

# Exporting to Europe Guide

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This guide will take you through the process of exporting to Europe in 12 steps, starting from what makes Europe an interesting market, moving on to getting prepared and started, to finally seeing how you can grow your exports once you are actually exporting.

## Steps

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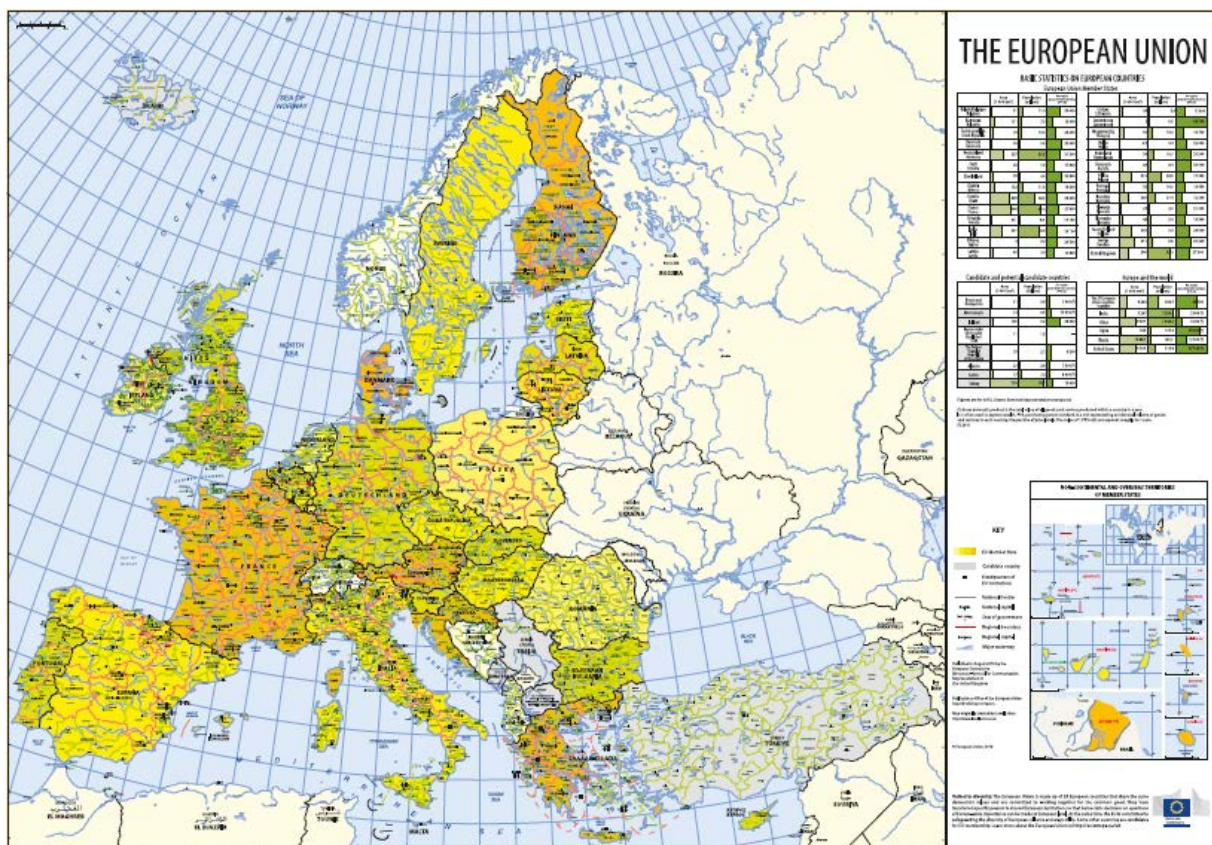
[Step 12: How can you grow your exporting business to Europe?](#)

# Step 1: Why export to Europe?

## Why this step is important

The more than 500 million consumers and 21 million small and medium-sized enterprises (SMEs) in Europe could offer you, as an exporter, interesting opportunities. Together, the European Union's 28 members account for 16% of the world's imports and exports.

Figure 1: The European Union



Exporting is a strategic choice that requires commitment both in terms of time and money. There are different reasons to export, such as:

- evidence that there are international customers willing to buy your products;
- more business opportunities in international markets;
- more profitable business in international markets;
- spreading risks over more markets;
- production capacity not fully utilised;
- believing that your product will be successful in other markets;
- keeping up with the competition by also going international;
- particular interest in one or more new target countries.

Before deciding to start exporting, make sure you know that you have a solution to a customer's problem and that your decision fits with your company's strategy, goals and capacity. Exporting

means venturing into a new market. As this often means adapting your product, the level of adaptation needed may result into partly new products, which itself creates new risks, because then both the market and the product are new.

### **What you need to know**

Choosing to export to Europe must fit your company's plans, just like your products must fit the foreign markets you are targeting. Maybe you are already exporting to other markets, or have already successfully sold products to European companies. In order to make exporting to Europe part of your company strategy, be aware that:

- exporting requires thorough preparation: the European markets are competitive and customer expectations are high;
- you may be required to scale up your production: minimum orders can be high;
- new markets mean new sets of requirements, preferences and cultures that you need to adapt to;
- your staff will need to adapt too. This may require additional training;
- exporting requires extra financial resources because it brings extra costs with it — think of international marketing, sending samples by courier, travel expenses and potentially product and equipment modifications;
- the benefits are generally a long way away: regardless of how good your preparations are, it often takes years of learning by doing before the benefits can be reaped.

In brief, exporting to Europe offers opportunities, but it requires commitment and investment. You must be willing and able to invest in your company to get it export ready.

[Video: [Introduction to CBI. This is how CBI works to facilitate exports from developing countries](#)]

### **Tips, including resources and assistance:**

- Before deciding, make sure you have a clear picture of what your customers are looking for and what it takes to meet their expectations. Follow the steps in this guide and make use of the resources listed to get a good picture of Europe as a target market for your company. You can also look into this [guide on Exporting to Europe](#).
- Investigate financing opportunities with banks or development finance institutions.

## Step 2: Is there a European market for your products?

### Why this step is important

Before investing in export preparations, you must make sure whether there is a market for your products in Europe. The question is how to find out if there is a market for your product, then work out the best strategy to find those customers.

If the answer is yes, that there is a market, the next question is to work out your strategy: find out which European countries and which channels offer the best opportunities. That way you know where to focus your preparations. Sometimes, the countries with the highest demand may be served best by exporting to another country that then distributes to that country.

### What you need to know

The easiest way to get a first impression of where you can find opportunities for your products is to make use of information available online. This means consulting statistics databases and reading up on the characteristics of a sector, including trends, to see if your products fit the market.

Note that this is a starting point. If your product is not imported to your potential target market, it does not automatically mean that there are no opportunities. Likewise, a declining market does not mean a market with no opportunities. But this initial research will let you know what is going on in a market, to further finetune in steps to follow.

When a product crosses the border with Europe, it is registered at customs (read more in Step 11: How can you organise logistics and customs procedures?). This information is not only used for customs procedures, but also for trade data: import and export figures are based on these registrations. Note that this does not apply to services, as services do not physically cross borders. Sector associations are generally good places for market descriptions of services.

If you know which questions to ask and consequently how to look up the answers in statistical databases, you will find that figures will provide a first, general idea of a market.

These are example questions you can use when consulting a database:

- How much do your potential target markets import? By comparing for instance all European countries, you can find out which the largest imports are.
- Which markets are growing? Look up import figures for more than one year, that way you will see in which markets demand is growing – sometimes growing markets offer more opportunities than large, stable markets.
- Do your potential target countries already import from your country? By looking at where the imports come from, you can tell whether business already takes place between your countries. If your potential target markets already know your country, it could be easier to find interested buyers.
- Which are the largest supplying countries to your potential target markets? Similarly to the information on your country's supplies, other supplying countries can be found. This will give you information on where the main competition comes from.

Statistics will give you information on the type of product you have. But you also need to know if your products fit the European trends. If not, there may well be a market for your type of product, but not for your specific product.

Researching trends means finding out if your flavours, colours, materials, styles and so on correspond to what the European market is looking for. You can read up on trends online or subscribe to newsletters, for instance from sector associations, trade press and trade fairs. Trade organisations, such as the CBI and our partners, also offer studies on trends.

#### Tips (incl. sources & assistance):

- Read [our market information available for your sector](#). Start by choosing your sector. This will lead you to a page with all market information available for your sector.
- [Look up statistical trade data for the European market in the Trade Helpdesk](#). Identify your product code, this will allow you to answer the questions discussed above. Which countries are the largest importers in Europe? Which countries show the largest growth? How much of the imports come from your country? Which countries are the largest suppliers to the European market?
- You can [also look up global statistical data in ITC's Trade Map](#), which will allow you to answer the same research questions as in the examples above, not only for European markets but for countries worldwide.
- Watch this video from the [US International Trade Administration on Selecting Initial Export Markets](#).
- Trade fairs are good sources for spotting trends and their websites will give you the latest for your sector. To find out specific trade fairs, [identify your sector on our market information platform](#) and read our 10 tips for finding buyers. Large trade fairs include [Biofach](#) for organic products, [Maison & Objet](#) for home decoration and textiles and [Fruit Logistica](#) for fresh produce.
- Identify relevant sector associations, trade press and other sources which offer information on European trends for your sector. Our market information platform is a good starting point. Here, you can [identify your sector and read our study on trends](#) for your sector, including several source you can use.





Quote:

I won't lie: doing research was frustrating and tedious; you really have to be dedicated to make it work. But I would absolutely recommend using the tools CBI provides. The world is getting more competitive every day. Market research helped me to be competitive, even against huge design businesses from China and Thailand. My pricing, my product styling, and how I organise my production are so much better because of it.

Ayesha Mawji

CEO Moyo Designs, Tanzania

## Step 3: How do you get your company ready for exporting to Europe?

### Why this step is important

So, you have researched the European market well enough to conclude that it does offer opportunities for you. You are committed to exporting to Europe and it is now time to invest in getting your company ready. Doing business in new markets requires adapting your company to meet the requirements there. The exact requirements will be clear when you negotiate your first order. However, at that time you must be able to respond. Anticipating which changes and flexibility are required will make you better prepared.

You and your staff may need to work in a new language in order to communicate with new business relations. Your products may need some modification to fit the new markets. And production may need to be scaled up.

### What you need to know

Below you is a list of questions you need to ask yourself when getting your company ready for the market opportunities you have identified. Going through the list will give you a first indication of where your strengths lie, and which parts you need to work on.

#### People

- Do you have enough people with the right capacity?
- Do you have employees who can carry out market research?
- Do you have experience in finding and profiling potential customers?
- Do you have people with the right language skills?
- Can you identify yourself with your new market and its culture?
- Do you have export experience?

#### Production

- Do you have enough production capacity?
- Is production cost effective?
- Do you have a quality control system compliant with European and international standards?
- Do you have all the required facilities?

#### Product

- Would you be able to modify your products if needed for European markets?
- Do your products or your company have any certification for sustainability, organic production or any other type, awarded by an international standard recognised in Europe?

#### Money

- Can you invest in exports?
- Do you have access to finance for additional investments?

### Tips, including resources and assistance:

- Find out how to get started with your export preparations. You can use online guides, such as [this US International Trade Administration video: Are You Export Ready?](#) and the [Australian Trade and Investment Commission's Guide to Exporting](#).

- [Take the Export Quiz: Are You Ready?](#), from Global Affairs Canada, which is designed for Canadian companies but cover topics that are relevant for all exporters.
- Follow one or more of the following [ITC e-learning courses: Considering Export Markets](#), [Approaching Banks for Financing](#) and [Setting Up an Export Marketing Strategy](#).
- Find out what assistance business support organisations in your country offer, like what [Vietrade](#) (Vietnam), [ASEPEX](#) (Senegal) [PromPeru](#), [ProColombia](#), [ProEcuador](#), and [Agexport](#) (Guatemala) offer, to mention just a few.



Quote: Advice to fellow entrepreneurs from a CBI programme participant:

You have to learn that exporting to Europe needs an investment on your side first: in time, in resources, in building relationships, in learning about cultures.

Shoaib Zahid Malik,  
CEO at Kausar, Pakistan



## Step 4: How does exporting to Europe work?

### Why this step is important

Exporting to Europe means exporting to one or more European countries and all their differences in culture, language and preferences. However, exporting to European countries may also have some several practical similarities. Cooperation among European countries is far reaching. When it comes to practical international trade issues, such as legal import requirements and border control, European Union Member Countries operate as one single market.

### What you need to know

These are the 28 European countries members to [the European Union](#):

- [Austria](#)
- [Belgium](#)
- [Bulgaria](#)
- [Croatia](#)
- [Cyprus](#)
- [Czech Republic](#)
- [Denmark](#)
- [Estonia](#)
- [Finland](#)
- [France](#)
- [Germany](#)
- [Greece](#)
- [Hungary](#)
- [Ireland](#)
- [Italy](#)
- [Latvia](#)
- [Lithuania](#)
- [Luxembourg](#)
- [Malta](#)
- [Netherlands](#)
- [Poland](#)
- [Portugal](#)
- [Romania](#)
- [Slovakia](#)
- [Slovenia](#)
- [Spain](#)
- [Sweden](#)
- [United Kingdom](#)

In a 2016 referendum, the United Kingdom voted yes to leaving the EU, a political process known as Brexit. After three years of negotiations and postponements, in November 2019 the British government and the European Union reached an agreement for the withdrawal of the UK from the EU. New arrangements and rules, including a transitional period are expected in the beginning of 2020. For the time being, however, the United Kingdom is a full member of the EU. The implications for exporting to the UK compared to exporting to the EU after Brexit are not yet known. For more

information on Brexit and how to prepare for it, see the [British government Brexit page](#) or the [European Commission Brexit page](#).

These four European countries are not EU Members, but take part in the [European Free Trade Association \(EFTA\)](#):

- Norway
- Switzerland
- Iceland
- Liechtenstein

Cooperation among these four countries and their relations with countries in the EU is not as far reaching as among European Union Members. However, the countries in the European Free Trade Association and the European Union together form the [European Economic Area \(EEA\)](#), which means these 32 countries operate as one single market. Switzerland is not part of the EEA, but has bilateral agreements with the EU to participate in the single market. In practice, people, goods, services and money can move between the countries in the [single market](#) (also called internal market) as freely as they would within a single country. For you, as a producer, it means that once your products enter the single market, they have access to all countries without going through additional customs procedures to move from one EU country to another.

For goods to enter the European single market and move freely around it, they must meet requirements which have been harmonised among European Union Members by common European legislation. Read more in [Step 5: Do your products meet the requirements?](#)



[map single market: [https://commons.wikimedia.org/wiki/File:EU\\_Single\\_Market.svg](https://commons.wikimedia.org/wiki/File:EU_Single_Market.svg) ]

Dark blue: European Union

Light blue: European Free Trade Association

Both the European Union and the European Free Trade Association have trade agreements with many countries in force. These agreements allow countries to do trade with countries in the single market without or at reduced customs tariffs. If your country has an existing trade agreement with the European Union, you have an advantage compared to an exporter in a country that does not. The

European Union also includes trade in its development policies. The European Commission has introduced the [Economic Partnership Agreements \(EPAs\)](#) and [the Generalised Scheme of Preferences \(GSP\)](#) to stimulate trade with development countries:

- Economic Partnership Agreements (EPAs) are trade and development agreements between the European Union and African, Caribbean and Pacific countries and regions. These agreements go beyond free-trade agreements to include European cooperation and assistance in helping the partner countries benefit from the partnerships.
- [The Generalised Scheme of Preferences \(GSP\)](#) removes import duties on products coming from [vulnerable developing countries to the European Union](#).

### **Tips, including resources and assistance:**

- Learn more about [how the European Union works](#) and what it means for you. If relevant, find out [what the European Free Trade Association is](#) and what it means for you.
- Want to target the United Kingdom? Follow [developments around Brexit](#), the process of the United Kingdom leaving the European Union, to find out what consequences it may have for you.
- Find out which [trade agreements your country has or is negotiating](#) with the European Union. Do you know where your competitors are? Find out if they trade with the EU according to the same rules or not.
- Are you targeting one of the European Free Trade Association (EFTA) countries? Find out if [the EFTA has any trade agreements](#) with your country. Do countries where your competition is based have similar agreements?
- Consult [this overview of European Union trade policy](#), which allows you to compare the rules applying to different countries.
- Although the EU Member Countries largely operate jointly as one single market, the differences from one country to another are still significant, from language to business culture. Depending on the product or service you offer, clustering countries based on language or cultural similarities that are relevant for your offer may be an interesting option.
- Make use of services offered by European support programmes. For instance, [see our market information on several sectors and analysed specifically for exporters in developing countries](#). In addition, [check out our projects and programmes](#).
- Look also into what our partner organisations offer: [Belgian Development Agency \(Enabel\)](#); [International Trade Centre \(ITC\)](#); [Chamber Trade Sweden](#); [Virke, the Enterprise Federation of Norway](#); Germany's [Import Promotion Desk \(IPD\)](#) and [Deutsche Gesellschaft für Internationale Zusammenarbeit \(GIZ\)](#); [Finnpartnership](#); [Switzerland Global Enterprise](#) and [Swiss Import Promotion Programme \(SIPPO\)](#)



Quote: Advice to fellow entrepreneurs from CBI programme participant:

Be patient. It's not an instant coffee thing. Sit down, learn and plan.

Andrew Mutisya  
Head of Business Development Bawa Hope, Kenya



## Step 5: Do your products meet the requirements?

### Why this step is important

Before offering it to clients in the European market, your product must meet the European requirements. Some of these requirements are established by law, so your product will not be allowed to enter the European market if it doesn't meet these legal requirements. This means that your product can be rejected when checked at an European border, which would cost you money and damage your reputation with buyers.

On top of legal requirements, your product also has to comply with European buyers' own requirements. A lot of these buyer requirements are common among European companies and industry associations. You will also have to meet those and they can vary among countries, segments, etc.

### What you need to know

In principle, legal requirements for your products are the same in all European Union countries. However, there are some exceptions.

There are four types of legislation set for products marketed in Europe, provided for by the European Commission's Regulations and Directives:

1. **Framework legislation** setting the bases for a sector. For food products, for example, this is the [General Food Law](#), which ensures that all food marketed in the European Union must be safe. For consumer goods, the [General Product Safety Directive](#) plays a similar role, ensuring that all products must be safe. Safety is a basic requirement that applies in all cases, including those not covered in any specific legislation.
2. **Legislation restricting substances, chemicals and contaminants.** This legislation sets limits sometimes in the form of positive lists of substances that can be used in certain products, such as preservatives in cosmetics. They often do not apply to final products, but to specific substances, regardless of the product in which it may be found. This means that if your product contains any of the restricted substances, chemicals or contaminants, it must be within the limit set for that substance.
3. **Legislation on [CE-marking, applicable to toys and electronic equipment, medical devices and a few other product groups](#).** The letters 'CE' are shown on the products for which the legislation is applicable. They show that the product meet the safety, health, and environmental protection requirements set by the CE legislation.
4. **Product-specific legislation** set for a few, specific products. This type of legislation mainly deals with marketing requirements, for example, setting standards for selling a product under a certain name, such as when can chocolate be marketed as 'milk chocolate'. Product-specific legislation is set in addition to the requirements set in framework legislation and legislation restricting substances.

Have you established whether your product meets legal requirements? Or, have you modified your product for this purpose? Then you can move on and research further on the requirements that buyers themselves establish.

Will they require a management system? Or, do they require additional certifications? In many industrial sectors, for example, ISO 9001 is a must-have. In food, for example, importers often require that you have a food safety management system.

If you don't meet these buyer requirements, it doesn't mean your product will not be allowed to enter the market, but it will be hard to find a buyer interested in it.

**Tips, including resources and assistance:**

- [Learn about legal and additional buyer requirements for your sector](#) on our market information platform. Choose your sector and look up the information on buyer requirements.
- The EU Trade Helpdesk offers [a list of legislation applicable to products](#) exported to Europe. Use your product code to find what legislation applies to your product.
- Contact [Open Trade Gate Sweden](#) with any questions you may have on regulations for the Swedish and European markets.
- You can find out product withdrawals and market rejections on the [RASFF \(Rapid Alert System for Food and Feed\) portal](#). This will give you an idea of common problems with your product in the market.
- Similarly, [RAPEX \(Rapid Alert System of dangerous non-food products\)](#) lists product withdrawals and border rejections for non-food products. Find your product to know which problems are common with it.
- Find out which private sector standards are used in your target market using the [ITC's Standards Map](#).
- Follow the ITC's e-learning course [Introduction to Corporate Social Responsibility](#).

## Step 6: In which market segment do your products fit?

### Why this step is important

Different segments within the same market will give different importance to factors such as price and quality, but also volumes, colours, flavours, trends, and anything else that may be relevant in your product's case.

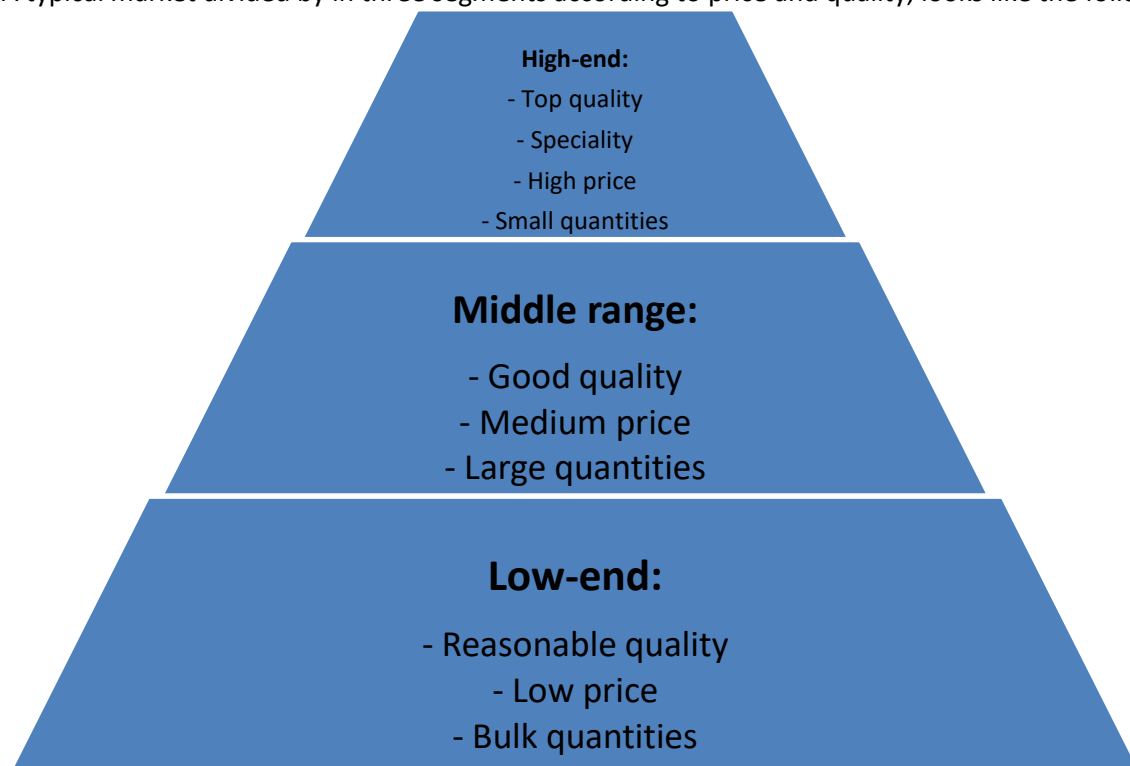
You need to identify where your product fits to know in which segments to look for buyers or if you need to change anything to fit in a different segment. A better fit means a better chance of finding buyers.

### What you need to know

There are several ways of dividing a market into segments, depending on your sector and target market. The most important is to identify a group of consumers which you can target. By doing so, you can investigate the needs and requirements that your segment has, and adapt your assortment to them.

Price range and quality requirements are two of the most important factors when identifying a market segment. You need to find out in which price range your products fall in your target country, and find out if your products meet the quality requirements that apply in that segment. Note that both price range and quality requirements within one segment may differ between your existing markets and your new target market.

A typical market divided by in three segments according to price and quality, looks like the following :



A target market can also be divided based on other factors, for example:

- Age: Europe's population is getting relatively older and products and services designed for the segment targeting older people specifically could offer opportunities

- Background: ethnic populations familiar with exotic products could be interesting market-entry segments
- Function: final products for different uses, or ingredients and materials for manufacturers

**Tips, including sources and assistance:**

- Find your relevant market segments on [our market information platform](#). Choose your sector and look up our information on market channels and segments.
- Identify your current customer and draw up a profile based on indicators, such as demographics, that is, age, gender, households, etc. This will give you a starting point for identifying segments in the European market.
- Find products similar to yours on offer in your target country through internet research. This will give you information on price range and, to some extent, a general indication of quality.
- If you offer raw materials or ingredients, you may not need to know in which segment your product ends up, as different buyers distribute to different segments. In this case, you do not need to focus on segments in your research, but rather on finding the right buyers.

Quote:

Every country is different. Some countries like subtler colours, other flashier styles. You have to realise that even if your product is great, it needs to go the right market.

Andrew Mutisya  
Head of Business Development Bawa Hope, Kenya



## Step 7: Through which channel can you reach your European buyer?

### Why this step is important

Having identified your European market and segment, you can now start identifying your buyer. What is the role of your buyer in the supply chain? This is what you need to know in order to find the right player in the chain. It depends on what channels your products go through to reach their final destination: the end customer. In order to approach the right buyer, you must know what the market channels look like.

### What you need to know

Who are your target customers? Why would they buy your products? Would they buy your products from another player in the market? Identify what types of market players are active in your target market: importers, wholesalers, retailers, etc. By doing this research, you will be able to map out the supply chain and see what type of partner fits best for you to do business with.

Below are examples of different types of market players you can find in a market. Note that one company could play various of these roles at once:

- **Agents or brokers:** act as your representative in your target market, do not import or own the product, but take a share for matching you with buyers.
- **Importers, wholesalers and distributors:** import your goods to resell them on the market, provide warehousing. Know the market and will therefore distribute your products to their own networks. Some operate in niche markets.
- **Manufacturers and processors:** use your product as input for their own products. May also act as importers, but often buy from any of the market players mentioned above.
- **Retailers:** sell to end consumers, but can also act as importers, although less common in direct trade than any of above.

In most cases, you will do business with a company in the middle of the chain, a European importer, which will sell your products onwards to other players in Europe.

Example of channel for a given product:



### Tips, including resources and assistance:

- Find which trade channels are most common in your sector. Look up your sector on [our market information platform](#), and choose the study on market channels and sectors.

- Are you considering working with agents or distributors? Read about the [advantages and disadvantages of working with agents and distributors](#) before making a decision.

## Step 8: Where can you find a buyer?

### Why this step is important

Once you have identified the role your buyers play in the supply chain, the next step is to find out where you can meet them. Buyers also look for suppliers; the trick is to find out where so that you can make sure you find each other.

### What you need to know

- **The internet** is a very important meeting place. Make sure your buyer can find you online. A good website is your online business card and often the first impression a buyer gets of you. Your website should be easy to read, use quality photos, be up to date and search engine optimised — to mention just some features that make up a good website.
  - **Online visibility** through sector or trade databases and platforms also increases your chances of being found. You can also find buyers active online on these lists.
  - **Social media** allows you to connect with businesses for different purposes. For example, social networks, such as LinkedIn, Twitter and Facebook connect you with people and brands. Media sharing networks, such as Instagram, Snapchat and YouTube can be used to raise brand awareness.
  - **Sector associations** also offer member lists. If you participate in a sector association, a buyer can find you. Likewise, you can find buyers in sector association member lists.
  - **Trade fairs** are important meeting places for buyers and suppliers. Visiting a trade fair will give you the chance to talk to potential buyers in person, and exhibiting will of course give you even more visibility. As a first step, however, you can also use the exhibitors list posted on the trade fair websites to find potential buyers in your sector.
  - **Trade missions** are naturally a great way of meeting potential buyers, since groups of companies travel together to meet potential buyers. Trade missions require an investment, but if you find one that matches your needs, it could be a good option.
  - **Your country's embassy** in your target country may also be able to offer advice on where to find buyers.
- Searching on the internet**, looking up potential buyers, is also a way of finding buyers. Their websites will give you a first impression of whether your products fit in their assortment.

### Tips, including sources and assistance

- [See our tips on finding buyers](#) on our market information website. Choose your sector and then click on the study on finding buyers. You can also use the study to look up the most important European trade fairs for your sector.
- Invest in a professional website. Buyers do their research too, and the internet is a good first place to look. Your website is the first impression a buyer gets from your company and can determine whether or not they want to get to know you.
- Increase your network through social media, using Facebook, LinkedIn, Instagram, Pinterest and Twitter.
- Find out which online platforms are used in your sector. You can find buyers and other suppliers there, and perhaps even promote your own company there.

- Find out if business support organisations, sector associations or your government organise trade missions that you can take part of. Check out their websites and subscribe to their newsletters to stay up to date.
- Contact your country's embassy in the target country to find buyers; they may be able to assist. Make sure you submit enough information and be specific in your request, so you have the best chances of receiving practical and useful information.



## Step 9: How can you approach a buyer?

### Why this step is important

Buyers are contacted every day with offers from suppliers. They do not spend much time on each offer they get. It is up to you to present an offer that grabs their attention: show your buyer that you understand their business.

### What you need to know

Show interest in your buyer. Check their website, find out what they already offer. Do you have something new and different or the same as the competition? Find out about your buyers' business, market, customers and needs. This way you can offer them solutions that meet their needs or match their requirements. Presenting your offer in such a way has a better chance of getting attention; it shows you know what your buyer is looking for, and that you have a solution.

Buyers operate according to the requirements and trends that apply in their country and segment. These are the steps you have covered in the previous steps in this guide. Your assortment needs to fit in your buyer's supply chain. Buyers source products around the world. If they source all products from one continent, region or country, they are less likely to make an exception for just this one product. You can therefore look for buyers already sourcing in your region. Alternatively, you can look to complement your assortment, for instance, by working with other exporters in your region.

Price will certainly be part of your offer, and part of what a buyer is interested in, but it is not the only concern a buyer has. Doing your research on your potential buyer, and being able to meet other needs and preferences they have can make price less important.

In the end, business is done between people. Understanding each other is important. Placing your product in your buyer's assortment and looking at it from their point of view is one of the things you can do.

Make sure you are aware of cultural differences and bear them in mind when you approach your potential buyer. When you do your research on your buyer, also find out how business is done in their culture, such as whether being strictly business or doing small talk is appreciated or not.



Figure 2: A buyer considers several aspects in the sourcing process. Do the products fit the market? Does sourcing from this company fit with the rest of the channel? Does communication with the supplier run smoothly? And is the price right?



Finally, sending samples to your potential buyers will in many cases be part of the process. When you send samples, make sure they are representative of the batches or lots you will deliver. If you receive an order, deliver the same quality as your samples. If it is not possible, inform your buyers of that to avoid them returning your products and creating a negative image of your company.

#### Tips, including sources and assistance:

- Learn about your potential European buyer on [our market information platform](#). Look up your sector, then go to the studies on finding buyers and doing business.
- [Learn about the culture in your target market](#) so that you know how to approach your buyer in a way they can appreciate

# Step 10: How do you negotiate a deal?

## Why this step is important

A business deal commits both you and your buyer to obligations towards each other. Obligations, which you must then meet. This is why it is important to be well prepared and realistic both in your offer and in your expectations when negotiating a deal. You must be able to keep your promises. Failing to do so would damage both your relationship with your buyer and your company's reputation.

You must also make sure that what you get out of the deal is good for your company. The expectations and obligations work for both sides.

## What you need to know

An agreement between you and your buyer will list the terms and conditions under which your products are traded. This includes payment terms, delivery terms, minimum order packaging and other arrangements. The agreement specifies what is agreed and what you are bound to deliver. It defines the responsibilities, liabilities and risks.

Before you make a proposition, be sure to know your buyer's needs. Listen well and turn requirements, needs and wishes into a proposition. This will be the starting point of your bargaining, if you are able to offer what your buyer is looking for.

When entering negotiations, be prepared to know what you can offer, so your buyer will also know what to expect from you. How much is your product worth in your target market? Which quantity can you offer at a minimum and maximum? Having your own terms and conditions is a professional way of doing business, it will save time spent discussing basic issues and avoid misunderstandings.

Familiarise yourself with [INCOTERMS](#), which set rules and guidance for worldwide trade. INCOTERMS divides responsibilities between exporters and importers when it comes to coordinating and paying shipment, insurance, duties and customs clearance, and required documentation. For example, insuring goods during transport is important in case things go wrong, so you need to agree on who pays for it, you or the importer.

Prepare by also learning more about your buyer. Check that the company you are looking to enter into a business relationship with is reliable and financially sound. Just as you did before approaching a buyer, take some time to learn about the culture your buyer comes from. How are business negotiations done? How can you best behave and what can you expect in return when negotiating a deal?

Finally, if the negotiations between you and your buyer are successful and lead to a contract, it means your agreements will be confirmed in writing and legally signed. A contract includes at least the following:

- Product description: description, quality, quantity, certificates and other details
- Delivery: according to applicable INCOTERMS;
- Price: including currency;
- Payment conditions: means and time of payment;
- Documents: commercial invoice, packing list, insurance, certificate of origin, certificate of inspection, customs documents, other documents.

Once an agreement has been reached, it is important to stick to it. Not meeting your obligations will damage your reputation and could lead to loss of future orders. Delivering what you promise, according to what you have agreed, sets the basis for future, long-term, business with your buyer.

#### **Tips, including sources and assistance:**

- Familiarise yourself with how business is done in Europe in your sector. Look up your sector [on our market information platform](#) and read our studies on doing business in Europe.
- [Learn about the business culture of your buyer](#) in order to prepare for negotiations.
- Research the company you want negotiate with. Credit insurance companies and local chambers of commerce may have company information you can use.
- [Make sure you know the INCOTERMS rules](#), which are used in international contracts worldwide.
- Know what will be included in the contract you are negotiating. You can [look up the ITC model contracts as examples](#), so you know what you can expect and what you need to focus on in your preparations.
- Make sure you know which costs to include when you calculate price. Follow [this example of export pricing](#) for an overview.
- Follow the ITC's [e-learning course on export sales and negotiations](#) or [introduction to cross-border contracts](#).
- [Watch this video for exporters from the US on business travel abroad](#). While some information is specific for American businesses, much of it is useful for you as well.

# Step 11: How can you organise logistics and customs procedures?

## Why this step is important

Shipping your products to Europe and clearing them through customs is putting your business deal into practice. You must organise this well for the process to run smoothly. If things go wrong, the consequences can be costly and an unhappy buyer.

Knowing what the customs procedures are and which logistics options you have to choose from will allow you to make the right decisions.

## What you need to know:

### Shipping and logistics

There are different ways of transporting goods to Europe, the means of transport that provides the best option for you will depend on your home country and product. In general you can choose from a combination of:

- Truck : highly flexible, bulk and finished goods;
- Rail: limited flexibility, bulk and finished goods;
- Air: faster, expensive, high-value finished goods;
- Marine: slow, large volumes, cheap, bulk and finished goods;

There are several international freight forwarders and logistics agents for you to use. Some include all documentation needed for international trade in their services, others only arrange transportation. Discuss the different options with your buyer.

### Documents for customs clearance

The following documents are needed for customs clearance in Europe:

- Customs Import Declaration (SAD): All goods imported into the European Union (EU) must be declared to the customs authorities using the [Single Administrative Document](#) (SAD). This is the common import declaration form for all EU Member States.
- Commercial Invoice: The commercial invoice contains the basic information on the transaction and it is always required for customs clearance.
- Customs Value Declaration: The Customs Value Declaration is a document, which must be presented if the value of the goods exceeds €20,000. The main purpose of the document is to fix the customs value for taxation and apply tariff duties.
- Freight Documents (Transport Documentation): Bill of landing, FIATA bill of landing, road waybill (CMR), air waybill (AWB), rail waybill (CIM), ATA Carnet, TIR Carnet, among others.
- Freight Insurance: The insurance invoice is required for customs clearance only when the relevant data does not appear in the commercial invoice.
- Packing List: The packing list (P/L) provides information on the imported items and the packaging details of each shipment, including weight, dimensions, handling issues, etc.

### Taxes and duties

All EU member states apply the same common customs tariff (CCT). Different rates of duty apply to different products, also depending on the origin.

When classifying your goods, the European Union uses a system called the Combined Nomenclature (CN). The first six digits follow the international Harmonised Systems Nomenclature (HS codes). The specifications adding to the HS codes are specific to the European Union, going to eight and 10 digits.

Correct classification is important as it determines applicable duties. You also need the correct classification for your shipping documents. If your products are not classified according to the correct CN code, it may result in delays in clearing your goods.

Note that the same Combined Nomenclature is used for statistical data, as presented in [Step 4: Is there a European market for your products?](#)

VAT (Value-added tax) is not harmonised in Europe. VAT on imported goods is paid according to the rates that apply in the target country.

#### **Tips, including sources and assistance:**

- Look up information on doing business in Europe for your sector on [our market information platform](#). Choose your sector and read our study of tips on doing business in Europe.
- Read our [information on terms and conditions](#) developed for the Home Decoration and Textiles sector, but applicable to other sectors as well.
- Have a good understanding of how international shipping works before you investigate your options. [This video describes the basics of shipping](#).
- Research the best ways of shipping your goods to Europe. Contact different freight forwarders and logistics agents and compare their offers and services.
- Contact [Open Trade Gate Sweden](#) with questions on official rules, procedures and technical requirements that apply to exports to Sweden and the European Union.
- Read up on [the documents that are needed for customs clearance in Europe](#).
- [Get familiar with export documentation](#).
- Follow the ITC's [e-learning course Introduction to International Transport and Logistics](#).
- [Look up which rates of duty apply to your products in the EU Trade Helpdesk](#). First identify your product code, based on the Combined Nomenclature. This will help you to obtain and provide information on, among others, import duties.
- Look up the VAT for your target country on [the European Commission website](#).
- Look up which tariff rates apply to your products on the [EU Trade Helpdesk](#)





# Step 12: How can you grow your export business to Europe?

## Why this step is important

Getting a first order is a milestone. Keeping the orders coming means doing and staying in business. Innovation, new products, new services, staying ahead of the game and identifying new opportunities are all possibilities. In all cases, to become a long-term supplier, you must establish and keep good relations with your buyers.

Trust is key in a good relationship. Your buyer needs to know that you are honest with them, and that if there are any problems or if something goes wrong, you will let them know immediately.

## What you need to know

Clear and honest communication is important when building a good relationship with your buyer. Being honest means not raising expectations you cannot meet; simply keeping your buyer up to date is equally important. Keep your buyer informed of developments in your company throughout the year, also when there are no running orders.

European buyers expect to be kept informed, not only about good news, but definitely about problems, such as delays and quality issues, as well. If something goes wrong, your buyer expects you to inform them immediately. This means giving them time to take action towards their clients.

Transparent communication is a way of showing you understand your buyer's needs. In addition, you can show an interest in them to get to know their business better. This will allow you to better understand their interests, which could even lead to more business opportunities.

Be available to your clients, make sure they can reach you and reply to their enquiries and emails within a day. If the request is complicated and you need more time, still reply to let them know you have received the request and that you will look into the question.

Finally, be aware of cultural differences. Continue learning about the culture of your buyer, just as you started learning about their business when first approaching them. Remember that there are cultural differences across Europe, and no two countries are the same. Always bear in mind the common business practices in your target country, such as when to schedule meetings, dressing codes, greetings, giving gifts, and so on. That way you will know what your buyers are used to, what could embarrass them and what they are likely to appreciate.

## Tips, including resources and assistance:

- Check out our [tips on doing business in Europe](#) for your sector. First choose your sector, from there click on the study on doing business in Europe.
- [Learn about the culture in your target market](#) and bear cultural differences in mind when you communicate with your client.
- Be clear in your communication, keep your client updated about any changes; also when you have negative news. If you have many buyers, keep them up to date by sending out newsletters, for example.
- Be easy to reach and reply quickly to emails and other requests within 24 hours.
- Show your client that you are interested in their business.
- Only promise what you can deliver.