OAS WEE Project: Capacity Building in Digital Transformation for Success in the International Digital Marketplace

for Women MSMEs in the Eastern Caribbean

Export Readiness and Logistics Management for International Markets

Module 5

Foreword

The Secretariat for Integral Development (SEDI) of the General Secretariat of the Organization of the American States (GS/OAS) supports, facilitates, and fosters integral development in the member states in coordination with measures to strengthen democracy, multidimensional security, and the promotion of human rights.

The Executive Office (SEDI/EO) endeavors to mobilize resources for the formulation, promotion, and implementation of technical cooperation policies, programs, and projects in the area of integral development; Programs, projects and activities are geared towards strengthening human and institutional capacity of member states.

A key initiative of the Secretariat is the 'Economically Empowered Women for Equitable and Resilient Societies' (WEE) Project to empower women-led and women-owned MSMEs to actively participate in and benefit from the digital economy and build sustainable livelihoods. This project is being implemented in six countries of the Eastern Caribbean: Antigua and Barbuda, Dominica, Grenada, Saint Lucia, St. Kitts and Nevis, and St. Vincent and the Grenadines, and as such, this consultancy opportunity is established in support of this project.

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Disclaimer

The views expressed in this document are solely those of the author and do not necessarily reflect the views of the OAS.

Export readiness and logistics management optimizing product labelling and packaging for international markets

Learning Objectives

At the end of this session, you will be able to:

1. Critically assess the export readiness of your firm.
2. Understand the challenges and benefits of exporting.
3. Gain knowledge of the skills and technical information needed for exporting.
4. Understand the main issues surrounding the packaging and labeling of your products for export.
5. Understand key considerations for Exporting Services

Module 5 Outline

Topic	Main Elements
1. Export Readiness	▪ Identify whether your firm is ready for exporting ▪ Gain knowledge required to enter foreign markets ▪ Understand technical factors related to exporting
2. Packaging	▪ Understand the reasons for certain product packaging. ▪ Increase knowledge on the typical types of export packaging
3. Labelling	▪ Understand the reasons for certain product packaging. ▪ Increase knowledge on the typical types of export packaging
4. Services Exports	▪ Understand the main considerations when exporting services

5.1 Export Readiness

5.1.1 When is a company export ready?

Export readiness refers to a company's capacity, resources, and preparedness to successfully deliver its products or services to international markets at a competitive price.

One of the main threats to the continuity of businesses is a cyberattack, making cybersecurity a critical aspect of a BCP.

5.1.2 Assumptions related to exporting

Some firms are unable to export because of the assumptions they have about exporting. It seems like a challenge they cannot overcome. However very small firms are exporting today!

Here are some reasons firms do export and the new thinking that exporting firms have adopted.

Table 1

Old Assumption	New Thinking
Exporting is too risky.	Exporting to some markets foreign markets is no more risky than selling locally. Different international markets have different levels of risks. Do your research.
Getting paid is cumbersome, and I'll lose money.	Trade finance and global banking have evolved to the point where buying and selling things internationally can be routine, safe, and efficient.
Exporting is too complicated.	Do your research. Get help when needed.
My domestic market is secure. I don't need to export	No market is secure. Diversifying markets can ensure your success.
I'm too small to go global.	No company is too small to go global. 30% of US exporters have less than 19 employees.
I have no idea where to begin.	Let's start here.

5.1.3 Why firms export

Here are some reasons why firms export:

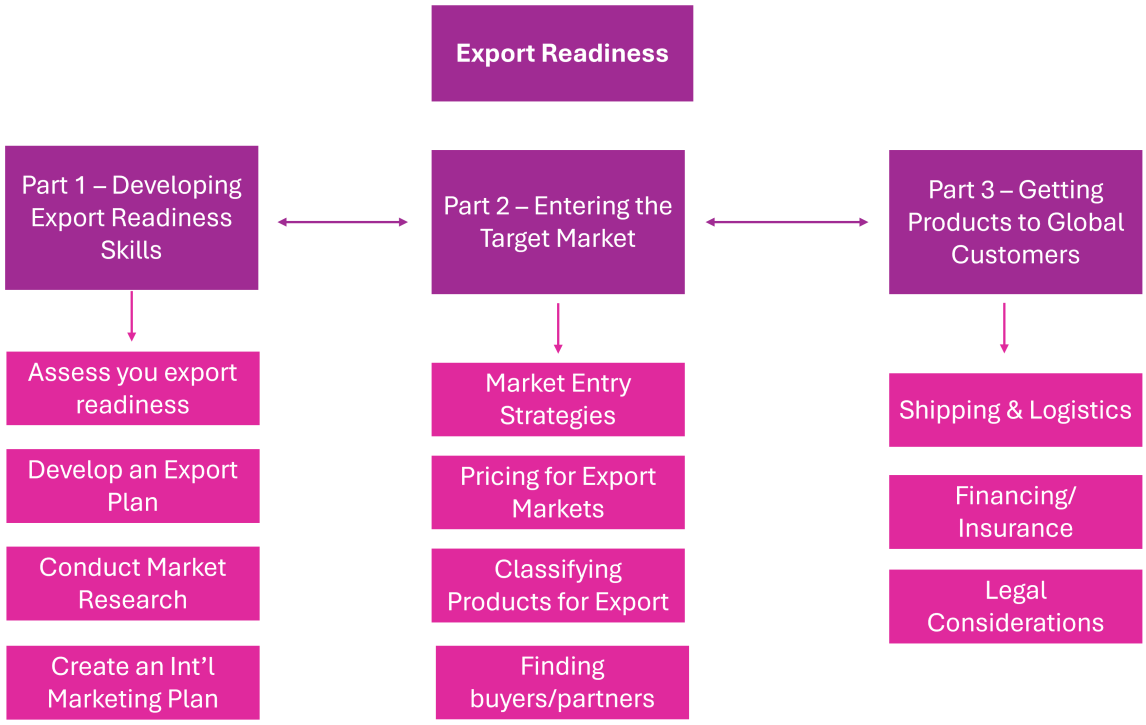
- Grow their bottom line (companies that export are 17 percent more profitable than
- those that don't).
- Smooth your business cycles, including seasonal differences.
- Add management and intercultural expertise.
- Use production capabilities fully.
- Increase your competitiveness in all markets.
- Increase the value of your business should

- you choose to sell it (and start another).
- Rise to the challenge and savour the satisfaction of being an exporter.

5.1.4 Becoming export ready

In the next few sections we will explore the various considerations for firms desiring to go global. The below pictorial presents a summary of the topics to be considered.

Figure 1



5.1.5 Part 1 – Developing Export Readiness Skills

a. Conduct an Export Readiness Self-Assessment

The following characteristics are common, but not necessarily essential to being an export-ready and successful exporter.

- Being a successful domestic seller

- Having the staff, time, and resources to devote to international travel, marketing, and sales.
- Have the ability to sustain your company for a year or more until international sales grow and become profitable.

Export ready firms also possess the following traits:

- Market Information Readiness: gather market on market and trading conditions.
- Management Readiness: ensure you and your team are committed and knowledgeable
- Product Management Readiness: ensure your products and production process meet the requirements
- Resource Readiness: ensure your business has access to sufficient resources to support the export initiative
- Transactional Readiness: ensure your business is geared to embark on export sales transactions

Quiz on the Basic Requirements for Export Readiness

Answer yes or no to the following questions allocating 1 point for yes and 0 points for no.
1. Do you have an available product?
2. Do you have a product that has been successfully sold in the domestic market?
3. Do you have enough production capacity to meet local and export market demands?
4. Do you have the financial foundation to support your product in the export market?
5. Do you or anyone in your company have experience in exporting?
6. Are you committed to the export process and prepared to dedicate staff, time and resources to the export effort?
7. If no to question 6 above, are you prepared to hire the relevant experts to help your company develop export capability?
8. Do you have sufficient knowledge in modifying your packaging and ingredients to meet the requirements of the export market and consumer tastes?
9. Do you have any knowledge or experience in transporting goods overseas whether by land, sea or air?
10. Do you have any knowledge or experience in transporting goods overseas whether by land, sea or air?
11. Have you hired a customs broker or freight forwarder?
12. Do you have satisfactory knowledge of export payment mechanisms and procedures?
13. Are you able to provide after-sales support in your overseas market?
14. Can your product meet and/or better the competition in the target market?

15. Have you conducted research on the target market?
16. Do you have a partnership with a firm in the export market?
17. Is your product currently being marketed overseas?
18. Have you translated your promotional material and labels in the language of the target market?

If you answered yes to all 18 questions, you are either exporting already or absolutely ready to export. If any of your answers are no, then you must spend time developing a plan of action to convert that no to a yes before starting on your exporting journey.

b. Develop an Export Plan

The creation of a carefully researched plan is widely considered to be the secret to success in exporting.

Your plan should be your source of direction as you embark on your journey into foreign markets helping you to act rather than react to the challenges and risks encountered in international business. Additionally, your plan can help you to obtain financial assistance, investors or other strategic partners that may be required to make your export venture a success.

An export plan comprises of many elements such as; a description of your company, its market and industry, and your business objectives; information on your products or services; an analysis of the target market and industry, including trends and forecasts; an examination of the competition and their strengths and weaknesses in contrast to your own; international marketing strategies, including customer profiling and the development of sales and distribution channels; employment and training issues; financial requirements and forecasts; and much more.

c. Conduct Market Research

Having a deep understanding of your export market will help you make sound export marketing decisions by giving you a clear picture of the economic, political and cultural factors that affect your ability to sell your product or service. Ultimately it will help you to avoid costly mistakes by reducing your exposure to the unknowns.

Initial desk-based research will help you to prioritize the most attractive markets through reviewing published trade statistics, market and industry information, potential partners, trade leads and even identify technical barriers such as excessive duties or restrictive

practices that may rule out export territories before you start investing serious time and money.

The main steps in conducting market research are:

- Step 1: Obtain Export Statistics: Published statistics that indicate product exports to various countries provide a reliable indicator of where exports of products similar to yours are currently being shipped.
- Step 2: Identify Potential Markets: First, you should identify 5 to 10 large and fast-growing markets for your company's product. Look at trends over the past 3 to 5 years.
- Step 3: Target the Most Promising Markets: Of the markets you have identified, select three to five of the most statistically promising for further assessment.
- Step 4: Examine Product Trends - Look at your products as well as related products that could influence demand.
- Step 5: Research the Competition - Sources of competition include the domestic industry in each targeted market and competitors from other foreign countries.
- Step 6: Analyze Marketing Factors - Analyze factors affecting the marketing and use of your product in each market, such as end-user sectors, channels of distribution, cultural idiosyncrasies (for example, when translated into the local language, does your product's name mean something inappropriate?), and business practices.
- Step 7: Identify Any Barriers - Foreign barriers to imports can be tariff or nontariff. barriers. Certain products need licenses.
- Step 8: Identify Any Incentives – Your government or a foreign government may offer incentives that promote exporting of your particular product or service.
- Step 9: Drawing Conclusions- After analyzing the data, you may conclude that your marketing resources would be applied more effectively to a few select countries. In general, if your company is new to exporting, then efforts should be directed to fewer than 10 markets. Exporting to a manageable number of countries allows you to focus your resources without jeopardizing your domestic sales efforts.

Places where you can start your research

- Local Trade Promotion Agency website
- CARICOM Statistics: https://caricom.org/statistics/
- Caribbean Regional Organization for Standards and Quality: https://website.crosq.org/
- Caribbean Export Development Agency: https://carib-export.com/
- EU Trade Help Desk: https://trade.ec.europa.eu/access-to-markets/en/content/welcome-access2markets-trade-helpdesk-users

- International Trade Centre: https://intracen.org/
- Market Research: https://www.marketresearch.com/
- Centre for the Promotion of Imports (CBI): https://www.cbi.eu/
- TFO Canada: https://tfocanada.ca/
- Global Trade Helpdesk: https://globaltradehelpdesk.org/en

c. Create an International Marketing Plan

An international marketing plan is also essential for exporting.

Besides covering the basic marketing formula – the four "P's" of product, price, promotion and place, it should also cover:

- Payment (international transactions and currency exchanges)
- Paperwork (increased documentation)
- Practices (different cultural, social and business styles)
- Partnerships (strategic alliances to strengthen your market presence)
- Protection (increased risks relating to payment, intellectual property or travel)

Other elements of this handout will help you to define the marketing plan.

5.1.6 Part 2 - Export Tools of Trade

a. Market entry strategies

A market entry strategy outlines your business goals, an overview of the target market, precisely what you will sell there, expected sales and how you will achieve them.

There are many market entry strategies, however they can be generally grouped in to three main categories, direct, indirect and strategic alliance.

1. Direct Exports involves the direct marketing and selling to the end user or client.

2. Indirect Exporting is one of the most frequent methods used to enter a new market. Businesses selling products enter into an agreement with an agent, distributor or a trading house for the purpose of selling (or marketing and selling) the products in the target market. Due diligence is critical when selecting an agent or distributor for indirect exporting.

3. A Strategic alliance or partnership with other companies or individuals that have complementary skills and capabilities is another means to market entry. A partner

can often provide the insight, contacts and expertise that fill any gaps in your export readiness.

In all 3 cases due diligence is critical! You MUST do your research on the future client, distributor or partner before entering into any deals.

Some useful resources include:

- Distribution channels: https://www.trade.gov/export-solutions
- US Agricultural Suppliers List: https://www.ams.usda.gov/services/local-regional/food-directories-listings
- US Food Distribution Network: https://www.ams.usda.gov/services/local-regional/food-directories-listings
- Agent distributor checklist: https://menterabusnes.cymru/totalfoodmarketing/en/resources/selecting-agents-and-distributors-checklist/

b. Pricing for Foreign Markets

When exporting, your price will be affected by

- Distribution channel
- Shipping
- Warehousing, and

- Exchange rates

Consideration must also be given to Incoterms, or internationally agreed rules that set out who is responsible for the cost of transporting goods including any insurance, taxes or duties, where the goods should be picked up from and transported to, and who is responsible for the goods at each step during transportation.

- Ex Works (EXW) - When agreed to deliver goods Ex Works (ready in factory), the seller is only responsible for the availability of the goods at his warehouse or factory. The buyer has almost all responsibilities of the costs and risks relating to the packing, loading and transportation of the goods.
- Free Carrier (FCA) - The seller is responsible for all customs activities in the country of origin and ensures that the goods are cleared, the invoice and the packing are both taken care of and that an export license is available.
- Carriage Paid To (CPT) - The seller arranges the customs clearance, pays the export fees and arranges and pays a carrier that delivers the goods at a pre-arranged place.

At the moment the (first) carrier takes the goods, he takes over the risks, costs and responsibilities of the seller. He carries the responsibilities, until he has delivered the goods.

- Carriage and Insurance Paid To (CIP) - Carriage and Insurance Paid To is roughly the same as Carriage Paid To, except for the fact that the seller is also obligated to arrange and pay a (minimum coverage) cargo insurance. When CIP is applied, the risks and responsibilities shift from seller to buyer when the seller transfers the goods to the carrier.
- Delivery At Terminal (DAT) - The seller delivers the goods to the buyer at the agreed place or port (terminal). The seller bears all the risks and costs associated with bringing the goods; he makes sure the goods are accessible from the transportation vehicle, but has no obligation to unload them himself. At this moment, the risk passes from seller to buyer.
- Delivery At Place (DAP) - The seller delivers the goods to the buyer at the time the truck arrives at the agreed place. When the delivery ends, the truck comes to stop and takes place before the goods are unloaded. The buyer is responsible for the unloading, just like for the import duties.
- Delivery Duty Paid (DDP) - The seller is responsible for the entire transport process, including the payment of import duties. Delivery Duty Paid is basically the opposite of Ex Works: at EXW, the seller bears almost no risk while at DDP, he bears al the risks and responsibilities. The risks and responsibilities transfer from seller to buyer when the buyer literally receives the goods.
- Free Alongside Ship (FAS) - The seller ensures that the goods are packed correctly and includes an invoice and an export license at the agreed port. He is not responsible for boarding the goods. At the quayside the risks, costs and responsibilities shift from seller to buyer. The buyer is responsible for the contract of carriage and he must clear the goods for export. This party is obligated to take out a sea transport insurance against the risk for the seller of loss or damage to the goods during the transport. The buyer arranges the insurance contract, but the seller pays the insurance fee.
- Free on Board (FOB) - The seller is responsible for the invoice, packaging, export license (if necessary) and other customs formalities. He takes care of the costs such as the loading and is responsible for the goods until they pass the railing of the ship. When the goods are on board of the ship at the agreed port, the costs and risks shift from seller to buyer.
- Cost and Freight (CFT) - The seller is bears the responsibility for the costs and risks when bringing the goods to the port of destination and is also obligated to clear the goods. When the goods pass the ship's rail at the port of destination, the costs and risks shift from seller to buyer.

- Cost, Insurance and Freight (CIF) - The incoterm Cost, Insurance and Freight is very similar to Cost and Freight; the seller is responsible for all costs and risks during the transport until the goods pass the ship's rail in the port of destination and for the customs clearance of the goods. From that moment, the costs and risks are for the buyer. However, in CIF the seller is obligated to arrange sea transport insurance.

Although the use of incoterms is not mandatory, it is strongly recommended to use them because it can prevent a lot of confusion and uncertainties. At a disagreement, there can always be fallen back on the incoterms, which will always be understood by both the seller and the buyer.

Incoterms don't determine the owner of the goods and on what the agreement is based. The delivery conditions are no rules regarding the payment and other rights outside the delivery. Incoterms don't protect parties to the risk of loss or damage, but only ensure that both the seller and the buyer know their obligations, costs and risks.

Export costs can also include the following:

- Intellectual property protection
- Compliance with relevant export rules, registrations, licenses and permits
- Tariffs, taxes and duties
- Increased production volumes to meet export orders
- Freight, logistics and export documentation (for goods and products)
- Employing the right people here and overseas
- Finance costs and loan repayments
- Registration and travel for trade events, exhibitions or tradeshows
- Travel to meet new buyers or visit markets and partners
- Insurance including credit insurance, product liability, freight insurance
- Market research and credit checks
- Marketing and promotion.

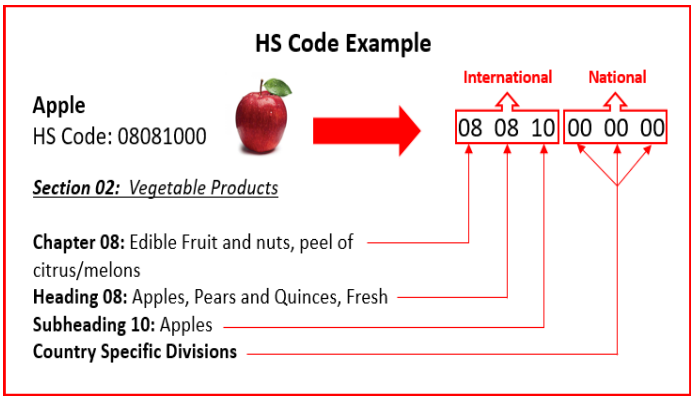
Be sure to consider all these elements before setting your price.

c. Classifying products for export

The Harmonized System (HS) is a global product classification system used by customs authorities in more than 200 countries and economies.

HS codes are six-digit codes that are assigned to different commodities and classifications.

Countries can add additional digits to the first six digits for further classification



d. Finding Buyers or Partners

Here are some options for finding buyers and partners in foreign markets:

- Local Trade Promotion Agencies
- World Trade Centers, International Trade Clubs, and Local Chambers of Commerce (wtca.org)
- Industry and Trade Associations
- American Chambers of Commerce Abroad
- International Trade Consultants and Other Advisers
- Freight Forwarders and Shipping Companies
- E-Commerce Providers
- Trade shows/missions
- Customized market research

Use your networks to make connections. Other options include:

- Consulates and embassies
- Distributors
- Retailers
- Sales Agents
- Ecommerce marketplaces

5.1.7 Part 3 - Getting Products to Global Customers

a. Shipping & Logistics

Here are some considerations:

- Mode of transportation – This is determined by factors like product type, destination, urgency, and cost sensitivities will guide this decision.

- Freight forwarder – Choose a reliable and experienced freight forwarder, usually based on several recommendations. They handle booking carriers, consolidating shipments, preparing documentation, coordinating movement, and ensuring regulatory compliance.

When shipping by sea, there are certain terms you should become familiar with:

- Consolidation: Also known as buyer's consolidation, if we are going to consolidate cargo for you at our warehouse and then ship everything out together in an LCL (less than container load) or FCL (full container load) method.
- LCL (less than container load): This mode is when we are shipping your cargo in a consolidated container with other shipper's cargo.
- FCL (full container load): A shipment type where a cargo occupies the full size of a container.
- RORO (roll-on roll-off): This is a type of freight or ferry vessel that is specifically designed to transport vehicles, such as cars, trucks, trailers, and all-wheeled cargo.
- Heavy-Lift, Break-bulk or Project Cargo - Also known as Out-of-Gauge (OOG) is the broad term used to describe voluminous shipments. This can be shipments that do not fit a conventional container

When shipping by air consider the following:

I. Speed and Transit Times

One of the primary advantages of air freight is the speed of delivery compared to ocean shipping. However, transit times can vary based on factors like:

- Origin and destination airports
- Flight routes and connections
- Customs clearance processes at both ends
- Type of service selected (express vs deferred)

Exporters shipping time-sensitive goods like perishables or just-in-time inventory need to carefully evaluate air transit times to meet delivery deadlines.

II. Product Characteristics

The nature of the exported products plays a role in determining if air freight is suitable:

- High value, low weight products are ideal for air shipping to minimize transportation costs.
- Dangerous goods like lithium batteries or flammable liquids require special handling and documentation for air transport.

- Perishable products like fresh produce benefit from the shorter air transit times.
- Oversized or heavy cargo may be subject to additional fees or need to be shipped by ocean.

III. Cost Considerations

Air freight is generally more expensive than ocean freight, but offers faster delivery times. Exporters need to weigh costs against benefits like:

- Inventory carrying costs
- Potential loss of sales from delays
- Customer service levels
- Cash flow cycles

Shipping lower value, heavier products by ocean may be more economical for exporters.

IV. Customs and Security

Air cargo faces stringent security protocols and customs inspections that can impact transit times. Exporters must ensure:

- Proper documentation (commercial invoices, packing lists, etc.) is provided.
- Cargo screening and security requirements are met per destination country rules.
- Customs duties and taxes are paid, and clearance is obtained efficiently.

b. Financing & Insurance

- Export Financing

  Export financing equips exporters with the financial means, risk mitigation tools, and facilitation needed to successfully compete and capitalize on global sales opportunities while maintaining healthy cash flows. They may include:

  - Export Working Capital Loans - These loans provide exporters with the working capital needed to fulfill export orders and bridge the gap between production and payment. Lenders may accept purchase orders, accounts receivable, or inventory as collateral.

- Letters of Credit - Letters of credit are financial instruments issued by banks that guarantee payment to exporters upon meeting specified conditions. This secure payment method mitigates the risk of non-payment by buyers.

Export credit insurance

This is an insurance product that protects exporters against the risk of non-payment by foreign buyers for goods or services exported. It covers commercial risks such as insolvency, bankruptcy, or default by the foreign buyer, as well as certain political risks like war, expropriation, or changes in import/export regulations that could result in non-payment.

- Single-Buyer Policy - This policy provides credit protection for short-term credit sales made by an exporter to a single international buyer over a 12-month period. It covers 90% of commercial risks like buyer default.
- Multi-Buyer Policy - Exporters can insure all sales to eligible international buyers on open account credit terms under this policy. It typically covers 90-95% of commercial risks and 95-100% of political risks like currency inconvertibility.
- Medium-Term Insurance - This insurance protects longer-term financing (up to 5-7 years) provided to international buyers of capital equipment or services. It can cover up to 85% of the contract value.

By insuring against buyer non-payment risks, export credit insurance enables exporters to increase sales to existing buyers, enter new markets safely, obtain better financing terms from lenders, and compete more aggressively in global markets

c. Legal Considerations

When exporting goods, there are several key legal considerations that exporters must address:

- Export Controls and Licensing: Certain products may require an export license or be subject to export controls.
- Customs Compliance: Exporters must use HS codes and follow all customs regulations.
- International Contracts: Well-drafted international sales contracts define the rights, obligations, and liabilities of both parties.
- Foreign Laws and Regulations: Understand and comply with the relevant laws and regulations in the destination countries.

d. Start Exporting/ Aftersales Support

You have committed yourself to exporting and assessed your readiness. You have the skills and the resources to undertake the challenge.

You have conducted research on the market and prepared your export plan, international marketing plan and financial plan.

Your market entry strategy is clear and the support systems (i.e. freight forwarder, customs broker, financial lenders, legal advisors) are in place.

You have gone through the export process step-by-step and feel confident that you have covered all the bases.

Now, it is time to put all this skill and knowledge to use. Start Exporting!!!

But also consider your aftersales support. These may include:

- Warranty and Service Policies - Clearly define their warranty policies, service terms, and support procedures for international customers to help build customer trust and satisfaction.
- Local Service Capabilities - Providing efficient after-sales service can be challenging across borders. Consider local support options to minimize delays and costs compared to returning products internationally.
- Inventory Management – Maintaining adequate inventory of spare parts and consumables in export markets is crucial for timely service and repairs.

5.2 Packaging

5.2.1 Export packaging is….

It is the outermost layer of packaging that protects goods during international shipping.

Designed to safeguard the contents from potential damage, such as impact, vibration, compression, or moisture that can occur during handling, loading, unloading, and various modes of transportation

5.2.2 Considerations when packaging for export

When packaging their products for export, exporters should consider the following key factors:

1. Product Characteristics

- Nature of the product (fragile, perishable, hazardous, etc.) will dictate packaging requirements.
- Size, weight, and shape of the items influence choice of packaging materials and containers.
- Products classified as dangerous goods (explosives, gases, flammables, etc.) must follow specific packaging standards and labeling.

2. Transportation Mode

- Air freight requires lighter packaging to minimize weight but robust enough to protect against drops and pressure changes.
- Ocean freight packaging must be moisture-resistant and able to withstand stacking, vibrations, and humidity over longer transits.
- Packaging should be designed for the specific conditions of the transport mode used (air, sea, rail, truck).

3. Regulatory Compliance

- Packaging must comply with all applicable regulations in the destination countries regarding materials used, labeling, markings, etc.
- Certain products like food, pharmaceuticals, chemicals have specific packaging rules.
- Wood packaging may need to meet ISPM-15 standards for treatment against pests.

4. Environmental Considerations

- Use of sustainable, recyclable or reusable packaging materials is preferred in many markets.
- Avoid excessive packaging waste and materials restricted in certain countries (e.g. some plastics).

5. Protection and Security

- Proper cushioning, blocking, and bracing inside packages to prevent movement and damage.
- Exterior containers robust enough to withstand shocks, stacking, moisture during handling and transit.
- Tamper-evident and anti-counterfeiting features may be required for some products.

6. Budget and Logistics

- Balance packaging costs with required performance - avoid over or under-packaging.
- Consider options like kitting, palletizing, and container loading efficiencies.
- Ensure packaging allows for proper labeling, marking, and identification during shipping.

Typical types of packaging include:

Boxes and Crates

- Corrugated cardboard boxes (single or double-walled for extra protection)
- Paperboard boxes
- Wooden crates and cases (provide excellent protection but more expensive)

Plastic Packaging

- Plastic boxes (airtight for perishable goods)
- Poly bags (flexible, customizable packaging)
- Bottles and Jars
- Glass, plastic, tin or ceramic bottles/jars (for liquids, oils, food items etc.)

Specialized Packaging

- Steel drums (for hazardous liquids, chemicals)
- Sling packaging (for heavy, bulky machinery using flexible slings)
- Bagged cargo (for granular products like fertilizers, grains)
- Bales (compressed fibrous materials like cotton, wool bound together)

Palletized Packaging

- Using standard sized pallets with cardboard boxes or wooden cases secured on top
- Pallet collars that create a box structure around goods on a pallet base

Activity

What are some concerns you have regarding packaging for your export products? Make a list for discussion with an expert.

5.3 Labelling

5.3.1 What is product labelling?

Product labeling is the process of displaying information about a product on its packaging or the product itself.

It can include the product's name, brand, ingredients, usage instructions, safety precautions, and more.

5.3.2 What should exporters consider when labelling products for export?

When labelling their products for export, exporters should consider the following key factors:

i. Regulatory Compliance

- Understand and adhere to all mandatory labelling requirements in the destination countries/markets. This includes:
    - Specific content to be included (ingredients, warnings, manufacturer details, etc.)
    - Language requirements (need for translations)
    - Measurement units (metric vs imperial)
    - Formatting and placement of label elements
- Certain products like food, pharmaceuticals, chemicals, etc. have stringent labelling rules that must be followed.
- Failure to comply can lead to rejected shipments, fines or inability to sell in those markets.

ii. Cultural Sensitivities

- Ensure labelling does not contain colors, symbols, images or phrases that may be offensive or have unintended meanings in different cultures.
- Consider using recognizable local languages, personalities or design elements to increase product appeal and acceptance.

iii. Product Information Accuracy

- All product information like descriptions, ingredients, instructions must be accurately translated and clearly presented on labels.
- Implement rigorous quality control to validate labelling content, translations and measurements before export.

iv. Labelling Durability

- Select high-quality label materials and printing methods to ensure labels remain readable throughout shipping and the product's lifespan.
- Labels should be properly affixed and able to withstand moisture, abrasion and environmental conditions.

v. Anti-Counterfeiting Measures

- For products prone to counterfeiting, incorporate overt/covert anti-counterfeit technologies in labels like holograms, taggants, etc.

- This protects brands and consumers from fraudulent products.

vi. Packaging Integration

- Ensure sufficient label space is allocated on product packaging for all mandatory and additional information.
- Label design should complement packaging aesthetics while maintaining clarity and legibility.

5.3.3 Typical labels found on products

Here are a few common labels found on products for export.

- Brand Labels - Feature the brand name and logo, reinforcing brand identity and recognition.
- Product Name/Description Labels - Identify and describe the product, such as the product name, SKU/serial numbers, and barcodes for inventory tracking.
- Ingredient/Nutrition Labels - Required for food products, they list out all ingredients in descending order by weight and provide detailed nutritional information.
- Warning/Safety Labels – Provide critical safety warnings, hazard information, and instructions to avoid risks associated with using the product. Legally mandated for many consumer products.
- Usage Instructions/Care Labels - Found on products like clothing, electronics, and appliances. Provide guidance on proper usage, care instructions, assembly etc.
- Certification/Compliance Labels - Indicate compliance with applicable standards, regulations or certify attributes like organic, cruelty-free, energy efficiency ratings etc.
- Anti-Counterfeit/Security Labels - Incorporate overt or covert anti-counterfeiting features like holograms, RFID tags, etc. to validate product authenticity and prevent tampering.
- Promotional Labels - Used for marketing purposes e.g. coupons/promotions to drive sales.

Other labelling considerations could include:

- Pictograms and symbols – These may serve as an efficient visual communication tool on product labels, quickly conveying critical safety information to handlers and

users while complying with hazard communication regulations aimed at protecting human health and the environment.

- **A stock keeping unit (SKU)** is a code that is often printed on a product label as a scannable barcode.

  SKUs are unique identifiers that **retailers** assign to each item in their inventory to track stock levels, sales, and product details.

  They are usually made up of eight to 10 alphanumeric characters that can include information such as the product's brand, color, size, price, and manufacturer.

  A company that makes shirts could use this convention for their SKU:

  [Shirt Style]-[Color]-[Size]-[Collection Month]-[Collection Year]

  Under this rule, the SKU for this item would be V-GRE-06-11-09.

- A **Universal** Product Code (UPC) is a series of black lines or 12-digit number that help identify a product. This symbol is encoded with a series of numbers known as the GTIN (Global Trade Item Number), which makes up a complete barcode. The UPC is scanned at the point of sale.

  To apply for UPC barcodes, please visit

  www.barcode-us.com

  InternationalBarcodes.com / InternationalBarcodes.net.

  License a unique Company Prefix from your local GS1 office

  Use existing UPC barcodes already assigned to products

  A barcode serves as a visual representation of SKU's or UPC's numeric code.

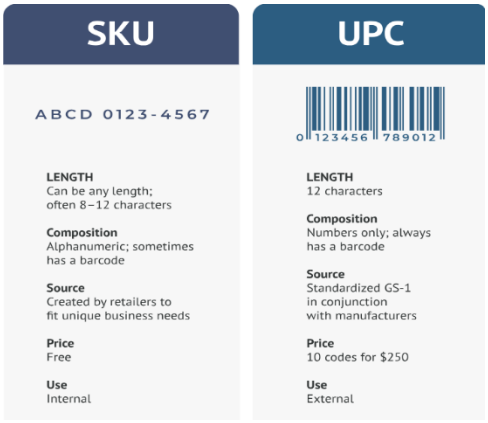
- European Article Number (EAN)

  A UPC is usually a 12-digit barcode used in North America to identify most products. **The rest of the world uses 13-digit EAN barcodes to identify products**. However, both types of numbers and barcodes are part of the GS1 System of international standards, so both are accepted globally.

- Global Trade Item Number (GTIN) code

The data that the UPC-A barcode uses is called the GTIN-12. It is called GTIN-12 because it is always made up of 12-digits and those 12-digits are unique to each of your products. Since the GTIN-12 is commonly encoded in a UPC-A barcode, the term UPC is sometimes used in place of GTIN-12.

Examples



Activity

What are some concerns you have regarding labelling for your export products? Make a list for discussion with an expert.

5.4 Exporting Services

5.4.1 Overview

Exporting a service refers to providing a service across international borders to customers or clients located in other countries.

For our region, services exports that are viable business opportunities for exports include:

- ❑ Travel and Tourism
- ❑ Transportation and Logistics
- ❑ Banking, Financial, and Insurance Services
- ❑ Telecommunications and Information Services
- ❑ Education and Training Services
- ❑ Commercial, Professional, and Technical Services
- ❑ Entertainment
- ❑ E-business / Digital services

5.4.2 How are services exported?

Services can be exported through different modes :

- Cross-border supply (e.g. consulting services provided remotely)
- Consumption abroad (e.g. tourism services consumed by foreigners visiting)
- Commercial presence (e.g. establishing a local office to provide services in another country)
- Movement of natural persons (e.g. professionals traveling to provide on-site services)

5.4.3 Tips for services exporters

Assess Export Readiness and Potential

- Evaluate if your services are truly world-class and can meet the needs of international customers.
- Determine if you have the capacity and resources to serve both domestic and foreign clients simultaneously.
- Assess if modifications are needed to adapt your services for language, cultural or business environment differences in target markets.

Delivery Mechanisms

- Decide how you will deliver services internationally - in-person, remotely via internet/technology, or through local partners.
- Consider obtaining work permits, validating professional credentials if services require travel to markets.

Customer Service and After-Sales Support

- Have multi-lingual support capabilities and cultural sensitivity to serve a global customer base effectively.
- Provide easy access through multiple communication channels (phone, email, chat etc.) for prompt issue resolution.
- Explore using local partners or setting up service centers in major markets for timely on-ground support.

Overcoming Barriers to New Markets

- Partner with in-market experts
- How will you deliver services internationally - in-person, online?
- Understand cultural, language and regulatory differences
- Consider obtaining work permits and validating professional credentials for the target market.
- Consider joining online platforms that promote services

Free Trade Agreements and Service Exports

Most free trade agreements include provisions that make it easier for participants to sell services on a nondiscriminatory basis.

Marketing Services Abroad – Cooperate with Product Exports

For years, many large accounting and banking companies have exported by following their major international clients abroad and continuing to assist them in their international activities. Smaller service exporters who cooperate closely with manufacturing companies can also operate internationally and aim to provide service support for those manufacturers abroad.

Activity

What are some concerns you have as a services exporter? Make a list for discussion with an expert.

THE END