Export strategy

Export is the sale of products from one country to another, according to a recognized system, laws and regulations that support import by consuming countries and export by exporting countries.

Export is a sale process between companies and each other or between companies and individuals outside the borders of the country, meaning that a company sells goods and services produced in one country to a company or citizen in another country. It is considered one of the most enjoyable fields in trade and it is not as difficult as most people think.

Export is an important source of income for countries by opening new markets for their products, and it is an indicator of the quality of industry and agriculture in those countries.

Export requires that products comply with standards that guarantee a certain level of quality that allows the product to be accepted in the exported market.

Export depends in large part on the shipping industry, as each product has its own export method. For example, exporting iron and steel differs in the way and method of shipping it from exporting fish, agricultural crops, and flowers, for example.

Export Benefits:

-It is more secure for exporting companies than being subjected to nationalization by the government of the importing country.

-Reducing the impact of market fluctuations: By working in global markets, the company is no longer subject to economic changes, changing customer requirements, and seasonal fluctuations in the local economy.

In this guide prepared for companies that want to start exporting, we will explain the export process step by step. How and in what order do the export stages take place? What documents are used in the export process? How is the shipment organized? How and by whom carry out customs procedures?

The first stage: the stage of tenders and negotiations between the exporter and the importer

The most correct way to conduct the first negotiations between the exporter, i.e. the seller, and the importer, i.e. the buyer, regarding exported goods, whether by telephone or face to face, and to be written and recorded, is via e-mail.

In the event that the exporting company submits an offer form or prototype to obtain the approval of the buyer, i.e. the importer, which specifies the characteristics of the goods, the quantity of the goods to be sold such as kilograms or square metres, and the procedures followed in pricing, an agreement is reached on this and the purchase order is approved. Or sign and stamp the initial form, and this is the most correct method.

In the prepared prototype, all specifications and technical details, if any, of the product to be exported must be specified in a manner that leaves no room for any dispute later on. Again there should be export related sections like deadline, delivery address, name, address and contact details of both companies.

The conclusion of a contract containing the general rules of trade between the two companies, the expectations of both parties, methods for resolving possible disputes and penalties will be binding on both companies. For example, the buyer who submits an order with a specific deadline specifies the latest deadline in the contract and specifies the daily penalty for delay, and the exporter accepts this, and in the event that the exporter delays the production and shipping process, he pays the prescribed penalty (www.ihracat.co(

-1Incoterms, “Determining the Delivery Method“

In order to use a common language in an export proposal form or prototype, it is necessary to specify the delivery forms and Incoterms to be used. For example, if a company based in Izmir offers a delivery price at the port of Izmir, it must create a line titled “Terms of Delivery” in the proforma or proposal form and specify it as “Incoterms 2010 FOB Izmir.“

-2Payment terms, “Select the payment method“

In the export proposal form or prototype, a clause entitled “Payment Terms” must be created. For example, if you work in cash, you should write “Cash In Advanced.“

-3Bank details

It would be helpful to include the issuing company's bank account information in the proforma. These details are entered by creating an item entitled "Bank Details" in the invoice.

Phase 2: Production, procurement, preparation for shipment

The exporting company may be the manufacturer or supplier of the products you will sell. If there are quality documents and/or technical documents required in customs procedures and subsequent stages for the required products, whether in their country or in the country to which they are to be exported, they must be prepared at the end of the production and purchasing process. If the purchasing company has different requirements such as packaging, pallets or boxes, this must be taken into account.

The third stage: shipping, completion of customs procedures

Taking into account the date of dispatch of the products, if the export is to be carried out using the ex-works method or Group F Incoterms, the purchasing company must be informed to organize and prepare the vehicles. In ex-factory shipments, customs clearance in the exporting country is also the responsibility of the buyer. In general practice, this amount is paid by the buyer's company separately or a line item is added to the invoice as customs duties. The inbound shipment is organized by the exporting company if the materials are to be loaded at the port in Group F exports, and the receiving trucking company must provide the packing list and the information necessary to prepare the bill of lading or CMR.

In Incoterms Group C exports, the exporting company undertakes to transport the materials to the specified port or address in the buyer's country.

In Incoterms Group D exports, the exporting company is responsible for all costs, including customs duties in the buyer's country and DDP exports, including the payment of local taxes.

The fourth stage: documents that must be prepared by the exporter

The exporting company prepares an electronic invoice, an invoice in English, and a packing list in order to complete the customs procedures in its country and then complete the customs procedures in the buyer's country. On the other hand, you must share the necessary information with the customs broker to prepare documents such as Certificate of Origin, A.TR, EUR.1, and to open permits.

• Electronic invoice (mandatory)

• Invoice in English (required)

• Packing list (required)

• Certificate of origin (mandatory)

• TR,EUR.1 (provides tax exemption for exports in relevant countries)

Bill of Lading is prepared for goods to be shipped by ship or air, and CMR is prepared for goods to be shipped by trucks. Shipping companies prepare these documents, and the exporting company must share the information included in these documents, such as product names, GTIP number, number, weight, container number, shipping address, contact details of the recipient and carrier, and the status of the documents must be verified and confirmed.

Fifth stage: Submitting a set of export documents to the buyer

The bill of lading prepared by the trucking company according to the information received from the exporter in sea exports is the "bill of lading" document, which is the bill of lading for the transport of goods. It is uploaded and printed when the ship leaves the port in the country of export.

1- Sea freight

After shipping, the exporting company sends the bill of lading, the English invoice, the packing list and a set of documents consisting of certificates of origin to the buyer's company via international courier companies. Depending on the country where the buyer's company is located, sending documents such as A.TR and EUR.1 is important so that the buyer can benefit from tax breaks. In addition, various documents must be sent, such as quality documents, control certificate, and technical documents, if the buyer requests it.

2- Land shipping

In land shipments, a document called a CMR, equivalent to a bill of lading, is attached to the set of documents consisting of the English invoice, packing list, and certificate of origin. In land shipments, the original documents are with the driver in the car.

Stage 6: Customs and internal shipping in the recipient's country

If the exporting company has agreed with the buyer to deliver the exported goods to the buyer's warehouses, that is, if the delivery method is CIP or DAP, then it is responsible for internal transportation to the specified address of the buyer's warehouses. For example, if a container is shipped by sea, then the responsibility falls Internal transportation from the port where the container is unloaded to the recipient's address in the buyer's country is the responsibility of the exporting company.

If the delivery method is DDP, customs duties and local taxes such as VAT in the buyer's country are also the responsibility of the exporter.

Seventh stage: Close the export file

The export process is finally closed when the shipping operations are completed, the exported products are delivered to the buyer, the export price is collected, and there is no damage or complaint related to the quality of the exported products.

In the first stage, receipts of expenses and declarations for the export file are sent to the exporter by the customs advisor upon closing the declaration.

The exporting company takes copies of the bill of lading and other original documents to add to its file before sending them to the buyer's company. Invoices for costs that may occur later, such as shipping bills, bills of lading, warehouse bills, demurrage, and foreign tax payments, if any, are also compared to the initial costs expected after the export is completed. In the last stage, the unit costs estimated at the beginning and the final costs are compared

International strategy:

The international strategy is the strategies for entering the international market, including export strategy, licensing, full ownership...etc. An international company with experience in international business usually chooses one of these methods (strategies) based on its study of the economic, political and social environmental factors, and on its knowledge of the strengths of its products, in addition to the suitability of the host country. The products that companies enter into international markets may be the same products found in the local market, and some modifications may occur to them to conform to the tastes of foreign markets. Among the most important strategies adopted by international companies to enter global markets are the following:

1- Export:

In which the international company directly exports goods and services directly to the foreign country without the assistance of any intermediary or office from the country of the parent company.

2- License:

Where the international company granting the license allows Licensor to give another foreign company abroad (local producer) the licensee the right to use the patent, the trade-market trademark, or the manufacturing processes, its trade secrets, and its administrative and technical services in exchange for the approval of the foreign company. (Local product) to pay the licensor the legal rights or any other form of payment in light of the agreement between the two parties.

It is also called international licensing: International licensing means that the licensed company sells the rights to use intellectual property, technology, work methods and techniques, copyrights, patents, trade names or trademarks to another company in exchange for fees or fees agreed upon by both parties.

3- Turnkey projects:

In this case, the international company bears responsibility for designing and implementing operations related to the project, and upon completion of the project, it is fully handed over to the local management that has previously been trained. In exchange for completing and handing over the project, the foreign company receives its full dues, and they are very rewarding. Examples of these projects include: dams and power stations. , roads, and industrial complexes such as refineries, automobile factories...etc.

4- Administrative contracts:

Where the services of a specialized foreign company are hired that possess a great deal of administrative skills to operate and manage industrial or service facilities and train others in another country, as is the case in renting a company to manage hotel or hospital facilities.

5- Foreign manufacturing contracts:

They are contractual agreements between a company and a foreign producer, through which the foreign producer only manufactures the company's product,

and the company carries out the marketing of the product, such as if a producer in India manufactures a product for an American company and the American company carries out the marketing process.

6- Investment portfolio:

An investment portfolio in the field of international business means the transfer of financing across international borders by companies or individuals, for the purpose of purchasing stocks and bonds issued by foreign companies or treasury bills issued by foreign governments, for the purpose of achieving profits or capital interests.

7- Participation:

Where the international company agrees with a partner in another country to establish a joint project. The contract concluded between the company and the partner determines the rights and duties of each party, and through participation, the risks to which the international company may be exposed are reduced.

8- Full ownership:

An international company enters manufacturing by establishing subsidiary factories in foreign countries with full ownership. This method is usually more complex and expensive, but it gives the foreign company more freedom in designing its factories and choosing its workers, and achieves a higher return.

9- Strategic alliances:

A strategic alliance is an agreement between two or more international companies for the purpose of serving the international market, and the allied companies are often from the same industry.