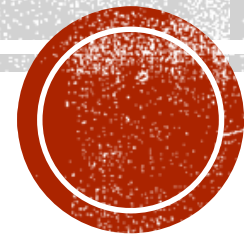


INCOTERMS® 2010

PRESENTED BY HEATHER ALLEN

October 14, 2014





Picture: ALAN BERNER / THE SEATTLE TIMES

SHIPPING RISK EXISTS

Lost/damaged containers

Over stacking material

Crushing/damaging with
forklift

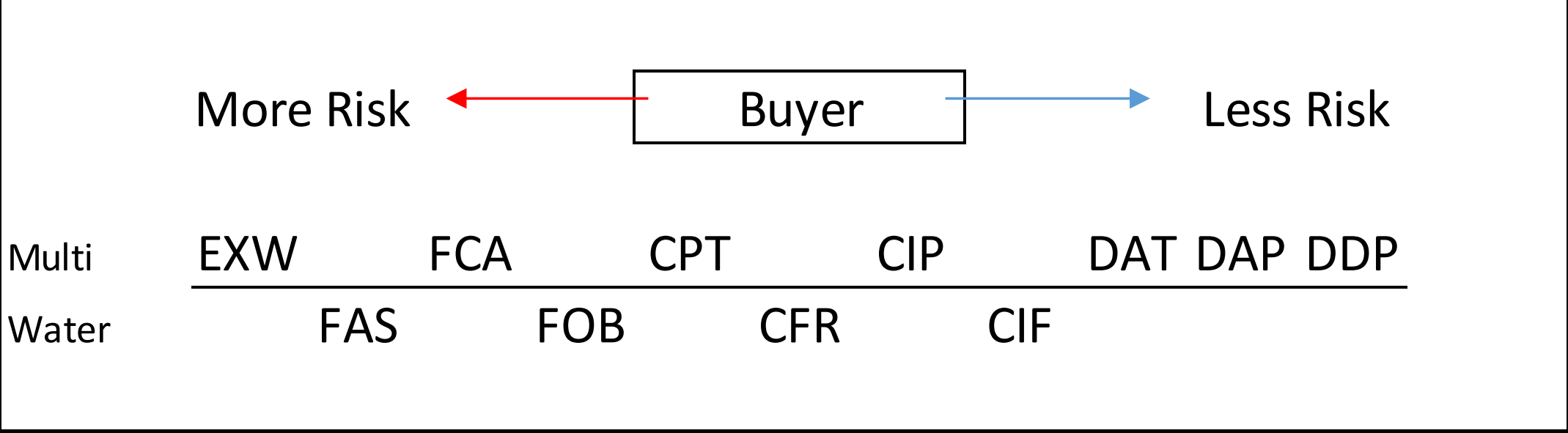
Weather damage from
improper storage

Truck accidents

Its estimated that 10,000 containers are lost per year



INCOTERMS MITIGATE RISK



11 terms accepted in over 120 countries



INCOTERM STRATEGY

Have a basic
understanding and seek
help when needed

- **Negotiate Incoterms to reduce risk**
 - Every international transaction should have an Incoterm identified (don't forget Canada)
- **Use Incoterms to understand incoming expenses/fees**
- **Tighten contract language to set expectations with vendor**
 - Remember UCC & Incoterms are used differently



- Understand what the unit adder is for shipping expenses included by the vendor
 - Ask for both an E and C/D Incoterm pricing
 - You may be able to contract for shipping cheaper
- Be aware of import duties
 - Free trade agreements exist but vendor must prepare documentation
 - Use this knowledge to set vendor expectations in contract

WATCH OUT

These hidden areas can surprise



- **Don't forget to address vendor returns**

- Who will pay for DMRs?
- Set the Incoterm expectation for DMR in contract
- Watch out for D&T when returning goods to foreign country

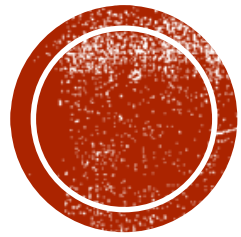
- **Take care with drop-shipments**

- Work with sales personnel to match Incoterm expectation for destination customer.
- Watch out for D&T moving goods into foreign country (including Canada)

WATCH OUT

These hidden areas can surprise





QUESTIONS?

Use Incoterms® 2010 in your sourcing strategy

Visit the International Chamber of Commerce to learn more: www.iccwbo.org

Need help? Contact a reputable forwarding agent like Expeditors International of Washington: 509-847-8191