [European Commission: “Rules on Food Hygiene”](#)
- + [Summary of EU legislation on food safety](#)
- + [ISO 22000: Food Safety Management Standard](#)
- + [Foundation Food Safety System Certification 22000 \(FSSC 22000\)](#)
- + [Import Promotion Desk: “Guide on Hazard Analysis and Critical Control Points \(HACCP\)”](#)
- + [British Retail Consortium Global Standard \(BRCGS\) for food safety](#)
- + [International Features Standards \(IFS\) for food safety](#)
- + [European Commission: “Information on the cosmetics’ sector”](#)
- + [Regulation \(EC\) No 1223/2009 on cosmetic products](#)

SPECIAL EMPHASIS ON PACKING AND LABELING REQUIREMENTS

When importing a semi-processed product or a raw material, the issue of packaging is, in most cases, directly linked to preserving quality during transport. The way your supplier packages the goods can significantly influence not just the physical, but also the chemical and biological integrity of the items. This underlines the need to understand your product and the external influences which might cause damage to it.

However, when importing a product in its final packaging which is intended for the hands of the consumer, the European Union basically regards this packaging as a product in itself. Particularly foodstuffs can be influenced by the packaging around them which is one of the reasons for the strict regulations within the EU. The objective of all the European packaging regulations is to prevent risks to the consumers' health and to protect the environment. Businesses must make sure – whether the packaging is done inside or outside the EU – that all packaging meets the requirements defined in Directive 94/62/EC on packaging and packaging waste, as well as its amendments Directive (EU) 2015/720 and Directive (EU) 2018/852 (links to the directives can be found below).

The EU Regulation mainly stipulates the general framework for the usage of packaging and introducing the product to the market. It encourages its member states to formulate their own laws in order to, for example, achieve specific recycling objectives. In Germany, the national law VerpackG makes it mandatory for the business which brings the packaging into circulation to register and to sign up to a "dual system" (a recycling provider).

Packaging is always accompanied by the labeling of a product. Here, the EU has also defined rules and regulations in order to ensure that consumers receive all the essential information to make an informed choice when purchasing. As usual, the regulations differ according to the product. The links below provide you with an overview of the different legislation. Again, the issue of labeling becomes particularly important for foodstuffs. For example, lists of ingredients and allergens are required on labels, as



BE AWARE

... that the EU regulation always forms the basis for laws within the Union's territory, but individual countries often still have their own laws, adopting EU regulations into their legislation and sometimes even intensifying the rules. For example, Germany adopted the "VerpackG" law, which is a German packaging law.

well as nutritional values (Regulation (EU) No 1169/2011 on the provision of food information). For organic products, Regulation (EU) 2018/848 (see below) is to be complied with, which stipulates, for example, where and how the EU organic logo must be placed on the packaging.

The mandatory food information under the Regulation (EU) No 1169/2011 on the provision of food information also differs between prepacked and non-prepacked foods. The regulation sets out a list of compulsory particulars for labeling prepacked foods. The final customer must be provided with e.g. a list of ingredients, possible ingredients that can cause allergies, a date of minimum durability, storage conditions, country of origin, name of business, instructions for use and nutrition declaration. In contrast, for non-prepacked foods it is only mandatory to provide information on allergies or intolerances that the product or substances could cause. Most importantly, the regulation applies to food business operations at all stages of the value chain, therefore all activities must be considered.

When looking for appropriate packaging suppliers, it is usually helpful to search for the website of the national body or agency which regulates packaging and labeling. In Germany, for example, the Zentrale Stelle Verpackungsregister is a very good source of information which provides a register of packaging providers.



USEFUL LINKS

- + [Overview of EU legislation on packaging and labeling](#)
- + [Directive 94/62/EC on packaging and packaging waste and its amendments](#)
- + [The European Organization for Packaging and the Environment](#)
- + [Regulation \(EU\) No 1169/2011 on the provision of food information](#)
- + [Regulation \(EU\) 2018/848 on organic production and labelling of organic products](#)
- + [Zentrale Stelle Verpackungsregister: Themenpapier "Die wichtigsten Aspekte beim Import von Waren" A German document titled "The most important aspects of importing goods"](#)
- + [VerpackG: Video explaining the German VerpackG \(in German\)](#)

2.2 DEFINING A MARKET SEGMENT AND POTENTIAL CLIENTS

You will most likely choose the product you want to import not only according to the product's characteristics, but primarily because there is indeed a market for the product. Therefore, in addition to understanding the production and importing processes for the product, you must invest a significant amount of research in analyzing the market and the potential buyers. Running a successful importing business means linking a product from another country to the

clients in your country/Europe. Supply has to correspond with demand. For you, as a potential importer, this means you need to analyze the product and the market at the same time in order to define your potential business opportunities.

There are several aspects which can help you to define your market segment and potential buyers.

FIRSTLY, ASK YOURSELF AT WHAT PROCESSING STAGE YOUR PRODUCT WILL BE IMPORTED:

- + Do you plan to import raw materials or commodities in large quantities, for example a container of quinoa from Bolivia or barrels of sustainable palm oil from Indonesia? >> Your potential buyers might be in the food or cosmetics industries which require these ingredients for their production processes.
- + Do you plan to import a semi-processed product, for example mango fruit pulp from South Africa or neem oil from Sri Lanka? >> Your potential buyers might be smaller producing enterprises or traders for specific ingredients.
- + Do you plan to import chocolate bars from Ivory Coast or facial creams from Peru already packaged for the end consumer? >> Your potential buyers might be supermarket chains, delicatessen shops or the end consumer (e.g. via an online shop).

SECONDLY, YOU WILL NEED TO DEFINE IN WHICH EUROPEAN COUNTRY YOU WOULD LIKE TO SELL THE PRODUCT.

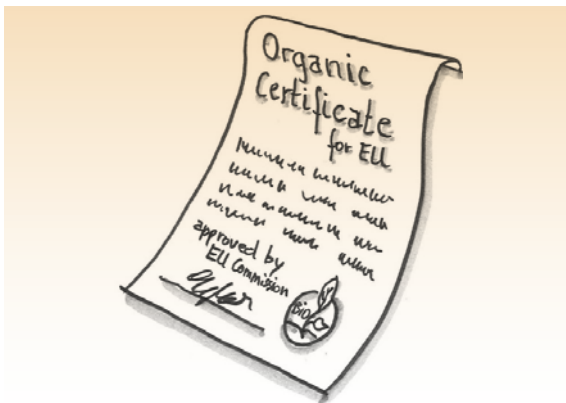
Most probably you will be wanting to sell the product in your own country. But it might be the case that your product is only suited to a specific industry, with potential buyers possibly being situated in other EU countries as well. If you would like to sell online by means of an online shop, it is also tempting to include all the EU countries as your

potential target market. But realizing sales in many countries might not be as easy as it sounds as it can require a complex delivery system and an online shop in several languages, and it can result in tax issues which will need to be solved.

THIRDLY, YOU MIGHT WANT TO TACKLE A CERTAIN NICHE MARKET.

A niche market is a segment of a broader market in which specialized products are sold. When working with partners from developing countries, you, as the importer, might have a motivation to tackle smaller market niches such as the organic or fair trade market. For example, the EU organic market (a segment of the market known as the conventional market for food products) is experiencing ongoing growth. In 2018 it grew by 7.7% and reached almost

EUR 40 billion; between 2009 and 2018 the value of the EU's organic market more than doubled (source: IFOAM). There is also a growing consumer demand for sustainably sourced products. According to The Nielsen Company, which carried out an online survey of 30,000 consumers in 60 countries in 2015, 68% said they were willing to pay extra for sustainable goods (source: ITC). Other market niches might include the vegetarian or vegan markets.



It is difficult to generalize about the potential for higher profits for more sustainable products, as this can differ significantly from product to product and the nature of the sustainability scheme which is being followed. IPD's experience has shown, for example, that the general assumption that organically certified products achieve prices which are up to 20% higher is valid in many cases – but not in all. However, a higher price for your product, does not of course mean that 100% of this additional profit will go to you as the importer; the producers of the organic products will naturally receive their share too. Under fair trade certification schemes, the additional profit for producers has even been pre-defined within the certification.

The most important niche markets in the food and cosmetics industries are not only defined by a trend, but they are also defined by certifications. This means that processed foods or ingredients for food and cosmetics need to be certified according to a certification scheme. Conversely, this means that without such certification, the product cannot enter this niche market. The most common certifications for niche markets are the organic certification according to the [EU Regulation on Organic Production and Labeling of Organic Products](#) and the fair trade certification according to the scheme of the [Fairtrade Labelling Organisations International \(FLO\)](#). But there are also other certifications which can open doors to certain niche markets (some useful links can be found below). In any case, a certification scheme always concerns the supply chain as a whole. This is important for you to know, as an importer, because it means that all actors in the supply chain need to be certified in order to guarantee the benefits of the

certification to the consumer. You cannot, for example, sell your goods as organic goods if you as an importer are not certified for handling organic produce.



BE AWARE

... that many producers from developing countries might produce in a natural way simply because they have no means of adding any fertilizers, etc. But this does not mean their goods can be marketed as organic. In order to market a product as organic in the EU, it must be certified organic. The difference might “only” be an administrative process, but it is important to explain this to producers who might not be aware.



USEFUL LINKS

... to information about niche markets in general

- + [International Federation of Organic Agriculture Movements \(IFOAM\) – European Division](#)
- + [International Trade Centre: Publication “The European Union market for sustainable products”](#)

... to certification schemes which are popular in Europe

- + [ECOCERT – organic certification according to EU regulation](#)
- + [KIWA-BCS – organic certification according to EU regulation](#)
- + [Naturland – private organic production standard \(mostly for the German market\)](#)
- + [Demeter – private biodynamic production standard](#)
- + [Fairtrade International – standard for fair trade](#)
- + [FLOCERT – the global certification body for fair trade](#)
- + [Fair for Life – certification for fair trade and corporate social responsibility](#)
- + [FairWild Foundation – certification for fair and sustainable wild collection](#)
- + [V-Label – certification for vegan and vegetarian products](#)
- + [Halal Control – German certification body for various Halal standards](#)
- + [OK Kosher – private certification of kosher products](#)
- + [COSMOS – natural and organic certification for cosmetics](#)

Market research depends very much on the aspects mentioned above, but naturally also on the product you have in mind. Collecting all the necessary information means, on the one hand, reading and researching a lot on the internet. On the other hand, it is highly recommended that you also visit trade fairs and other events where you can meet potential buyers. The personal contact during meetings with not just buyers, but also producers, potential competitors, certification partners and partners

for logistical and financial issues can provide very valuable insights.

Only by having discussions with other people who are active in the same business sector as you, will you really start to understand what the most important aspects of your personal venture will be. The following links might help you in both your research on the internet as well as your visits to sector-wide events.



USEFUL LINKS

... to product-specific market information

+ [International Trade Centre \(ITC\) – market information and e-learning](#)

+ [Centre for the Promotion of Imports from developing countries \(CBI\) – market information](#)

+ [Import Promotion Desk – market information](#)

... to important trade fair events in the food sector

+ [BIOFACH – the largest trade fair for organic certified products](#)

+ [ANUGA – the largest fair for food products in the world](#)

+ [SIAL – an important European food fair](#)

+ [FOOD/HEALTH INGREDIENTS EUROPE – an important fair for ingredients](#)

+ [VITAFOODS Europe – an important fair for nutraceutical ingredients](#)

... to important trade fair events in the cosmetics sector

+ [-COSMETICS GLOBAL – an important fair for cosmetics ingredients](#)

+ [VIVANESS – an important fair for natural and organic cosmetics](#)

+ [COSMOPROF – an important fair for beauty products for the consumer](#)

2.3 SPECIFYING THE BUSINESS MODEL

Another decision which you will have to take regards your own role within the supply chain of the product you want to market. Defining your business model is indispensable for writing your business plan (see chapter 2.4) – in fact, your business plan is a written description of your business model. Basically, your business model defines how you plan to make money with your venture; and this is, of course, the essential question when founding a sustainable business. Even if only you yourself would like to make a living from your enterprise, your business needs to be profitable. Particularly the apparently easy way to make money

via online sales and the uncomplicated way to approach customers directly via the internet is often tempting to new entrepreneurs. But just as often this approach fails due to a lack of a sustainable business model.

The research which you have done regarding your market, your potential clients and your product will already define part of your business model. However, additional areas will need to be considered in order to define the complete scope of your business, for example, your partners and customer relationships, as well as your costs and revenue streams.¹

¹ An easy to understand support tool for planning your business model has become in recent years the so called Business Model Canvas (see useful links below). It was originally developed by Alexander Osterwalder, a Swiss business theorist, in 2005, but has now become a very popular tool with many entrepreneurs, particularly start-up enterprises which need to define their business model in a very comprehensive way.

However, if you are thinking of linking producers from developing countries to European buyers, there is one important decision to take: Do you want to operate as an importer of goods or will you act simply as an agent? The key difference is whether or not the imported goods actually become your property at a certain point.



BE AWARE

... that even though you might think that profitability is a basic principle every entrepreneur should know about, many start-up enterprises fail to correctly formulate their business model and end up in significant financial difficulties.

ROLE IN THE SUPPLY CHAIN: IMPORTER OF GOODS

You become an importer if you buy goods from a producer outside Europe and import the product into the European Union. Later, you sell the goods to your customers, be it another enterprise or the end consumer. This logically means that in the meantime the goods will be in your possession.

You will therefore have to consider many different aspects, such as:

- + a quality check – you will need to ensure a quality check is done on the goods delivered because once the delivery has been accepted by you, you will not be able to make the supplier responsible for any product deficiencies found later on;

- + cash flow – your supplier will expect to be paid when the product is delivered, while you might not have received a payment for the goods from your client further down the supply chain; you will need to calculate and ensure that the necessary cash flow is available;

- + storage and distribution – you will need to organize the storage and further distribution of the goods while they are in your possession. This will certainly cause costs, but at the same time also require a good logistical set-up if, for example, the product will be shipped to different clients of yours.

ROLE IN THE SUPPLY CHAIN: BUSINESS AGENT

You might prefer to act as an agent rather than becoming the importer yourself. In this case, your role would be to find buyers for a producer which is in the developing country, possibly facilitate certain issues such as contracting or logistics and then receive a commission for your services. The product will go directly from the supplier to the buyer, who will then become the official importer within the EU. You – as the agent – will not be in possession of the goods at any time. While this might sound easier and seem to promise a quick profit, the following important aspects also need to be considered.

- + Added-value: You will need to define your value proposition very clearly to the client, who is most likely to be the supplier from the developing country. The enterprise paying you for your market linkage services must be convinced that they need you as a key partner.
- + Scalability: Being an agent for just one producer from a developing country might not generate enough commission for the business to become sustainable. Your business as an agent will most likely cover a certain sector in which you may have to acquire a number of clients.



- + Securing future revenues: You will need to expect that a market linkage established by you as an agent might subsequently develop independently from you, meaning that the seller and buyer might want to bypass you. This needs to be foreseen and possibly prevented through, for example, contractual measures.

Another important aspect to be clarified is the legal structure of your enterprise. You will certainly first need to define how your business will operate in general, but then you will also need to define which legal form should be chosen and how you will obtain the necessary legal registrations. The legal form will determine how much capital is required, who makes decisions and who is liable for any wrong decisions or business losses. The possibilities and requirements will differ from country to country in the European Union. In Germany, for example, most founders choose either a "civil law partnership" (Gesellschaft bürgerlichen Rechts – GbR), a "limited liability company" (Gesellschaft mit beschränkter Haftung – GmbH) or an "entrepreneurial company with

limited liability" (Unternehmensgesellschaft – UG), each of which has its own particular legal characteristics.

Some legal aspects related to setting up an online shop need to be considered, although from a legal perspective operating an online shop is not significantly different to selling in a regular salesroom. All the appropriate licenses and papers need to be in order; all regulations need to be followed. The times when online businesses could neglect legal requirements are long gone. Checks are carried out by the authorities and you do not want to suddenly face a significant penalty fee – or worse – for disregarding a law.



USEFUL LINKS

+ [Bundesministerium für Wirtschaft und Energie: Checklist for Starting a Business](#)

+ [Strategyzer: The Business Model Canvas](#)

A template for a business model (in German)

+ [Bundesministerium für Wirtschaft und Energie: Vorlage für ein Business Model Canvas](#)

A portal for entrepreneurs with information on the legal forms (in German)

+ [Bundesministerium für Wirtschaft und Energie – Existenzgründungsportal: Rechtsformen](#)

2.4 WRITING THE BUSINESS PLAN

After having defined your business model, an important step in developing your import business is to write your business plan. As already mentioned in the previous chapter, your business plan is in fact simply a written description of your business model, your assumptions and expected results – and in addition to the descriptive part, a section regarding all the financial implications and calculations is added.



BE AWARE

... that most new enterprises need a few years to become profitable because at first the investment costs are higher than the returns. Many new entrepreneurs start with the wrong perception of the timeline necessary. This pitfall can be avoided by preparing sound financial calculations.

While tools such as the Business Model Canvas can help you to define your business idea to yourself or within your team, such comprehensive descriptions are not usually the right tool for convincing investors to invest in your venture. When presenting your new enterprise to banks, for example, or maybe to crowd-funding platforms, a sound business plan is usually required. However, this also means that you might not need a full and very detailed business plan if you do not require external financing. If you do not want to apply for external financing, having a comprehensive description of your business model might just be sufficient.

A business plan sets out your strategy for the next few years in order to define all the investments which will be needed and the time when your enterprise will reach the break-even point and become profitable. Writing a business plan helps you to set priorities; and it serves as a benchmark for the performance of your business.

One of the most important aspects of your business plan will certainly be the financial side of your business venture. It is critical to justify your business with well-researched and accurate figures. In fact, many investors will first look at your financial section before even reading the executive

summary. There are two important parts to the financial section of your business plan: 1) the income statement and 2) the cash flow projection.

THE INCOME STATEMENT

When becoming an importer/distributor of goods, the income statement will be the part which will take up the most time, simply because it requires a lot of research. The income statement shows your revenues, expenses (investment costs as well as operational costs), and profit for a particular period. But to know your expenses and your possible revenues you will have to research the costs and

prices for all the different aspects of your business. You will need to have an expectation of the prices you will pay for the product, at what prices you can sell the product and, of course, what your profit margin will be. But costs for transport, distribution, storage, as well as possible costs for certification, marketing, business travel, etc. will also need to be considered.

THE CASH FLOW PROJECTION

The cash flow projection will be derived from all the information in your income statement. It is, of course, also very important to be able to project when you will enter a phase of high investment or operational costs and when you will expect revenue to come in, in order to define when you might require external financing. Be advised that sufficient working capital is extremely important when working with producers in developing countries, as there is often not much trust in monetary guarantees and payment is required as soon as the goods have been delivered or perhaps even ordered.

This guide does not explain in detail how to write a business plan. For such details it is therefore recommended that you approach different sources of information to, if necessary, learn how to write your business plan. Local business associations in Germany, such as the local chambers of trade and commerce (known as the Industrie- und Handelskammern, abbreviated to IHK), often provide valuable assistance, informational materials and courses. The useful links below provide some further sources of information.

Naturally, the need for investment and working capital are different when you choose to act as a business agent rather than becoming an importer yourself.



USEFUL LINKS

+ [International Trade Centre \(ITC\): SME Trade Academy – Introduction to Business Plans](#)

+ [Enterprise Europe Network: Find your local contact point for advice and support](#)

Details of how to write a business plan (in German)

+ [IHK München: So schreiben Sie Ihren Business Plan](#)

Business plan information (in German)

+ [IHK Berlin: Businessplan](#)

Entrepreneurial information (in German)

+ [IHK NRW: Gründungswerkstatt Nordrhein-Westfalen](#)

2.5 FINDING RELIABLE EXPORTERS AND SUPPLIERS

A reliable exporting partner is the key factor in this line of business that you have chosen to enter. There are a number of factors which will contribute to the success of your business, but the most important one will be having a reliable partner for supplying the product you have in mind.

Without a reliable exporter, you will not become an importer. In fact, most business models will actually even require you to find more than just one reliable supplier. When looking for such partners, it is important to analyze three aspects: compatibility, trust and transparency.

COMPATIBILITY

When analyzing compatibility, a focus should be put on the technical aspects as well as on some general points regarding your business cultures.

First of all, the product-specific technical requirements need to match. You want to offer quality products, so you need to check the quality requirements and whether the supplier can fulfil them. You might want to...

- + ... ask for certifications in order to have some proof regarding their mode of production.
- + ... visit the supplier in their own country and at the production site – this is always recommended!
- + ... ask for technical data sheets and other relevant documents, for example a Material Safety Data Sheet (MSDS) or the documentation for the Registration, Evaluation and Authorization of Chemicals (REACH). – Especially important for the import of natural ingredients such as essential oils. REACH applies to all chemical substances and it is therefore likely you will have some responsibilities under REACH, such as registering your product
- + ... perform some product tests of your own to ensure that standards are met.
- + ... design a supplier evaluation form for your enterprise (e.g. a questionnaire) which the supplier has to fill in.

Furthermore, you need to analyze the logistical requirements and whether your supplier can fulfil them. It must be ensured, for example, that the goods are packaged as required and the transport from the production site to the port is reliable. Furthermore, you should look at your potential partner's overall production capacity. Will the exporter be able to meet your needs in terms of quantity?



Last but not least, one aspect of the technical compatibility is then of course the price. You and your supplier need to come to an agreement regarding the value of the contract and the prices to be paid. This can sometimes be a difficult aspect, but in the end an agreement must be found, otherwise the partners are not compatible in their business venture.

The business cultures in general are also part of the question of compatibility. Is there common ground between your enterprises to harness a culture of trust and transparency (see below)? Do your businesses have a similar vision when it comes to business ethics and behavior? Is there a belief or practice on the supplier side that would act as a deal breaker for you? It is important to ask such questions at the beginning of the business relationship in order to avoid problems later.

TRUST

Trust is a very important ingredient for a successful business relationship. Basically, commerce would cease to exist without a certain level of trust. Trust is a prerequisite for any productive collaboration. It stems from a belief or understanding that one party will not take advantage of the other and that any decisions made will be made to the benefit of both parties.

Unfortunately, trust is a feeling which is also felt very differently between different cultures. For most European buyers, trust is built over time and by transparency (see below). Trust is sometimes based on reputations or references, too. There are probably as many aspects to the feeling of trust as there are human beings. It therefore becomes all the more important to explain to your partners what you, as their buyer, expect in order to trust them, while you should also ask your suppliers what they feel is needed so that they can trust you.

The general perception is that trust mostly takes time. With every successful cooperation, trust in your business partner grows. This therefore means that when you get in contact with new suppliers, you must take some time to create trust. One way to do so is by always visiting your partners in their country and production environment. Getting to know each other face-to-face, discussing all the product-related questions and creating a personal bond are very important steps towards ensuring a long-term and fruitful business relationship.

It might be the case that you would like to start your importing business using producers you know which do not stem from a professional relationship but, for example, they might belong to your family or circle of friends. This is a



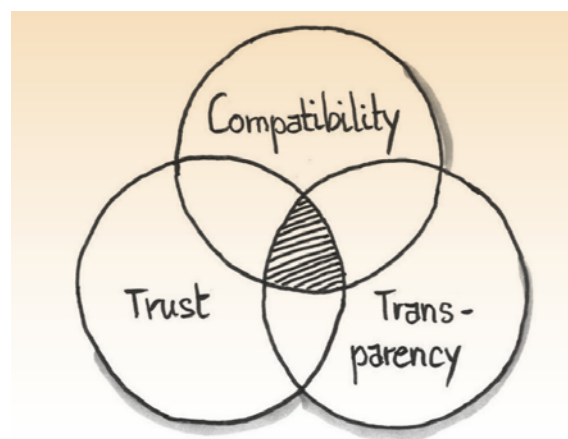
valid approach, however, make sure you take some time to discuss the issue of trust. If you want to run a successful business together, it will mean that you will have to also add a business mentality to your relationship. It means both partners will have to fulfil their part of the arrangement in a reliable way. When cooperating with family or friends this can become a highly emotional issue. To avoid problems in this regard, the best way is to clearly discuss each partners' expectations at the very beginning, to make sure the business interests – in addition to the personal interests – are compatible (see above).

TRANSPARENCY

Transparency, to put it simply, creates trust. Transparency involves the open flow of information between the parties concerned in order to solve problems together. It basically means that partners are completely open with each other and have no hidden agendas. Of course, there are always certain issues that business partners will not want to share, such as information about other clients or price-related information. But a truly sustainable business cooperation does in fact also involve talking openly about such critical matters.

When working with partners from developing countries, who might have grown up in a different system of social beliefs and etiquette, transparency can become a very critical point. In some cultures, for example, having a business-related problem is regarded as highly sensitive. Producers often fear that revealing a problem means that the buyer will look for a different supplier, while many Euro-

pean buyers would prefer to hear about the problem and offer support in finding a solution rather than not be informed about it.



As in so many areas, communication is key. One can even communicate about different cultural conceptions and try to become aware of these differences. Therefore, ongoing close contact is important. Modern technology can support this very effectively. It is very easy to stay in contact via email, phone or chat. Asking in a friendly way for updates, speaking regularly about how the production is going and exchanging even just small messages – all this can lead to a strong and reliable relationship, whereby the producers also feel confident that they can be open about many different issues. Conversely, in this regard, Europeans, for example, often find it impolite or overreaching to write frequent messages. According to a European belief system, such a behavior might be considered to show mistrust, while producers in developing countries are often much more communicative and might regard regular, friendly conversation a sign of a good partnership and commitment.

In any case, you should expect a certain level of transparency from your suppliers when it comes to the business and the product. You can judge a good partner based on their transparency. At the beginning, you might have to discuss this issue a couple of times, but then you should be able to expect that you will receive the information which you will need for your business from your supplier. Otherwise, you will most likely encounter problems on the other side of your business, with your clients.

If you do not yet have a personal connection to suppliers, you will certainly be asking yourself where potential partners can actually be found. There are a number of different methods you can try, as detailed below.

- + Search the internet: You can search the internet for possible suppliers, including searching on trading platforms such as [Alibaba](#) or more specialized sites such as [Mykibo](#) (specialized in African suppliers).
- + Participate in trade fair events: While you might find suppliers from developing countries also exhibiting at European trade fairs (see the useful links in chapter 2.2), it can also be worth travelling to your countries of interest and visiting the local fairs. There you might find those exporters who do not yet have many contacts and with whom you can jointly develop your businesses.
- + Look for local institutions who are in contact with producers: Producers are often connected to business associations and such associations might be able to put you in contact with multiple enterprises in exactly the sector you are looking at. Additionally, national export promotion agencies often have databases or can pass on your desire to meet potential suppliers within their country.

- + Approach the European countries' import promotion projects: Projects such as the [IPD](#), the Centre for the Promotion of Imports from Developing Countries ([CBI](#)) in The Netherlands or the Swiss Import Promotion Programme ([SIPPO](#)) are in contact with producers from their partner countries. However, the normal mode of operation for these projects is that they primarily connect the enterprises from developing countries with reliable enterprises in Europe; developing importing business start-ups in Europe is not their main role.



BE AWARE

... that in spring of 2021 the German Federal Cabinet approved the draft of a “Law on Corporate Due Diligence in Supply Chains”. The law is supposed to introduce binding human rights due diligence obligations for German companies of a certain size, also with regard to their activities abroad. They will be required to assess and mitigate risks of human right violations within their international supply chains, create a grievance mechanism, and introduce a reporting system for more transparency and accountability.

From 2023: for companies with more than 3,000 employees (affects around 600 companies in Germany).

From 2024: for companies with more than 1,000 employees (affects around 2,900 companies in Germany).

After 2024, the scope of the law is to be reviewed.

BUT: It is foreseeable that large companies (e.g. in food retail) will pass on the requirements to their German suppliers (importers) and the law will thus also become relevant for them.

2.6 FINDING CLIENTS FOR THE PRODUCTS

When planning and starting your business, you will have to analyze the market (see chapter 2.2) – who will your clients be? However, in the end all your analysis and theory about your potential buyers will of course need to be put into practice. Learning to generate sales leads is an essential skill for an entrepreneur.

The better your market analysis, the easier it will be for you to understand how you can approach your potential clients, where you will find sales leads and what you will need to do in order to establish a successful marketing strategy.



DEVELOPING A MARKETING AND COMMUNICATION STRATEGY

Having a strategy for how to reach your customers and win over clients is crucial, particularly if you do not yet have any customers. You will want to create awareness amongst the potential buyers about the product. It is highly likely that as a new entrepreneur you will not have an unlimited budget for lots of online and offline advertising, running promotions to build traffic on your website, or launching a sector-wide public relations campaign to increase your product's or brand's visibility. So, you will have to be focused. Depending on your experience it might be worth working with a professional to develop your marketing strategy. This might be a significant investment for your new enterprise, but it will probably pay off because you will follow a plan and a strategy and stay on track. Perseverance and not losing your focus is key to finding buyers. You will have to meet

many potential clients in order to generate just a few real clients. At the beginning, it can be disappointing being in contact with a promising buyer and then realizing that it will not work out. In such a situation, you will have to stay on track and "keep your eyes on the ball", not losing focus of your objective.

You will need to determine your Unique Selling Points (USPs). A USP is a factor that makes your product different to your competitor's product. You can build your USP around features such as a unique production process, unique attributes of your product, certifications, sustainability, history, geographical location, quality or even price.

When becoming an importer of goods from developing countries, in many cases entrepreneurs are not solely focused on establishing a profitable business. Of course, your business needs to be economically sustainable, but you might also have other motivations for your venture. Maybe you feel a connection with the producers because you come from their country; maybe you would like to fight some of the injustices of the worldwide free-market economy; maybe you want to motivate Europeans to consume in a more socially or environmentally sustainable way. These are valuable motivations – which you should use for marketing your product!



BE AWARE

... that marketing and communication are costs that need to be considered in your financial planning. Often, new entrepreneurs underestimate this aspect of their venture.

The European society has become more and more aware of issues such as injustices in the production chain, the situation of producers in developing countries, destruction of the environment, climate change, unsustainable business and production practices and product safety in terms of health, etc. It is becoming more and more preferable among consumers to buy products which they consider “good”, “safe” and “fair”; and intermediaries in the supply chain therefore also search for products which have a high quality and also a “good” approach to production.

If you also have these issues in mind, you can formulate a Corporate Social Responsibility (CSR) strategy. A CSR strategy describes how your enterprise will do business in a sustainable way – and the way you are doing it can become a basis for your marketing communication. You should define the “good” aspects of your production and sourcing, such as fairness to workers and producers, environmentally sound production techniques, social benefits in the value chain and the overall assumption of



responsibility for sustainability issues performed by your enterprise. These points – in addition to having a high-quality product – are strong marketing advantages.



USEFUL LINKS

- + [International Trade Centre \(ITC\): SME Trade Academy – Setting up an Export Marketing Strategy \(can also be valuable for your import strategy\)](#)
- + [Social Accountability International \(SAI\) 8000 – standard on social rights](#)
- + [Sedex Members Ethical Trade Audit \(SMETA\) – ethical audit guidelines](#)
- + [UN Global Compact on corporate social responsibility](#)

MEETING POTENTIAL CLIENTS

You will certainly ask yourself where you will be able to actually meet real potential clients. There are a number of different methods for how, where and when to meet potential clients and generate business leads, as detailed below.

- + Search the internet: You can search the internet for possible clients, including searching on trading platforms such as [Alibaba](#) or [Organic Bio](#).
- + Participate in trade fair events: You should not miss your sector’s main events for meeting people face-to-face or possibly online (see the useful links in chapter 2.2 for the most important trade fairs).
- + Participate in conferences and congresses: You should search for other sector-related events in which some other buyers might also take part.
- + Use your phone and email: You can obtain many contact details for potential clients by searching the internet or, for example, the participant lists for trade fair events. Cold calling over the phone might be exhausting, but in some cases can lead to good conversations. Writing emails to advertise your products can also be an option.



USEFUL LINKS

- + [Import Promotion Desk: Guide to Successful Trade Fair Participation](#)
- + [Seminars and training courses on the topic of marketing \(in German\)](#)
- + [IHK Frankfurt am Main: Marketing-Zertifikatslehrgänge und -seminare](#)

PREPARING YOUR ONLINE PRESENCE WELL

A very important aspect in marketing is not only to find, but also to be found by potential buyers. Establishing a good, modern and meaningful website is the first step. Search engine optimization can help your products to appear in online searches; there are actually many ways to gain a high ranking in the search results without buying advertising space from the search engines.

Additionally, you might want to establish a Facebook, LinkedIn, Xing and/or Instagram page. However, you should make sure that you choose the media which is



BE AWARE

... that only having a Facebook page as an enterprise is considered rather unprofessional by most European buyers, even though in other countries this might be acceptable.

actually also used by your buyers, not only by interested friends or the general public.

UNDERSTANDING YOUR CLIENTS AND POTENTIAL BUYERS

Besides understanding the needs of buyers in terms of quality or certification issues, make sure you also invest some time in learning more about the mindset and cultural background of your potential buyers. The saying “the customer is king” summarizes things well: In the end it is the customer’s decision whether to buy from you or not; so, your client must be satisfied, otherwise you will not have a business.

Some new entrepreneurs who start importing from developing countries have very high intrinsic motivation based on more than just economic factors. This can be a

significant strength, but in some cases might also be an impediment in convincing buyers to work with you. When you yourself are 100% convinced about your product, you might not understand why a potential client is not interested. Instead of “blaming” the buyer for not understanding the product, it is much more valuable to analyze the reasons for why that potential buyer is not as convinced as you are. Once you have understood the reason, you can either choose to develop the business towards the needs of the buyer or – if you do not agree – you can also decide to no longer focus on that buyer segment and search for a different type of buyer.



USEFUL LINKS

- + [Import Promotion Desk: Marketing Private Labels and Own Brands to the European Retail Market](#)
- + [Centre for the Promotion of Imports from developing countries \(CBI\) – 10 tips for doing business with European wine buyers \(also includes tips regarding other products\)](#)

2.7 ORGANIZING INTERNATIONAL TRANSPORT AND LOGISTICS

As an importer, you will be in the business of actually physically moving goods around the world. This issue, just like many others, naturally needs to be well researched, prepared and implemented. Again, everything will depend on your type of product, its shipment requirements, the buyer’s requirements, and your business model. So each potential importer’s situation is unique. However, this guide can give you a basic understanding of international logistics – but you are always encouraged to continue your own research and search for further information and partners.

Logistics does not only involve the management of storage and the movement of products, but it also involves the management of information (e.g. preparing contracts and the relevant documents for customs) as well as the management of monetary issues (e.g. preparing letters of credit, payments and bank transfers, etc.). All these issues need to be prepared and agreed on between the trading partners. A useful concept in international trade for handling and understanding these aspects are what are known as the Incoterms.

INCOTERMS – DEVELOPING A JOINT UNDERSTANDING OF THE LOGISTICAL RESPONSIBILITIES

Incoterms is an abbreviation for International Commercial Terms. They are a voluntary set of clauses defining common contractual practices for the international trade of goods. The Incoterms are published by the International Chamber of Commerce (ICC); the first version was actually established back in 1936 and the latest version was published in 2020.

The Incoterms 2020 define 12 different types of contractual arrangements with the differences between the arrangements being:

1. who takes on the responsibility for the costs of transportation and all related issues;
2. who carries the risks; and
3. who covers the insurance for the product.


The table below summarizes the different types of Incoterms, but you can find more detailed descriptions on the ICC's website.

When entering into negotiations with your suppliers, you will need to refer to these Incoterms, simply because they are the most common point of reference for establishing a purchase contract. The most common Incoterms, which you will most likely operate with, are as follows.

- + Ex-Works (EXW): This means you will take over the responsibility for the goods right at the supplier's production plant in the developing country.
- + Freight On Board (FOB): This means your suppliers will deliver the goods via ocean freight to a port near you, at which point you take over. FOB contracts relieve the seller of the responsibility once the goods are shipped (on board of the vessel), so you as the buyer will have to cover the costs, for example, for insurance for the time the product is at sea.
- + Cost Insurance and Freight (CIF): This also means your suppliers will deliver the goods via ocean freight to a port near you, at which point you take over. However, under CIF agreements, insurance and other costs in transit are assumed by the supplier, and not by you as the importer.
- + Delivered Duty Paid (DDP): This means that the goods will be delivered right to your doorstep, without you taking over any costs and responsibilities beforehand.

Each mode of delivery has its own advantages and disadvantages which you will need to analyze. Generally, no matter who takes over the organization of certain issues, such as hiring the transporting agency or buying insurance, these costs will nevertheless need to be covered. Therefore, it is a logical conclusion that the more issues your supplier has to organize and fund, the more you, the buyer, will have to pay for the goods as these costs will be passed on in the price.

INCOTERMS 2020 Responsibility Matrix for Contract of Sale



INCOTERMS 2020	FREIGHT COLLET TERMS					FREIGHT PREPAID TERMS						
	EXW Ex-Works (Warehouse)	FCA Free Carrier (Port/Airport)	FAS Free Alongside Ship	FOB Freight on Board	CFR Cost & Freight	CIF Cost Insurance & Freight	CPT Carriage Paid To	CIP Carriage & Insurance Paid	DPU Delivered at Place Unloaded	DAP Delivered at Place	DDP Delivered Duty Paid	
Mode of Transport	Any Mode	Any Mode	Any Mode	Ocean Only	Ocean Only	Ocean Only	Ocean Only	Any Mode	Any Mode	Any Mode	Any Mode	Any Mode
Obligations and Charges												
Export Packaging	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Export Formalities	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Loading at Point of Origin	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Inland Freight	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Origin Port charges	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Forwarder Fees	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Ocean / Air Freight	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller
Destination Port Charges	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller	Seller
Customs Clearance	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Import Duties & Taxes	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller
Delivery Charges to Final Destination	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Seller	Seller

Source: [Viva Xpress Logistics](#)

PROFESSIONAL LOGISTICS AND TRANSPORT SERVICE PROVIDERS

Once you have agreed on the terms of delivery with your supplier, it is recommendable to work with a professional logistics agency. You can find some useful links below. Especially when starting an import business, you should ensure that you are working with a trustworthy service provider, even if that means paying a bit more for the logistics. The service providers will even be able to guide you in many aspects, give recommendations on how to organize the process and – if trustworthy – will have an interest in everything going smoothly, so that you will continue to work with them as partners in the future.

Special attention must be paid in cases whereby you have special logistical needs. This is the case, for example, if



BE AWARE

... that food safety problems can occur in transportation which cannot be seen by the naked eye when receiving the goods. For example, it is not possible to see whether the cold chain was consistently maintained or whether the dried nuts were exposed to humidity. Therefore, depending on your product, a thorough quality check should be ensured by you as the importer when receiving the goods.



you are planning to import highly perishable products. The timeframe for handling perishable products can be very tight and a slight delay in transport or customs clearance might cost you the loss of the product. It is especially critical that products which require a consistent cold chain are handled by professionals. But there are even relatively easy to handle products, for example dried nuts, which need to be handled well in order to avoid issues such as humidity which can cause fungal problems.

Depending on your product and quantities, you can opt for air freight or sea freight. Air cargo can usually be shipped to any airport. However, costs might be lower if you take over your goods at the international airport of the arrival (e.g. [Fraport Cargo at Frankfurt Airport](#), [Schiphol Cargo at Amsterdam Airport](#), [Groupe ADP at Paris Airport](#), etc.). Sea freight is delivered to one of the internationally connected seaports and then usually taken over onto road or train transport. The most important ports of entry into the European Union are the [Port of Rotterdam](#), the [Port of Antwerp](#) and the [Port of Hamburg](#).



USEFUL LINKS

- + [Logistics Alliance Germany – a public-private partnership between the Federal Ministry of Transport and Digital Infrastructure and the German logistics industry](#)
- + [International Federation of Freight Forwarders Associations: Members directory](#)
- + [International Chamber of Shipping: Free reports and downloads](#)
- + [World Freight Rates: Freight calculator](#)

CUSTOMS CLEARANCE – BRINGING YOUR PRODUCT INTO THE EU

When the goods reach the point of entry into the EU, you will face the challenge of getting them through customs. This might even be the most cumbersome and – especially for new entrepreneurs – most difficult logistical issue. But the good news is that once you have been through the procedure once or twice, you will soon become confident in handling the issue, simply because you will quickly learn how the process works and which documents need to be prepared.

It is helpful to have a general awareness of the customs clearance process so that you understand what the custom officers are looking for and so that you will not become annoyed with the often cumbersome procedures. The following steps will be completed once your goods arrive at customs.

1. The paperwork for your shipment will be checked.
2. The customs authority will check if any taxes and duties apply to your shipment. To be able to do so, documents must indicate the value of the goods.
3. Customs will request that the taxes and duties are paid if they have not yet been paid (e.g. when delivering according to DDP Incoterms).
4. Once outstanding taxes and duties have been paid, the shipment is released and can continue on to its final destination.



Sometimes the country of entry (e.g. the port where your container arrives) might not be the same as the country of destination. But since the EU provides a single market for its member states, intra-community deliveries do not require any additional customs clearance. Customs clearance only needs to be done once for the EU as a whole. For customs clearance within the EU, you will need an Economic Operators Registration and Identification number (EORI) to register and be identified as an economic operator. You will have to apply for the EORI number with the customs authority in your country. In Germany, for example, the EORI number can be obtained from the [Generalzolldirektion](#).

very comprehensive overview on this [website of the EU Access2Markets](#).

EU Member States may designate parts of their territory as 'free zones'; these free zones are enclosed areas within the customs territory of the EU where non-EU goods can be introduced free of import duty, other charges (i.e. taxes) and commercial policy measures. Such goods may subsequently be released for EU circulation (subject to the payment of import duty and other charges), or be placed under another special procedure (e.g. inward processing, temporary admission or end-use procedures – under the conditions laid down for these procedures), or be re-exported.

It is not possible to list all the documents required for customs clearance in this guide. However, you will find a



USEFUL LINKS

- + [European Commission: Customs procedures for import and export](#)
- + [European Commission Access2Markets: Documents for customs clearance](#)
- + [European Commission: List of 'free zones' and responsible customs authority](#)
- + [Generalzolldirektion: Liste der deutschen \(Haupt\)Zollämter \(in German\)](#)

TRACES – EU ONLINE TRACKING SYSTEM FOR GOODS

If you are planning to import certified organic goods, the Trade Control and Expert System (TRACES) will become important for organizing the customs clearance process. TRACES is the European Commission's online platform which must be used for the importation of animals, animal products, food and feed of non-animal origin and plants, and the intra-EU trade and EU exports of animals and cer-

tain animal products. The TRACES system was introduced in the EU in 2004 to record and track the movement of animals within, as well as to and from the EU. Over the years, other product groups have been added to the system. In 2017, for example, it became mandatory to use the TRACES system for all imports of organic certified goods. Other non-animal products can still be imported without using the TRACES online platform, but it might be the case in the near future that the EU will extend the obligations to use TRACES also for food products which are not certified organic.



The central aim of TRACES is to simplify the work of various authorities and certification bodies. It offers full traceability and better risk management through quick responses to potential food safety threats or other difficulties. The system is linked, for example, with the EU's Rapid Alert System for Food and Feed (RASFF).



USEFUL LINKS

- + [European Commission: TRACES](#)
- + [European Commission: TRACES – frequently Asked Questions](#)
- + [Frequently asked questions \(in German\) Gesellschaft für Ressourcenschutz mbH: TRACES – Frequently Asked Questions](#)

PLANNING YOUR STORAGE NEEDS

In chapter 2.3 you can read about the particularities of the different business models for an importing business. If you intend to act as an agent, you will not need to pay much attention to storage, but if you are an importer and then distributor of goods, you will have to plan your storage needs.

In some cases, you might start by working from your own home, possibly using your garage or basement as a storage room. However, such an arrangement will most likely not be feasible in the long-term. If you expect your business to grow, you should plan your storage needs from the start, and of course allow for the related financial implications.

The storage needs will certainly depend on the type of product and how it is transported. There are products which are shipped in full container loads or on pallets, in Intermediate Bulk Containers (IBCs) or in barrels, etc. For some products there will be important transportation aspects to consider, such as an uninterrupted cold chain, which will, of course, also impact the storage requirements. Below are some ways to organize your storage facilities.

- + Professional storage facility rental: There are specialized enterprises which can organize your storage on your

behalf. You can request a quotation based on your needs. The advantages are that your needs can be met in a professional way. Often such facilities can also support you in organizing other logistical issues, such as transport around Europe or even customs clearance.

- + Renting or buying your own storage facilities: Instead of outsourcing the service of storing your products, you can of course also organize your own self-administered storage. If your goods do not require any special handling and the quantity of your product is not too large, this might be an option. You could, for example, rent a small industrial facility in your town and you would then have complete control over the storage and handling of the goods in a place nearby.
- + Subletting space from a local partner: While professional storage facilities might be rather expensive and you might not want to organize the storage completely by yourself, another option could be to approach local warehouses independently and ask if they would sublet part of their facilities to you. Warehouses often have unused space and might be glad to sublet at a very reasonable price. At the same time, you will connect with another local business and this connection might prove to be fruitful.



USEFUL LINKS

- + [Federation of European Self Storage Associations](#)
- + [A service platform for storage logistics \(in German\) LAGER\[flaeche\] – Serviceplattform für Lagerlogistik](#)

Collection of additional useful links

Chapter 2 of this guide provides many useful links which directly relate to the topics in each sub-section of that chapter. There are many more sources of information of a more general nature which you can access. The following links are for importers based in Germany, but if you are from another European country, you might want to search for the equivalent in your country



USEFUL LINKS

Links to official German government institutions:

- + [Federal Ministry for Economic Affairs and Energy \(BMWi\)](#)
- + [BMW's magazine "Import und Export" for entrepreneurs BMWi GründerZeiten Magazin](#)
- + [Germany Trade & Invest \(GTAI\)](#) – the economic development agency of the Federal Republic of Germany
- + [Federal Office for Economic Affairs and Export Control \(BAFA\)](#)
- + [Federal Office for Agriculture and Food \(BLE\) for the import of agricultural products](#)
- + [German Customs Authority](#)

Private sector associations and initiatives:

- + [Network of German chambers of trade and commerce – Industrie- und Handelskammern \(IHK\)](#)
- + [Network of German Chambers of commerce abroad – Außenhandelskammern \(AHK\)](#)
- + [Hamburg Chamber of Commerce: Import of goods from third countries](#)

European and international institutions:

- + [European Commission: Import to Europe – Overview](#)
- + [United Nations Economic Commission for Europe \(UNECE\): Trade Facilitation Implementation Guide](#)
- + [International Trade Centre](#)
- + [World Trade Organization](#)
- + [Enterprise Europe Network \(EEN\)](#)
- + [Government of the UK: Importing goods from non-EU countries](#)

FEDERATION OF GERMAN WHOLESALE, FOREIGN TRADE AND SERVICES (BGA)



The Federation of German Wholesale, Foreign Trade and Services (BGA) represents with its nearly 70 members the interests of the wholesale and foreign trade sectors and B2B services on a national, European and international level. We are committed to an international mindset, competition in an open, free and market-oriented system and

responsible entrepreneurship. It is because we believe that trade and international competition lead to global growth, prosperity and employment. Germany, with its highly foreign trade-oriented economy, benefits greatly from this. Assuming social responsibility and taking action in worldwide projects is part of the BGA's self-concept. Together with our members and partners, we develop new ideas and perspectives in the areas of development cooperation, environmental protection and vocational training. Yet, we don't stop there, but have been implementing these ideas in concrete projects for many years.

WAREN-VEREIN DER HAMBURGER BÖRSE



The Waren-Verein, located in Hamburg, Germany, has been established as a competent contact for political decision-makers and authorities. The Waren-Verein represents the interests of the foreign and wholesale trade with canned products, frozen products, dried fruit, edible nuts, dried vegetables, spices, organic products and related products.

Their members benefit from timely, well-founded reporting on current developments in national and European

regulations and legislative procedures. The Waren-Verein provides information on trade policy, food law, customs issues, agricultural policy and environmental topics, as well as industry-specific technical information. In the event of potential problems or special questions, Waren-Verein provides competent and individual advice to help find solutions.

Through the regular organization of seminars and workshops, their members also have access to a wide range of training courses and the opportunity to exchange information. Training courses on merchandise knowledge and the Waren-Verein conditions as well as seminars on current topics such as the "Introduction to Organic Imports" round their offer.

GERMAN KAFFEE VERBAND



With more than 320 members, the German Coffee Association is one of the medium-sized associations in Germany.

Its members include almost all the leading names in their respective industries. But the association also stands equally for small and large members. The association is represented and managed by an executive board and a presidency.

VEREINIGUNG DER AM DROGEN- UND CHEMIKALIEN- GROSS- UND AUSSENHANDEL BETEILIGTEN FIRMEN (DROGEN- UND CHEMIKALIENVEREIN) (VDC)



The members of this association are foreign trade oriented companies, predominantly importers, exporters, transit traders, distributors, brokers, but also manufacturers, processors and logistics service providers. The product portfolio is wide-ranging: Industrial chemicals, pharmaceutical starting materials, nutritional supplements, essential oils,

dried herbal raw materials and more. The companies operate worldwide and are important partners to the food and feed industries, pharmaceutical manufacturers, the chemical industry and the flavour and fragrance industries

In addition, through their events, they promote close contact among member companies and with non-members and potential business partners.

Specific information for importing from current IPD partner countries

This chapter provides some information which is specific to the partner countries currently involved in the IPD project. Even if you are looking to import from a different country, you might still find the information useful because it includes tips and links to institutions which might also exist in a similar form in the country which is of interest to you.

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4.1 HOW TO IMPORT FROM COLOMBIA

1. Registration of exporters

- ! The exporter needs to register with the DIAN (the Colombian tax and customs department) by including their "Single Tax Registry" (Registro Único Tributario or "RUT") specifying that they are going to export. In addition, they need to detail the method of export, for the product that they want to export, on the commercial register kept at the local chamber of commerce.

2. License for products

- ! It depends on the type of natural ingredient which is to be exported and what its intended use is. If the ingredient is to be used in food or cosmetics, it will need to be registered with the INVIMA (the Colombian food and drugs administration).

3. Sending trade samples

- ! With regards to shipments with a value of EUR 45 to EUR 700, the import charges for duty and VAT are charged at a flat rate of 17.5% of the value of the goods. Shipments from exporting countries or territories which have a preferential agreement with the EU can be imported at a flat rate of 15%.

4. Certificates required for exports

- ! The export certificate will depend on what the ingredient is going to be used for and the destination country. If the ingredient is to be used in food or cosmetics, it will need to be certified by the INVIMA (the Colombian food and drugs administration).

5. Tax benefits in free trade zones

- ! Colombia is the country in Latin America with the second largest number of free trade zones (114), with most regions of the country having one. Colombia has a competitive free trade zone regime, which grants the following benefits to projects for producing goods or for the provision of services:
 - + single rate of 20% income tax (the current rate in the National Customs Territory is 32%);
 - + no customs duties - neither VAT nor duty - are charged or paid on goods brought into the free trade zone;
 - + possibility of exporting from a free trade zone to third countries, taking advantage of the trade agreements signed by Colombia;
 - + goods of foreign origin introduced into the free trade zone may remain there indefinitely; and
 - + exemption from VAT for raw materials, parts, and finished goods sold from the National Customs Territory to industrial users of goods or services in the free trade zone or between these zones.

6. Trade agreements – bilateral and multilateral

- ! Colombia signed a free trade agreement with the European Union in 2013. Further information is provided by the European Commission and the Government of Colombia.

7. Money transfers – banking

- ! All foreign currencies or foreign exchange transactions must be channeled through authorized foreign exchange intermediaries, or compensation accounts.

All the operations that are executed through the foreign exchange market have to be registered in advance with the Central Bank (Banco de la República), by filling the minimum information required (namely the relevant foreign exchange declaration).

8. Shipping

- ! Colombia offers 50 maritime routes to Rotterdam, operated by 8 shipping lines and 4 NVOCCs. 10 of these routes are direct routes with transit times of 12+ days and the other 40 indirect routes (e.g., via Panama or Belgium) have a transit time of 14 to 26 days. Average freight: 20 'ST USD 675 and 40'ST USD 775.

15 routes connect Bogota and Medellin in Colombia to Amsterdam and Maastricht, by means of 12 airlines, with direct links or via the main European cities (e.g., in Spain and the Netherlands). Freight per kilo: USD 5.74 (weight break +300kg)

Here is a link to some further information: [Routes and Rates from ProColombia](#)

9. Main air/sea ports

- ! Seaports:
 - + Buenaventura
 - + Cartagena
 - + Santa Marta
 - + Barranquilla

Main airports:

- + El Dorado International Airport (Bogota)
- + Jose María Córdova International Airport (Medellin)
- + Alfonso Bonilla Aragón International Airport (Cali)
- + Rafael Nuñez International Airport (Cartagena)

10. Relevant local authorities which carry out inspections before the product leaves the country

- ! An inspection will always be carried out by the Policia Antinarcóticos (the anti-narcotics police) and the DIAN (the Colombian tax and customs department), which will check all the necessary export documents. If the product is for human use, the INVIMA (the Colombian food and drugs administration) will inspect it.

11. Other specific documents which are required for importing natural ingredients from the country of origin.

- ! It is essential to check if your specific product requires approvals or permits for export authorization. These must be processed before submitting the Export Declaration (DEX) to DIAN. Examples of relevant authorities: ICA (animal and plant health), INVIMA (medicines, food, cosmetic products), AUNAP (fish and by-products), Ministry of the Environment (preservation of wild fauna and flora), Secretariat of the Environment (wood and seeds).



4.2 HOW TO IMPORT FROM CÔTE D'IVOIRE

1. Registration of exporters

- ! The exporter has to obtain an exporter code (import/export code) from either the Department of Commerce or Customs.

2. License for products

- ! Depending on the product being exported, the operator must have a license which is to be obtained from the relevant ministry.

Different laws exist for the commercial use of each product. Information is available from the relevant ministry or the National Center for Legal Documentation.

It is important to be precise about the product so that you follow the right procedures with the correct authority. Here are some examples:

- + For exporting coffee, cocoa, cashews, cotton: Ministry of Agriculture
- + For exporting wood: Ministry of Water and Forests
- + For exporting products of mining (gold, diamonds, iron, manganese, etc.): Ministry of Mines

3. Sending trade samples

- ! Here the same principle applies as in point 2 above. The nature of the product determines the type of export authorization required and the services which will be provided by the relevant ministry

4. Certificates required for exports

- ! The export authorization and/or license and services provided by relevant ministry will depend on the nature of the product:
 - + Certificate of Sanitation (INHP)
 - + Hygiene (INHP)
 - + Phytosanitary Certificate (Ministry of Health)
 - + Certificate of Origin (EUR-1/CCICI; Formula A; ECOWAS; UMOA; Classic/Ministry of Trade)
 - + Free Sale Certificate (Ministry of Agriculture)

5. Tax benefits in free trade zones

- ! There are free trade zones which are governed by specific laws. One example includes the Grand Bassam Information Technology Free Zone (VTIB).

6. Trade agreements – bilateral and multilateral

- ! Côte d'Ivoire is part of the West African Economic and Monetary Union (WAEMU) and will therefore become part of the EU-West Africa EPA, once it comes into force. Until then, the Stepping Stone Economic Partnership Agreement between the EU and Côte d'Ivoire is in place.

7. Money transfers – banking

- ! The most efficient way to transfer money is via banks.

8. Shipping

- ! No information available.

9. Main air/sea ports

- ! Main seaports:
 - + Port of San Pedro
 - + Port of Abidjan

- Main airport:
 - + Abidjan FHB Airport

10. Relevant local authorities which carry out inspections before the product leaves the country

- ! Depending on the product being exported, inspections might be carried out by the following authorities:
 - + INHP (Nation institute of public hygiene)
 - + Customs
 - + Private organizations may carry out (random) inspections at the request of the state



4.3 HOW TO IMPORT FROM ECUADOR

1. Registration of exporters

- ! In order to export, the exporter is required to
 - + obtain a RUC (Registro unico de contribuyente) number by registering the business with the [Internal Revenue Service \(SRI\)](#);
 - + obtain a digital signature or token from the [Central Bank of Ecuador \(BCE\)](#) or the independent firm [SecurityData](#); and
 - + register with the [VUE-ECUAPASS system](#) as a foreign trade operator.

2. License for products

- ! Two types of natural ingredients require licensing:
 - + Coffee products: exporters need to request an exporter password from the [Ministry of Industry and Productivity](#) (using this link, the relevant files relating to the institutional procedures can be found under "5. Issuance of Export Records").
 - + Banana products: exporters need to be registered with Ministry of Agriculture and Livestock's [SCB Banano Control System UNIBANANO](#).


3. Sending trade samples

- ! When sending a sample, it must comply with all the technical and legal requirements of each destination country, for instance the package may not exceed a maximum of 50kg, the product and its presentation needs to have been previously approved by your enterprise and the phytosanitary/sanitary certificate, invoice and a complete packing list must be included.

4. Certificates required for exports

- ! Enterprises exporting processed foods need to apply to the competent authority and also apply for a sanitary certificate which is issued by [ARCOSA](#).


5. Tax benefits in free trade zones

-  Ecuador has five [Special Economic Development Zones \(ZEDE\)](#), which are defined areas within the country, and which act as locations for promoting new investment. The main economic incentives for businesses are:
- + Taxes: income tax exemption for 10 years for “[administrators and operators](#)”; additional 10% income tax reduction for 10 years after the exemption period has ended; foreign currency tax (ISD) exemption for financing imports and dividend payments (normal tax rate: 5%, under this scheme: 0%); tax credit for VAT when purchasing raw materials in Ecuador.
 - + Tariffs reduction: tariff exemptions for foreign merchandise imports that enter the country through a ZEDE if the agreed processes have been complied with; VAT exemption for imported goods which are exclusively intended for the authorized zone; tax credit for industrial inputs of national origin that enter these zones if the agreed processes have been complied with.


6. Trade agreements – bilateral and multilateral

-  Since 2017, Ecuador has been part of the [Multilateral Trade Agreement \(EU-Colombia-Peru\)](#). The agreement covers the trading of goods and services, including farming and non-farming products. The agreement's specific conditions can be found in the [official agreement brochure](#) and further information can be obtained from the [European Commission](#).

7. Money transfers – banking

-  ProEcuador – the Ecuadorian institute for export and investment promotion – recommends new exporters use a letter of credit (LC) to secure export payments. In order to do so, your enterprise must have a bank account with one of the most significant Ecuadorian banks. However, if a little more trust has developed between the exporting enterprise and your enterprise, another option would be to use SWIFT bank transfers.

8. Shipping

-  Ecuador has 34 authorized shipping companies, most of which are registered with the [Maritime Chamber of Ecuador](#). On the website of the [International Freight Directory \(DGC\)](#) you can find a list of all the cargo companies which operate internationally. The [National Customs Service of Ecuador](#) provides an overview of the well-established cargo companies. As a point of reference for approximate cargo prices you can use the “Transport Cost Estimator” by [Connect Americas](#).

9. Main air/sea ports



Maritime transport:

Most of Ecuador's international trade is done by sea. There are 5 maritime ports. Government agencies are responsible for managing, supervising and monitoring the country's non-oil port activities:

- + Guayaquil Port Authority APG: located 10 km south of Guayaquil city, in the Guayas province.
Main exports: bananas, shrimps, and fish.
- + Puerto Bolivar Port Authority: located in the south coastal region of Ecuador, in the El Oro province.
Main exports: bananas, mangos, and plantains.
- + Manta Port Authority APM: located in Manta city, in the Manabi province.
Main exports: processed tuna, vegetable oils, and manufactured goods.
- + Esmeraldas Port Authority APE: located in the north west coastal region in Ecuador.
Main exports: palm oil, wood chips, balsa wood, oil and equipment used for processing oil, and vehicles parts and accessories.
- + DP World Posorja: located 70 km from Guayaquil, in the Guayas province.
Main exports: bananas, shrimps, cocoa, tuna, and wood.

Air transport:

The 3 principal airports for export and import activities are: Latacunga, Guayaquil and Quito. Guayaquil and Quito manage 80% of the daily cargo and passengers flights with more than 10 cargo airlines operating there. The most important exports by air are flowers. KLM and DHL Global Forwarding Ecuador operate in Ecuador and act as airport logistics experts for the origin and destination countries.

10. Relevant local authorities which carry out inspections before the product leaves the country



Inspections of natural ingredients are mainly conducted by:

- + ARCSA: sanitary certificates for processed foods and pharmaceutical products
- + MPCEIP Ministry of Production, Foreign Trade, Investments and Fisheries:
for origin certificates (also FEDEXPOR and chambers of commerce)
- + Antinarcotic police for random or voluntary drug inspections
- + Private verification bodies for private inspections (i.e., Bureau Veritas).



4.4 HOW TO IMPORT FROM EGYPT

1. Registration of exporters

- ! The exporter must be registered with the General Organization for Export & Import Control (GOEIC), which is run by the Ministry of Trade and Industry. The website of the Technical Controls and Inspection Services (TCIS) provides a comprehensive explanation with regards to this topic.

2. License for products

- ! There are no specific licenses for products or items from the Egyptian side. However, product categories are included in the exporter register that is issued by the GOEIC. Moreover, there is an industrial registry issued by the Industrial Development Authority and it is necessary to be listed on this registry to complete the export process.

3. Sending trade samples

- ! The exporter can ship a sample of up to 10 kg without requiring any official papers, a customs declaration, or being subject to additional fees besides the normal shipping fee. In terms of the range of natural ingredients, there are no restrictions on shipments.

4. Certificates required for exports

- ! Natural ingredients require the following certificates in order to leave the exporting country:
 - + Phytosanitary Certificate issued by the Central Administration of Plant Quarantine
 - + Pesticide residue certificate issued by the Ministry of Agriculture
 - + Certificate of Origin issued by the GOEIC

5. Tax benefits in free trade zones

- ! Egypt has 6 free trade zones:
 - + Nasr City public free zone
 - + Alexandria public free zone
 - + Port Said public free zone
 - + Suez public free zone
 - + Ismailia public free zone
 - + Media public free zone in 6th of October City

Projects within the free trade zones are exempt from taxes and export/import duties. For more details take a look at the website of the General Authority of Investment and Free Zones.

6. Trade agreements – bilateral and multilateral

- ! The EU-Egypt Association Agreement creates a free trade area between the EU and Egypt by removing tariffs on industrial products and facilitating the trade of agricultural products. Egypt is part of the EUR 1 trade agreement. The Agreement on agricultural, processed agricultural and fisheries products came into force on 1 June 2010. The EU and Egypt began talks on a deep and comprehensive free trade agreement in June 2013. Negotiations on trading services are currently on hold

7. Money transfers – banking

- ! The most efficient way to transfer money to Egypt is via banks.

8. Shipping

- ! The most frequently used sea cargo companies are "<https://www.maersk.com>" "<http://www.seacareshipping.com>" and "<https://www.marinetraffic.com/en/ais/home/centerx:-12.0/centery:25.0/zoom:4>". All three of these companies include cargo prices on their websites which can be calculated based on the relevant freight-weight and route.

9. Main air/sea ports

- ! Main seaports:
 - + Alexandria
 - + Damietta
 - + Port Said

- Main airport:
 - + Cairo International Airport

10. Relevant local authorities which carry out inspections before the product leaves the country

- ! The Ministry of Agriculture assigns one of the organizations below to check pesticide residues and conduct a visual inspection of the products.
 - + Central Administration of Plant Quarantine (CAPQ)
 - + National Food Safety Authority (NFSA)
 - + GOEIC

11. Other specific documents which are required for importing natural ingredients from the country of origin.

- ! The shipment needs to include a packing list, a commercial invoice, and a bill of lading.



4.5 HOW TO IMPORT FROM ETHIOPIA

1. Registration of exporters

- ! The exporters must register with the Ministry of Trade and Industry and the exporters' appropriate regional trade bureaus.

2. License for products

- ! Exporters are required to have licenses for the export of all products. Additionally, natural ingredients are required to obtain a certificate at the time of export from the Ministry of Agriculture and Food and the Drug Administration.

3. Sending trade samples

- ! In Ethiopia, there is no specified maximum volume for the export of samples. The Customs Commission will determine the permitted volume, which should be within the range of a "reasonable volume". It is recommended that the exporter indicates on the customs declaration that the samples have no commercial value.

4. Certificates required for exports

- ! The export of natural ingredients requires phytosanitary certificates from the Ministry of Agriculture and the Drug Administration

5. Tax benefits in free trade zones

- ! There are no free trade zones in Ethiopia. However, no taxes are levied on exported goods.

6. Trade agreements – bilateral and multilateral

- ! Ethiopia is part of the EU General Systems of Preference scheme. The country is a member of the EU-ACP EP agreement and is currently negotiating under the ESA group. So far, the negotiations have not progressed

7. Money transfers – banking

- ! The money transfer system currently in use is via banks. The three most commonly used systems are Letters of Credit, CAD, and Telegraphic TransferT.

8. Shipping

- ! The main cargo carrier for exporting items is the cargo branch of Ethiopian airlines. The main sea transport carrier is Ethiopian Shipping and Logistics Service Enterprise.

9. Main air/sea ports



Main airport:

- + Addis Ababa Bole International Airport

Seaports:

As Ethiopia is landlocked, the main seaport used for trade is the Port of Djibouti in the neighboring Republic of Djibouti.

10. Relevant local authorities which carry out inspections before the product leaves the country



Inspections may be carried out by:

- + [Ministry of Trade and Industry](#)
- + [Ministry of Agriculture and Food and Drug Administration](#)

11. Other specific documents which are required for importing natural ingredients from the country of origin.



The documents most commonly required for exporting natural ingredients are the invoice, the packing list, the phytosanitary certificate, and the certificate of origin.



4.6 HOW TO IMPORT FROM GHANA

1. Registration of exporters

- ! Exporters must register with the [Ghana Export Promotion Authority \(GEPA\)](#) to obtain an export certificate.

2. License for products

- ! Natural ingredients are required to be tested and certified by the relevant authority such as the [Food and Drug Authority \(FDA\)](#), [Ghana Standards Authority \(GSA\)](#), or other certified institutions.

3. Sending trade samples

- ! In general, the export of limited sample sizes is free. However, there is no specified value or volume of samples that can be exported for free.

4. Certificates required for exports

- ! The following certificates must be obtained:
 - + GEPA Export certificate from Ghana Export Promotion Authority (GEPA)
 - + Certificate from Food and Drugs Authority (FDA)
 - + Certificate from Ghana Standards Authority (GSA)
 - + Certificate of origin from the [Ghana National Chamber of Commerce and Industry \(GNCCI\)](#)

5. Tax benefits in free trade zones

- ! Ghana has designed a free trade zone program to promote the processing and manufacturing of goods by establishing Export Processing Zones (EPZs) and to support the development of maritime and airport trade and service activities. In essence, the whole of Ghana is open to potential investors who will have the opportunity to use the free trade zones as focal points for the production of goods and services for foreign markets. Requirements and information on the free trade zone licensing and registration process can be found on the [Ghana Free Zone Authority's \(GFZA\) website](#). The economic incentives are very generous and are listed in detail on this [website](#), which is also run by the GFZA.

6. Trade agreements – bilateral and multilateral

- ! The trade relationship between Ghana and the EU is governed by the [Cotonou Partnership Agreement](#). It allows for opportunities to negotiate development-oriented free trade arrangements called [Economic Partnership Agreements \(EPAs\)](#). The Cotonou Agreements expired in 2020 and the parties are currently negotiating a successor agreement.

7. Money transfers – banking

- ! The most efficient way to transfer money to the exporting country is by Letter of Credit (LC).

8. Shipping

- ! The main shipping line for exports from Ghana is the [Ghana Shippers Authority](#). [The Ghana Institute of Freight Forwarders](#) provides further freight forwarding services from Ghana.

9. Main air/sea ports

- ! Main seaports:
 - + Tema
 - + Takoradi Harbour

- Main airport:
 - + Kotoka International Airport – KIA.

10. Relevant local authorities which carry out inspections before the product leaves the country

- ! The two main authorities for export inspections are the Ghana Standards Authority (GSA) and the Plant Protection and Regulatory Services Division (PPRSD).

11. Other specific documents which are required for importing natural ingredients from the country of origin.

- ! It is advisable to check the websites of the Food and Drug Authority (FDA) and the Ghana Standards Authority (GSA).



4.7 HOW TO IMPORT FROM INDONESIA

1. Registration of exporters

! Exporters must have a Taxpayer Identification Number (NPWP), which they obtain from the tax office, and they need a Company Registration Number (NIB), which can be applied for online. An exporting country can also register through the online system of the Ministry of Trade. Additionally, the exporters require one of the following documents:

- + a SIUP (trading business license);
- + an Industrial Permit; or
- + a PMDN (domestic investment) or PMA (foreign investment) business license.

All these permits are issued by the One-Stop Integrated Services and the Investment Office which are part of the the Indonesian Investment Coordinating Board (Dinas Pelayanan Modal dan Pelayanan Terpadu Satu Pintu).

2. License for products

! Generally, natural ingredients do not require a specific export license. However, if the ingredient is included on the list of restricted or prohibited products, the exporter will need to apply for a license – this can be done online through the Ministry of Trade.

3. Sending trade samples

! With regard to the Ministry of Finance's regulations concerning export levy exemptions for samples which are not for resale, the following rules apply.

Samples are exempt if:

- + not for further processing except for research and/or quality development; and
- + within a reasonable quantity.
 - Custom officials will check the number of units of trade samples.
 - Samples of products included on the list of restricted or prohibited products are not allowed to be shipped without a specific license.

4. Certificates required for exports

! In Indonesia, natural ingredients for export do not require any certification. However, the exporter must provide all the required certificates for the country of destination. Most of the certificates for natural ingredients are issued by the Agricultural Quarantine Agency and the Ministry of Agriculture.

5. Tax benefits in free trade zones

! Indonesia has 4 free trade zones:

- + Sabang
- + Karimun
- + Bintan
- + Batam

Exporters are exempt from export duties, VAT, and tax and intermediate goods for use in manufacturing goods produced from export.

6. Trade agreements – bilateral and multilateral

! A free trade agreement between the EU and Indonesia is currently being negotiated. EU and Indonesian officials met on 15th-26th June 2020 to continue negotiations.

7. Money transfers – banking

! The most efficient method of payment is to use Letters of Credit (LC).

8. Shipping

! Two of the main cargo carriers are DHL and DB Schenker.

9. Main air/sea ports

! Main seaports:

- + Tanjung Priok, DKI Jakarta
- + Tanjung Perak, East Java
- + Tanjung Emas, Central Java
- + Dumai, Riau
- + Belawan, North Sumatra

Main airports:

- + Soekarno Hatta, DKI Jakarta
- + Ngurah Rai, Bali
- + Hasanuddin, South Sulawesi

10. Relevant local authorities which carry out inspections before the product leaves the country

! An official from the Indonesian Directorate of Customs and Excise will inspect the goods before they leave Indonesia. Operating under the Ministry of Agriculture, the Quarantine Offices are in charge of inspections at the ports.

11. Other specific documents which are required for importing natural ingredients from the country of origin.

! An Export Declaration (PEB) and a certificate of origin (SKA) are required.



4.8 HOW TO IMPORT FROM KYRGYZSTAN

1. Registration of exporters

- ! The exporter is not required to have any form of registration in order to export.

2. License for products

- ! Exporting some specific natural ingredients requires licensing. You can check the list of licensable goods for export on the website of the [Eurasian Economic Commission](#). According to this list, herbal products, for instance, require an export license. The exporter can obtain such licenses from the [Ministry of Economy of the Kyrgyz Republic](#).

The temporary export of goods for demonstration at exhibitions or fairs, or for publicity, testing or another similar purpose, does not require a license.

3. Sending trade samples

- ! The export of trade samples only requires a customs declaration form. Otherwise, the same requirements apply for trade samples as for ordinary goods.

4. Certificates required for exports

- ! Certification requirements are mainly determined by the country of destination; other than the [certificate of origin](#) and a phytosanitary certificate no other certificates are required by Kyrgyzstan. The phytosanitary certificate must be issued by the State Inspection on Veterinary and Phytosanitary Safety.

5. Tax benefits in free trade zones

- ! There are five [Free Economic Zones \(FEZ\)](#) in Kyrgyzstan:

- + Bishkek
- + Maimak
- + Naryn
- + Leilek
- + Karakol

Exporting enterprises which meet the requirements for establishing their operations within one of the FEZs are exempt from all types of taxes.

6. Trade agreements – bilateral and multilateral

- ! Kyrgyzstan is taking part in the [EU's Generalised Scheme of Preferences \(GSP+\)](#). Another free trade agreement between the EU and Kyrgyzstan is currently under negotiation.

7. Money transfers – banking

- ! The most efficient way to transfer money to Kyrgyzstan is by bank transfer.

8. Shipping

- ! The Kyrgyzstan government's [Investment Promotion and Protection Agency](#) publishes a list of recommended transport companies. Individualized cargo prices can be calculated on the cargo companies' websites. The prices differ significantly depending on the season, product, trade volume, route, and terms of transportation.

9. Main air/sea ports

- ! The main international cargo airport is [Manas](#). It is located 23km northwest of Bishkek. Kyrgyzstan is a landlocked country and therefore has no seaports.

10. Relevant local authorities which carry out inspections before the product leaves the country

- ! In general, intervention by customs is minimal when companies export goods to external markets. They usually mainly check for dual-use, prohibited and restricted export goods.



4.9 HOW TO IMPORT FROM SRI LANKA

1. Registration of exporters

- ! An exporter is required to apply for a valid business registration, the Sri Lanka customs registration, and the Inland Revenue Department registration. Registration with the Sri Lanka Export Development Board is advisable, but not compulsory.

2. License for products

- ! For the export of coconut-based products, the exporter needs to register with the Coconut Development Authority. For other products, please refer to the relevant chambers and associations.

3. Sending trade samples

- ! There are no specific restrictions on the volume and/or value of trade samples. The value and units of samples needs to be listed on the customs registration form. Customs decide whether sample sizes are reasonable.

4. Certificates required for exports

- ! The following certification is required for exporting from Sri Lanka:
 - + Certificate of Origin issued by the Department of Commerce (DOC)
 - + Quarantine Certificate
 - + Quality Certificate issued by GMP, ISO, HACCP
 - + Product Certificate issued by SLSI or any accredited authority
 - + Organic Certificate

5. Tax benefits in free trade zones

- ! The Board of Investment (BOI) in Sri Lanka provides central facilitation to investors operating within BOI Zones (free trade zones). The benefits of operating in BOI zones and the facilities provided are detailed on the website of BOI Sri Lanka.

6. Trade agreements – bilateral and multilateral

- ! Sri Lanka is part of the EU's Generalised Preferential Trade Agreement (GPS) and the Global System of Trade Preferences (GSTP). You can find information on the benefits of the GPS by clicking on the above link.

7. Money transfers – banking

- ! The most efficient way to transfer money to Sri Lanka is via Telegraphic Transfer (TT).

8. Shipping

- ! The three main cargo shipping lines are [Maersk](#), [MSC Lanka](#) and [CMA CGB Sri Lanka](#). Sea cargo prices can be found on the respective companies' websites.

9. Main air/sea ports

- ! Main seaport:
 - + Porto of Colombo

- Main airport:
 - + Katunayake International Airport

10. Relevant local authorities which carry out inspections before the product leaves the country

- ! The most relevant inspection authorities within the country are:
 - + Sri Lanka Customs
 - + Coconut Development Authority
 - + Department of Export Agriculture
 - + Department of Commerce

11. Other specific documents which are required for importing natural ingredients from the country of origin.

- ! To export natural ingredients from Sri Lanka, the following documents are required:
 - + Product/Process quality certification i.e., ISO or HACCP
 - + Test reports
 - + Ingredient reports



4.10 HOW TO IMPORT FROM TUNISIA

1. Registration of exporters

! The exporter does not need to be registered in order to export.

2. License for products

! No license is required for exporting natural ingredients.

3. Sending trade samples

! In Tunisia, trade samples of up to 30kg can be exported free of charge with a customs declaration form.

4. Certificates required for exports

! Exporters of natural ingredients are required to obtain the following certificates:

- + a phytosanitary certificate issued by the Ministry of Agriculture
- + a technical control certificate issued by OFFITEC and the Ministry of Trade.

5. Tax benefits in free trade zones

! Tunisia has two free trade zones (FTZs):

- + Bizerta (North)
- + Zarzis (South)

The benefits of these FTZs are a 10-year corporate income tax exemption, followed by a 50% rebate on the standard corporate income tax.

6. Trade agreements – bilateral and multilateral

! Tunisia is part of the European-Mediterranean Agreement.

7. Money transfers – banking

! The most efficient way to transfer money is via bank using SWIFT.

8. Shipping

- ! Tunisia's main cargo shipping line is iContainers.

9. Main air/sea ports

- ! Main seaports:
 - + Rades-Tunis
 - + Sfax
 - + Sousse
 - + Bizerta

Main airports:

- + Tunis-Carthage International Airport
- + Monastir Habib Bourguiba International Airport
- + Sfax Thyna International Airport
- + Djerba-Zarzis International Airport

10. Relevant local authorities which carry out inspections before the product leaves the country

- ! The Ministry of Agriculture is responsible for phytosanitary checks and the Ministry of Trade carries out the technical checks.



4.13 HOW TO IMPORT FROM UKRAINE

1. Registration of exporters

- ! Generally, the laws in Ukraine do not require the registration of foreign trade operations. However, the State Customs Service must accredit the exporter in order that exporting can take place. For accreditation, the exporter must fill out an application form, which should be submitted to customs (form 1-FEA), or in an electronic form via the so-called "Single Window for International Trade" on the website of the [State Customs Service](#).

2. License for products

- ! Several categories of natural ingredients require licenses for export from Ukraine, especially products that are strategic for the country, for example buckwheat, shelled buckwheat grain, alcohol, etc. A specific list of goods that require licensing (according to the UKTZED) and quotas are published annually by special order of the Cabinet of Ministers of Ukraine.

3. Sending trade samples

- ! Trade samples with a total invoice value of up to EUR 150 can be exported freely and are not subject to duty ([Article 234, Customs Code of Ukraine](#)). In order to take advantage of this, the company must document that the value of the exported goods does not exceed this amount.

The following primary documents are required for this (they will be submitted as components of accompanying documents):

- + For purchased goods – commodity or cash receipt, invoice for the purchase of the goods or other primary documents of purchase.
- + For self-manufactured products – calculation of their cost, taking into account all the relevant expenses incurred before customs clearance (including the cost of packaging).

4. Certificates required for exports

- ! It is necessary to obtain the following certificates:

- + Certificates of conformity
- + Permits (depending on the type of product): veterinary, phytosanitary, certificate of origin, certificate of radiological control

The exporter can obtain these certificates from the [Chamber of Commerce and Industry of Ukraine](#) (certificate of origin), the State Service of Ukraine for Food Safety and Consumer Protection, and the State Portal for Administrative Services (export licenses, phytosanitary certificate, CHED-PP, and radiological certificate).

5. Tax benefits in free trade zones

- ! There are several special economic zones and priority development territories; however, there are no preferential tax conditions for economic activities in these zones.

6. Trade agreements – bilateral and multilateral

- ! Ukraine is part of the [Association Agreement](#) with the European Union, which includes preferential agreements between the two parties.

7. Money transfers – banking

- ! The most efficient way to transfer money is via banks using SWIFT. The advantages of this method include speed, no restrictions on the value of the transfer, low rates, and high popularity as a method of payment for business transactions.
It is also possible to transfer funds through the various fund transfer systems.
These include Western Union (max. USD 5000); MoneyGram (max. USD 6000) or RIA (max. USD 1900).

8. Shipping

- ! Here is list of international companies which ship around the world and offer a price calculator:

- + [Kuehne + Nagel](#) (sea and air transportation, trucking)
- + [CargoTransport](#) (road transportation, trucking)
- + [Freight Transport Partner \(FTP\)](#) (sea, air, rail, and road cargo transportation)
- + [UBI Logistic – UKR](#) (sea, air, rail and road transportation)
- + [Good Logistics](#) (sea, air, rail and road transportation)
- + [Beweship Logistic](#) (sea, air, rail and road transportation)

Cargo prices for international shipping can be calculated on the [World Freight Rates](#) and [Freightos](#) websites.

9. Main air/sea ports

- ! Main seaports:
 - + Pivdennyi (depth 20m, 40 million tons of cargo exported in 2019)
 - + Mykolaiv (depth 11m, 26 million tons of cargo exported)
 - + Chornomorsk (depth 15m, 20 million tons of cargo exported)
 - + Odessa (depth 14m, 19 million tons of cargo exported)

Main airport:

- + Boryspil (main cargo airport with 50 thousand tons exported in 2019 which accounts for 50% of all flights)
- + Lviv Danylo Halytsky
- + Odessa
- + Kharkiv
- + [Dnipro](#)

10. Relevant local authorities which carry out inspections before the product leaves the country

- ! Exporting goods from Ukraine does not require a mandatory inspection. However, exporters need to obtain the aforementioned export certificates and these certificates require verification, sampling, and analysis by the relevant competent authorities.

11. Other specific documents which are required for importing natural ingredients from the country of origin.



The specific export documents required will depend on the type of natural ingredients which are being exported. These documents may include:

- + Documents confirming compliance with the restrictions arising in connection with the application of safeguarding, anti-dumping, and countervailing measures.
- + Documents confirming payment and/or securing payment of customs duties.
- + Documents confirming the right to benefits for the payment of customs duties, for the application of a full or partial exemption from the payment of customs duties in accordance with the selected customs regime, etc. (Customs Code of Ukraine Chapter No. 49, Article 335).

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