TEST FOR PREVIOUS LEARNING MATERIALS UNDERSTANDING

Answer the questions about pricing of the enterprise:

1. Price is the monetary value of a good, service or resource established during a transaction (TRUE/FALSE)

2. Free prices are the result of meeting of demand and supply, but may be regulated by the government (TRUE/FALSE)

3. Neutral strategy can be translated into a small incentive that can make a huge impact psychologically on customers. Customers are more willing to buy the necessary products at $4,99 than products costing $5. (TRUE/FALSE)

In 5 minutes in one message write your name and answer to the test on the piece of paper or in Zoom chat personally to the teacher (NOT IN COMMON CHAT!!!), and your attendance would be assessed at 0,5 point

INTERNATIONAL TRADE

1. Open economy.
2. Forms of international economic relations.
3. International trade policy.
4. International market promotion.
   International pricing

1. Open economy.

The national economic system is not closed to interaction with other national economic systems.

Markets for goods and services, capital and labor, formed on supranational level, are the result of the interaction of the world demand, world prices and the world's supply, experiencing the merging cyclical fluctuations, operating in conditions of monopoly and competition.

The evolution of the market

1. Internal market - goods are sold by producers within national borders.
2. The national market is a set of internal and external trade.
3. The international market is a national market, which is directly connected with foreign markets.
4. Global market - sustainable commodity-money relations between countries based on international division of labor and other factors of production.

Global market as a type of economic systems began when the development of productive factors and needs satisfaction could not be provided by national markets reserves.

The crucial factors in its appearance were Great geographic discoveries (Columbus, Vasco da Gama, Magellan, etc.) and growth of manufacturing.

Global market and world economy

Global market — system of economic relations, characterized by the penetration of some countries into the economies of others through commodity circulation. The main example of the world market as an economic system is the export and import of goods.

World economy — system of economic relations between countries, when the main link between them is not the goods & services exchange relations themselves, but the relations of production (international entrepreneurship).

With the advent of the world economy, the export of goods is replaced by the export of factors of production and their international combination by entrepreneurs.

2. Forms of international economic relations

- international trade in goods and services;
- capital flows and foreign investment;
- monetary and credit relations
- labor migration;
- exchange in the field of science and technology.

International trade

International trade is the main form of international economic relations, the aggregate foreign trade of all countries of the world.

- ***Exports*** - sales of goods or services, which involves export them from the customs territory of the country.
- ***Import*** - the purchase of goods or services and their import into the customs territory of the country, for their own consumption and/or sale on the domestic market.

International trade consists of two counter-flows of goods export and import and is characterized by a trade balance and trade.

- ***The trade turnover*** - the sum of exports and imports.
- ***Trade balance*** - the difference between exports and imports. The ratio between the sum of the prices of goods exported to a certain country or group of countries, and the sum of the prices of the goods imported by them for a certain period.

Types of international trade flows

visible

- Transportation of goods and services across the borders of the native countries in order to sell them to foreign buyers

invisible

- Services provided to foreign nationals both domestically (such as tourism), and abroad (such as banking services, insurance services)

International trade

Modern features of development of international trade:

- higher trade growth compared to the growth rate of production;
- the changes in the regional structure - increasing role of developing countries and the new independent States, the role of the EU, Japan;
- changes in the commodity structure in favor of finished products, reducing the share of raw materials and fuel;
- growth of trade in services (the rate is higher in 3 times in comparison with trade in goods);
- transnationalization of international trade;
- strengthen the role of countries ' foreign trade policies;
- strengthening the regulation of international trade;
- the increasing role of NTR in the development of international trade.

International trade balance

<table>
<tr><th>Credit (+) (Receipts)</th><th>Debits (-) (Payments)</th></tr>
<tr><td colspan="2" align="center">1. Current Account</td></tr>
<tr><td>Exports
Goods; Services; Transfer Payments</td><td>Imports
Goods; Services; Transfer Payments</td></tr>
<tr><td colspan="2" align="center">2. Capital Account</td></tr>
<tr><td>a) Borrowings from foreign countries
b) DI by foreign countries</td><td>a) Lending to foreign countries
b) DI to foreign countries</td></tr>
<tr><td colspan="2" align="center">3. Official Settlement Account</td></tr>
<tr><td>Increase in foreign official holdings</td><td>Increase in official reserves of gold and foreign currencies</td></tr>
<tr><td colspan="2" align="center">Errors and Ommissions</td></tr>
</table>

Capital flows and foreign investment

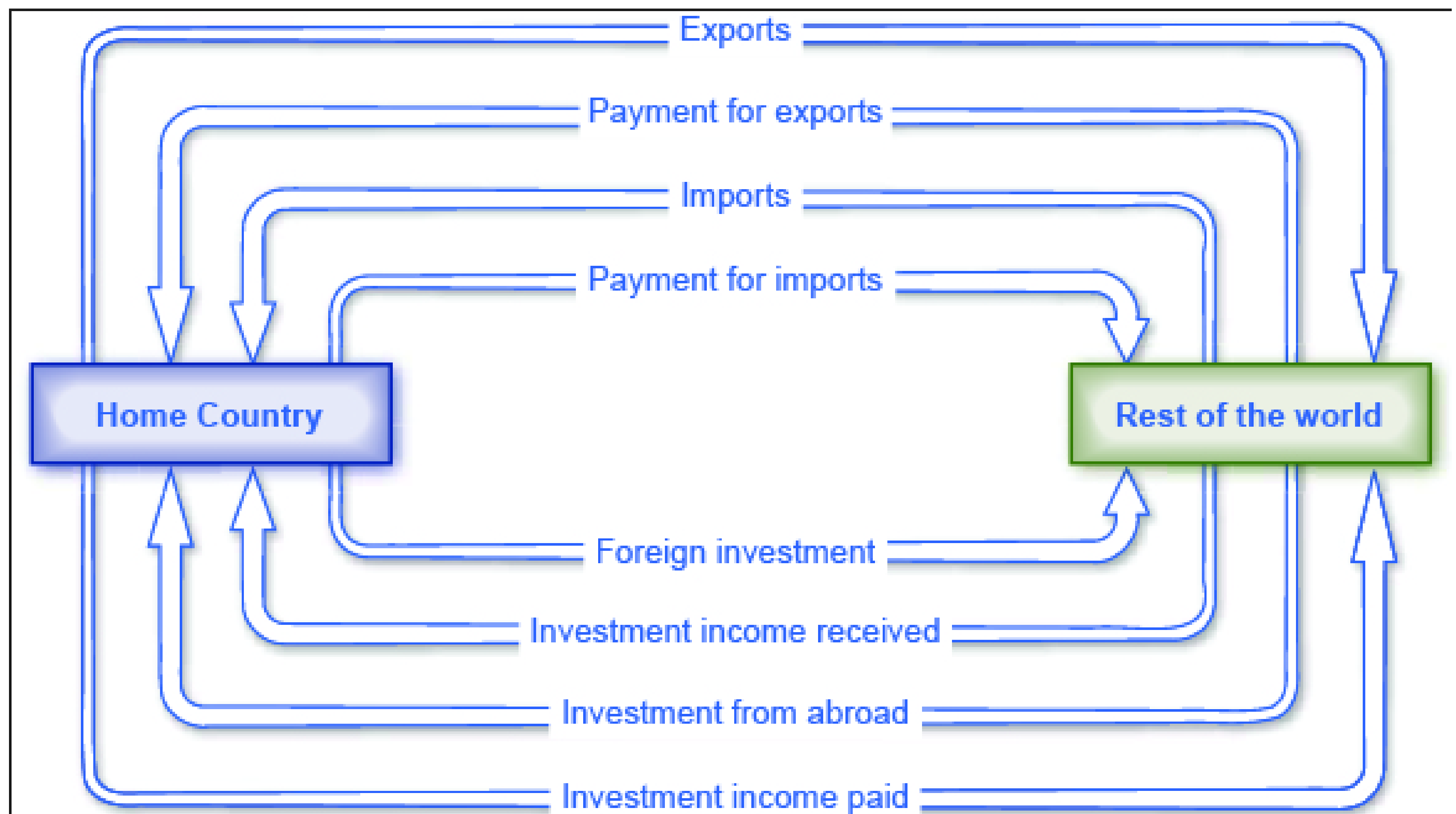
Entrepreneur capital

- Foreign direct investments (allow owners to control the production processes)
- Foreign indirect (portfolio) investments (buying foreign stocks in order to gain profit)

Loan capital

- Short term and long term lending of foreign producers
- Lending of foreign government

International investments as a part of macroeconomic circulation float



Welfare Effects of International Capital Flows

- International capital flows increase the efficiency in the allocation of resources internationally and increase world output and welfare.
- In the year the foreign investment occurs, the foreign expenditures of the investing country increase, causing a balance of payments deficit in the investing country, and an improvement in the host nation's balance of payments.
- The investing nation experiences a reduction in tax collections, while the host nation experiences an increase in tax collections.

Labor migration

Is a process of hiring working stuff from foreign countries.

Advantages:

- cover the shortage in skilled workers for raising economies;
- push the technologic innovations

Disadvantages:

- stealing jobs of nationals
- raising spending of donor countries which loose young and educated residents (decrease of national human capital)
- Unregistered immigration leads to falls in national income and also in GDP

Labor migration

Global Profile of Labor Migration

- **In 2013,** there were **232 million international migrants** world-wide[1]

- **From 1990 to 2013,** globally the number of international migrants increased by over **77 million;** within Asia the number of migrants rose by **21 million**[2]

- **In 2013,** women comprised **48 per cent** of all international migrants worldwide[3]

Of all the international migrants, women represent **83 per cent** of the **52-100 million** domestic workers worldwide[4]

- **In 2013, 58 per cent** of all migrants in Asia were men[5]

- **The annual increase in the number of male migrants in Asia (3.1 per cent)** is greater than the number of female migrants **(1.9 per cent).** The increase in male migrants in Asia was fuelled by the strong demand for migrant workers in the oil-producing countries in Western Asia.

CAUSES OF INTERNATIONAL LABOUR MIGRATION

1. The "**pull**" of changing demographic and labour market needs in high-income countries
2. The "**push**" of unemployment, crisis pressures, and income disparities in developing countries

Migration as a tool for filling labour shortages

- In a knowledge-based economy, the necessary skills may not be available through the domestic supply
- Where shortages result from an inflexible labour force (mismatch in national labour market)

Forms of international entrepreneurship

- 1. contract – joints of individuals and firms of different countries in order to realize some business or scientific project (such as franchising, outsourcing).
- 2. joint capital – firms based on multinational ownership

Transnational Companies.

Transnational companies (TNCs) or multinational companies (MNCs) are big. There are many of them and they operate in more than one country around the world. They have headquarters in one country and offices and factories in others.

Exchange in the field of science and technology

- Exchange with scientific information in order to avoid duplication of research topics
- Exchange between scientists and high-skilled specialists
- Transfer of technologies, inventories and know-hows on a paid basis (patents, licenses),
- Joint scientific and technologic research in order to solve global problems and to concentrate funds
- Joint firms to produce innovative goods and services

The main types of interstate economic cooperation

1. Interstate trade associations and alliances – long-term unions of countries for regulation of international trade, prevention of trade conflicts and getting interstate relations fair and well-ordered (World Trade Organization (WTO)).
2. Regional trade alliances – unions of neighbor countries in order to stimulate economic growth of the region (Commonwealth of Independent States, European Union, Common Market of Africa, etc.)
3. Supranational political organizations – the political authorities created by many countries all over the world for solving global problems such as terrorism, crime, genocide and for forming harmonious and mutually beneficial coexistence on the Earth planet (e.g. United Nations, Interpol, etc.)
4. Supranational economic organizations – the economic institutions which try to solve some specific economic problems mostly in financial market (World Bank, International Monetary Fund, etc.)

3. Foreign trade policy of the government

Every government tries to do all their best to lead the national economic system to the prosperity and plentitude. The part of all state economic policy is the foreign trade policy. It includes the regulation of foreign sellers, investor and buyers access to the internal market by creation of laws, executive stuff and rules of activities

Foreign Trade Policy

Liberalization

Reduce of all barriers for foreign sector of national market

Free Trade

Foreign firms = domestic firms

Protectionism

Defense of domestic firms

Tariffs barriers

Reduce of all barriers for foreign sector of national market

Other trade restrictions

Initiation of quotas, quality standards, exports limitations

An Overview of Trade Theory

- Free Trade occurs when a government does not attempt to influence, through quotas or duties, what its citizens can buy from another country or what they can produce and sell to another country.
- The Benefits of Trade allow a country to specialize in the manufacture and export of products that can be produced most efficiently in that country.
- The Pattern of International Trade displays patterns that are easy to understand (Saudi Arabia/oil or Mexico/labor intensive goods). Others are not so easy to understand (Japan and cars).

Implications for Business

- Location implications: makes sense to disperse production activities to countries where they can be performed most efficiently.
- First-mover implications: It pays to invest substantial financial resources in building a first-mover, or early-mover, advantage.
- Policy implications: promoting free trade is generally in the best interests of the home-country, although not always in the best interests of the firm. Even though, many firms promote open markets.

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Arguments against Free Trade

- Free trade leads to a divergence instead of convergence of income levels within rich and poor countries
- Comercial issues takes priority over depelopment
- Financial aid is always bound to conditionalities and they retard social stability
- They are run by a small number of economically powerful countries

An Overview of Trade Theory

- Protectionism refers to government policies that restrict international trade to help domestic industries. Protectionist policies are usually implemented with the goal to improve economic activity within a domestic economy but can also be implemented for safety or quality concerns.
- Protectionist policies place specific restrictions on international trade for the benefit of a domestic economy.
- Protectionist policies typically seek to improve economic activity but may also be the result of safety or quality concerns.
- The value of protectionism is a subject of debate among economists and policy makers.
- Tariffs, import quotas, product standards, and subsidies are some of the primary policy tools a government can use in enacting protectionist policies.

Tariffs

- Imports tariffs
  - **specific** tariff: (a monetary sum that must be paid to import 1 physical unit of a product)
    - Advantage: easy to collect
    - Disadvantage: doesn't take price changes into account
  - ***ad valorem*** tariff: (a percentage of the monetary value of 1 unit of import)
    - Advantage: takes price changes into account
    - Disadvantage: Need to know the monetary value of the good and seller is tempted to undervalue the price
- Other instruments
  - Import subsidy ⇔ negative import tariff
  - Export tariff/subsidy (levied/paid on home-produced goods that are destined for export)

Features of Tariff Schedules

- Preferential duties
  - products form certain countries are subject to lower tariffs than the normal tariff rate
  - Generalized System of Preferences (**GSP**) for developing countries
- Most-favoured-nation (**MFN**) treatment = normal trade relations (NTR)
  - "if country A grants country B the status of most-favoured nation, it means that B's exports will face tariff that are no higher (nor lower) than those applied to any other country that A calls a MFN"

Non-tariff Barriers to Trade (1)

- Import Quotas
  - a government agency allocates the rights to import
  - limits the number of goods (not the price) for a given time period
- “Voluntary” export restraints (VER)
  - foreign suppliers agree to “voluntary” refrain from sending some exports
- Government procurement provisions
  - restriction on purchasing foreign products by the domestic government agencies
- Domestic content provisions
  - a given percentage of the value of a good must consist of domestic components or labour

Non-tariff Barriers to Trade (2)

- Administrative classification
  - different tariffs to different product categories + leeway for customs officials to decide on classification
- Restrictions on services trade
- Trade-related investment measures
- Domestic policies affecting trade
  - health, environment and safety standards; packaging and labeling requirements; inconsistent treatment of intellectual property rights; subsidies to domestic firms...

etc.

Arguments *for protectionism*

- The Infant Industry Argument
- The Terms-of-Trade Argument
- The Antidumping Argument
- Argument for a Tariff to Offset Foreign Subsidy
- Argument for a Tariff to Reduce Aggregate Unemployment
- Tariff to Increase Employment in a Particular Industry
- The National Defence Argument for a Tariff

Trade News Analysis @TradeNewsCentre · 25 янв. 2018 г.

CHART: G20 economies ranked by level of tariff protectionism | #WEF18 #Davos2018 bit.ly/2xwuyhA

1. South Korea	13.9%
2. Argentina	13.7%
3. Brazil	13.5%
4. India	13.4%
5. Turkey	10.9%
6. China	9.9%
7. Indonesia	7.9%
8. South Africa	7.7%
9. Russia	7.1%
10. Mexico	7%
11. EU	5.2%
12. France	5.2%
13. Germany	5.2%
14. Italy	5.2%
15. UK	5.2%
16. Saudi Arabia	5.1%
17. Canada	4.1%

What is a trade agreement?

- A special agreed upon preferential arrangement among a group of nations governing their trade/economic relationship:

  - Trade: Tariffs and other trade barriers
  - Trade Policies: Trade with other countries
  - Factor movements: Labor and capital mobility
  - Economic policies: Monetary and fiscal policies

The welfare implications of trade/economic pacts:

Trade creation and trade diversion

- Trade creation: The lowering or removal of tariffs within a group of nations could result in an increase in the mount of trade among members.
- Trade diversion: The lowering or removal of tariffs and other barriers within a group of nations could divert trade from (more efficient) non-members to (less efficient) members.

3 Types of Trade Agreements

Trade agreements are usually unilateral, bilateral, or multilateral.

Unilateral Trade Agreement occur when a country imposes trade restriction and no other country reciprocates. A country can also unilaterally loosen trade restrictions, but that rarely happens. It would put the country at a competitive disadvantage. The USA and other developed countries only do this as a type of foreign aid in order to help emerging markets strengthen strategic industries that are too small to be a threat. It helps the emerging market's economy grow, creating new markets for U.S. exporters.

Bilateral Trade Agreements involve two countries. Both countries agree to loosen trade restrictions to expand business opportunities between them. They lower tariffs and confer preferred trade status on each other. The sticking point usually centers around key protected or government-subsidized domestic industries. For most countries, these are in the automotive, oil, or food production industries. The Obama administration was negotiating the world's largest bilateral agreement, the Transatlantic Trade and Investment Partnership with the European Union.

3 Types of Trade Agreements

Trade agreements are usually unilateral, bilateral, or multilateral.

Multilateral Trade Agreements among three countries or more are the most difficult to negotiate. The greater the number of participants, the more difficult the negotiations are. By nature, they are more complex than bilateral agreements, as each country has its own needs and requests. Once negotiated, multilateral agreements are very powerful. They cover a larger geographic area, which confers a greater competitive advantage on the signatories. All countries also give each other most-favored-nation status—granting the best mutual trade terms and lowest tariffs.

Types/Levels of Agreements (another classification)

Preferential Trading Agreement

Reduced Tariff	Special Quota

Free Trade Agreement

Formal Trading	Free Trading between the countries

Custom Union

Free Trade Area	Common External Tariff

Common Market

Custom Union	Free Mobility of the factors

Economic Union

Common Market	Common Economic Policies

Political Union

Economic Union	Common Judicial body and Shared sovereignty

Types of Trade Agreements

Preferential Trading Agreement – It is a loosest form of economic integration where a group of countries make a formal agreement to trade goods and services on preferential terms. It results is reduced tariffs and sometimes a special quota is allowed for preferential access. These agreements are generally made between developed and developing countries to promote economic development of developing nations. *Example – The European Union has a preferential trading agreement with the Middle East and Latin America.*

Free Trade Agreement – It is a permanent arrangement usually between the neighboring countries. It involves complete removal of tariffs on goods. However, it is not applied to agricultural sector, fishing or services. The member countries are free to charge their own external tariffs from countries outside the free trade area. Therefore each member country has full freedom over trade with external countries. *Example – North American Free Trade Agreement (NAFTA) and European Free Trade Association (EFTA)*

Customs Union – Just like the members of Free Trade Area, the members of Custom Union also remove barriers among themselves. In addition they also have a common trade policy with respect to non-member countries. Due to the common trade policy, a common external tariff is charged from non-member countries and revenue is shared among the member countries. *Example – Association of Southeast Asian Nations (ASEAN)*

Types of Trade Agreements

Common Market – The common market has no barriers to trade among the member countries and there is also a common external policy for trade with non-member countries. In addition the restriction on the movement of the factors of production is also removed. Factors of production include Labour, Technology, Capital etc. The restriction is abolished on immigration, emigration and cross border investments. This is done to employ the best resources in the best possible manner. *Example – European economic community*

Economic Union – Economic Union involves full integration between two or more economies. There are no trade restrictions between member countries, they follow a common external tariff policy and the restriction on the mobility of factors of production is also abolished. In addition there is coordination between the member countries on their economic policies such that the nations have coordinated monetary policy, fiscal policy, social welfare programs etc. and usually a common currency is used in trade. *Example – European Union*

Political Union – Political Union involves all features of Economic Union and also complete political integration between member countries. The member countries share a common decision making and judicial body and there is complete unity between member nations. The best example is United States of America which includes thirteen separate colonies operating under Article of Confederation.

4. International Market Promotion. International pricing

The final export price for any product includes:

- Costs for the goods or services' production (material costs, labor costs, depreciation);
- Commercial costs (transportation; registration of transport and shipping documentation; insurance; installation, adjustment, commissioning; pre-sale and warranty services);
- Costs of paying national turnover taxes (when applying the payment of VAT on the principle of "country of origin")

4. International Market Promotion. International pricing

The final export price for any product includes:

- Costs of adapting goods to a new market (translation into a foreign language instructions for users, shipping and transport documentation; business communications in order to penetrate into a new market);
- Costs for customs clearance of goods;
- Costs of marketing and the marketing strategy formation;
- Costs of payment of foreign turnover taxes (when applying the principle of the "country of destination" when paying VAT)

<u>There are 2 principles of VAT payment for export operations in the world:</u>

The principle of destination country of destination involves the collection of VAT on all goods and services that are imported into the country for final consumption, regardless of where they are produced, VAT is essentially a tax on final consumption, it is taxed on imports and not taxed on exports.

The principle of country of origin (source principle of VAT), involves VAT on all goods and services produced in this country, regardless of the final place of their consumption. VAT is a tax on production in a given jurisdiction and is only levied on exports. Sometimes considered as an analogue of the application of export customs duties, the rejection of which is one of the signs of free trade declared by the WTO

How to form international price

The modern world market is characterized by the large number of different industry markets for goods and services, and plurality of prices. In practice, the price of specific products of the same market can vary significantly. Therefore, when researching, determining and calculating on a foreign trade price, it is necessary to have a clear idea of the nature of the transaction, market structure and other significant factors, reasoning of the price:

- use of prices of separate export and import operations;
- prices in cash;
- prices formed in the standard selling contracts.

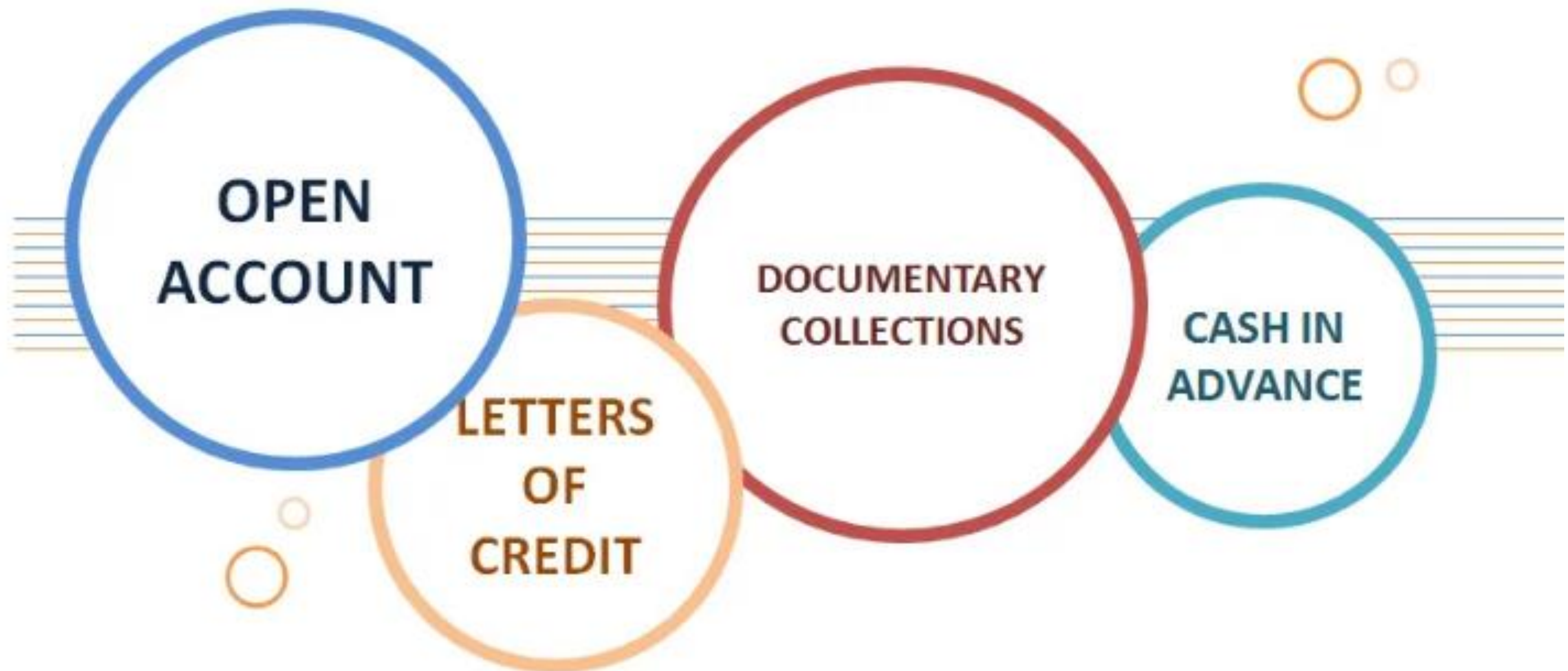
The choice of basic price depends on the characteristics of transaction:

1. Seller and buyer (will they be final consumers or intermediaries);
2. Countries of import and export (availability of forms of international integration between them);
3. Terms of delivery, transportation, storage and insurance;
4. Forms and procedures of payment, currency of payment;
5. Type of market structure (level of competition);
6. The need for installation, adjustment, teaching the workers, warranty and after-sales service;
7. purchase volume and interest in further cooperation
8. The quality of the goods and services included in a specific transaction

Forms and procedures of payments

The 4 Most Common Payment Methods in International Trade

by Olivia Wu | Nov 15, 2017 | International Trade | 0 comments



1. Cash in Advance is a type of payment where the buyer pays the seller upfront before the goods are shipped. Wire transfers and credit cards are the most frequently used payment options for this method.

Pros

This method protects the seller from buyers who may not honor the terms of the contract and decide not to pay.

Cons

Although this method protects the seller, it is not a secure method for the buyer as the buyer will face the risk of receiving goods that do not meet the quality agreed on the contract, or not receiving the goods altogether.

2. Letter of Credit (L/C) is a letter from a bank guaranteeing that a buyer’s payment to a seller will be received on time and for the correct amount. If the buyer fails to make the payment on the goods purchased, the bank will be required to cover the full or remaining amount of the purchase.

How it Works

Usually some form of securities or cash as a collateral is required by the bank for issuing a letter of credit, and charge a service fee, typically as a percentage of the value of the L/C.

Pros

L/C is one of the most commonly used payment methods in the import and export industry as it minimizes risk for both the buyer and the seller.

L/C protects the buyer since payment is only required after the goods have been shipped or delivered to the buyer.

Also protects the seller since the bank is guaranteeing the payment as well as conducting a verification process to ensure the legitimacy of the buyer.

Cons

L/C is more expensive than other payment methods

The reliability of the L/C depends on the reputation of the buyer’s bank

Types of Letter of Credit

- Standby L/C – the bank will cover the full or remaining amount of the payment if the buyer fails to fulfill payment obligations to the seller.
- Irrevocable L/C – where it cannot be modified unless all parties agree to the modifications.
- Revocable L/C – the bank can modify the L/C under the buyer's permission without the consent of the seller. Once it is revoked, the bank is no longer liable to pay the seller.
- Confirmed L/C – involves another bank in guaranteeing the letter of credit. The second bank is the confirming bank, usually the seller's bank. The confirming bank would honor the L/C if the issuing bank defaults.
- Back-to-Back Letter of L/C – when an intermediary such as a broker is involved between the buyer and the seller, or when the seller must first purchase the goods from a supplier that would be sold to the buyer. Includes of two letter of credits to finance a transaction.

Types of Letter of Credit

- Transferable L/C – allows the seller to assign a portion of the L/C to other party/parties. This L/C comes in handy when the seller is not the sole manufacturer of the goods and require purchasing from other suppliers, since it doesn’t require multiple L/Cs anymore.
- Deferred Payment L/C – where payment is delayed to a fixed date stated in the L/C.
- Red Clause L/C – where the seller requests a portion of the L/C to be paid before goods have been shipped and documents have been submitted.
- Payment at Sight L/C – payment is made immediately (maximum within seven days) after the required documents have been submitted.
- Revolving L/C – a single L/C that can be used for multiple shipments over a period of time. It is used for regular shipments of the same commodity to the same buyer.

3. Documentary Collections (D/C) is a payment term where the seller relies on the seller’s bank (remitting bank) to collect payment from the buyer. The seller would send the document to the remitting bank, which is forwarded to the buyer’s bank (collecting bank) along with the instructions for payment. The document is called a bill of exchange (draft) which requires the buyer to pay the face amount either at sight or on a specified future date.

The buyer would then send the fund to the collecting bank, which is transferred to the seller through the remitting bank in exchange for those documents.

Pros

Less complicated and cheaper than L/C

The buyer is not obligated to pay for goods before shipment

More favorable to the buyer

Cons

Riskier for the seller since there is no verification process

The bank does not guarantee payment

Not recommended for air and overland shipments

When to Use D/C?

D/Cs should be used in established trade relationships in stable markets where the seller and the buyer have already engaged in a transaction previously. The seller should also ensure that the funds will not be blocked due to political and economic reasons in the buyer's country. D/Cs are recommended for ocean shipment.

Types of D/Cs

1. Document against Payment (D/P) – Also known as "Sight Draft" or "Cash Against Documents"

The documents and the bill of exchange are only provided to the buyer from the collecting bank once payment is made by the buyer to the seller. Once fund is received by the collecting bank, it will then be transferred to the seller through the remitting bank.

2.Document against Acceptance (D/A) – Also known as "Cash Against Documents"

The buyer is given a credit extension to pay at a specified future date through a time draft. Once time draft is accepted by the buyer, the documents are released by the collecting bank.

4. Open Account is a transaction where the seller is only paid typically in 30, 60, or 90 days, after goods are shipped and delivered to the buyer. Sellers who accept open account payment method can seek additional security by using export credit insurance.

Pros

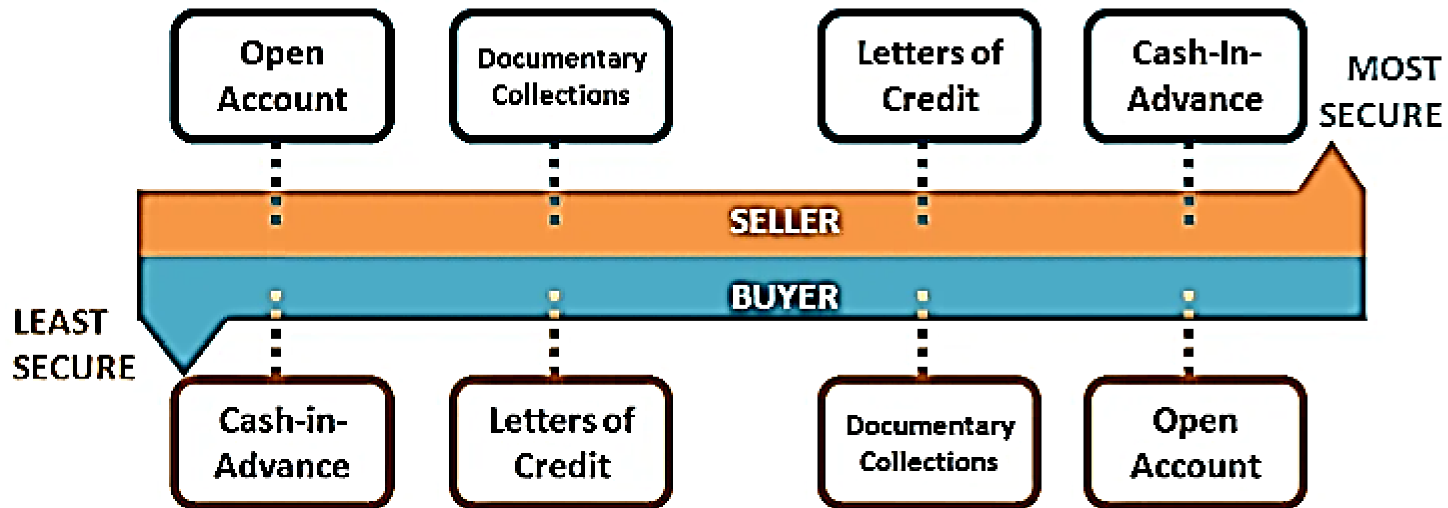
This method is by far the most secure for the buyer as payment is not obligatory until the goods have been received.

Cons

An open account transaction is the most advantageous to the buyer, but it is the least secure method for the sellers; hence sellers in many riskier industries do not accept this payment method.

Comparison

Here's a chart that ranks all the payment methods in terms of security for the seller and the buyer. As you can see in the chart, the safest method for the buyer is essentially the least safe option for the seller, and vice versa. Therefore, when negotiating for payment methods, it's always safe to go for the options that both parties can accept, such as letters of credit and documentary collections.



INCOTERMS

short for International Commercial Terms, are three-letter trade terms established by the International Chamber of Commerce to facilitate cross-border trade.

The latest edition is the Incoterms 2020, which consists of a total of 11 Incoterms aimed to guide buyers and sellers with the shipment process by determining the responsibilities of each party during each leg of the transportation.

These are sorted into four different groups, C, D, E, and F, which are categorized according to the delivery location of the goods and the responsibility for payment at different stages of the international transport.

Incoterm groups

Incoterms Group C

Condition: The seller bears all costs to the destination port (including international transport) however, risk transfer will be made once the goods are loaded on the means of transport.

Incoterms Group D

Condition: The seller bears all risks and costs necessary to bring the goods to the destination country.

Incoterms Group E

Condition: The buyer is responsible for collecting the goods at the seller's warehouse and bears all associated risk and cost.

Incoterms Group F

Condition: The seller is responsible for bringing the goods to the buyer's predefined transport medium; the buyer then accepts cost and risk responsibility from that point onwards.