

# Tips before you import

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Importing stock from overseas is a lot more complex than picking up the phone, placing your order and waiting for the goods to arrive. There are a lot of factors to consider before you go ahead and place your first import order.

## **1. Is there a local market for the goods you want to import?**

First thing you must do, before even thinking about importing is research the demand in your local market. Identify your potential target market and get a general feel for whether importing your selected goods will be profitable or not.

## **2. Are you legally able to import these items into Australia?**

Before you spend time, effort, or money on further research, you should check whether your product is suitable for import. Are your goods legally allowed into Australia? Will it need fumigation or need to be treated? Is it packed with wooden, bark or dunnage materials? There are a number of restrictions placed on items you can import. Some commodities intended for import to Australia need quarantine permits and/or treatment and other quarantine and standard prerequisites.

[Click here for Quarantine, Permit & Standards – IMPORTS](#)

[Click here for Quarantine, Permit & Standards – EXPORTS](#)

We can't recommend strongly enough that you do your research before you go ahead with your shipping to save yourself a great deal of wasted time, money and effort if your goods aren't allowed into the country.

## **3. The costs of importing/Can you afford to import?**

You'll need to find out all the costs and charges you'll need to pay before you place an order with an overseas company. These costs could include: Transport and insurance costs, GST, Customs duties, Storage, Finance charges and the cost of using customs brokers or freight forwarders.

There are a lot of additional charges you'll need to pay over and above the cost per unit from a factory overseas, and these can add up. You'll want to be able to make a reasonable return on investment after all these costs have been taken into account.

It's important to make sure you can afford to finance the cost of importing. It is advisable if you are committing a large amount of financial resources and time to your product, you should think about organising a sole distributing agreement with your overseas supplier, to protect both your idea's, your product and the rights to its ownership in Australia.

Given that new importers can sometimes have limited cash flow, it is a good idea to consider deferring your GTS on your imported products; this can be arranged by your accountant.

## **4. Choosing a reliable overseas supplier**

Be sure you have a reputable supplier to work with, preferably one whom you have met personally or have been referred to you by someone you trust. The cheapest supplier is not necessarily the best supplier to deal with for imports. Find a supplier who won't disappear overnight with your cash/meet half way with payments, will deliver on time, will keep you informed of any problems and will deliver the products at the level of quality expected.

## 5. Trading terms

Before you sign an import order, you'll need to understand trading terms used by importers and exporters. Your terms will determine how your goods will be moved, and this will depend on where the supplier's responsibility for the cargo ends and yours begins.

The most common terms of trade are:

**FOB stands for Free on board.** This means your supplier deals with all cost and responsibilities up until the origin port and then you are responsible for them once the goods are on board the ship to the final destination.

**Exworks refers to door-to-door transport.** This means transport of goods from the premises of manufacture overseas to your premises in Australia.

**CNF stands for Cost and Freight.** This is where your supplier is responsible for arranging the shipment up to the destination port here in Australia. As the consignee, you are responsible for the port and handling fees, customs clearance and delivery to your door. The goods can then be shipped via airfreight or sea freight.

For a full list of Inco terms please visit [www.stockwells.com.au](http://www.stockwells.com.au) and navigate to the drop down menu "Useful Tools".

## 6. Gather and complete all the necessary documents for importing

Familiarise yourself with the correct standard paperwork required.

- An original Bill of Lading or Express Bill of Lading
- Commercial Invoice
- Packing list
- Quarantine Packing Declaration

The paperwork is the importers responsibility. These documents must be in place and given to your customs broker before the shipment arrives in Australia for customs clearance. There may be other documents required to provide customs that you will need to get from your supplier and these will depend on the commodity being imported. Please visit [www.daff.gov.au](http://www.daff.gov.au) to check your requirements.

If you need any further help or information about importing, go to our website at [www.stockwells.com.au](http://www.stockwells.com.au). You'll find other useful information on there for new importers, as well as ways to get in contact with us to discuss your next shipment.

Although we have discussed importing in depth the majority of these steps apply for exporting too. Please don't hesitate to contact us about exporting; Stockwells is more than happy to help.

Good luck with your new importing or exporting venture!