



How to break down international barriers

Insights to help make going global easier



Remember that you're not alone in your endeavor. Don't wait until there is a problem before you ask for help. There are many resources and subject matter experts who are available to assist, either online, in-person or over the phone. Visit [ups.com/comebackstrong](https://www.ups.com/comebackstrong) where a team of UPS Ambassadors are ready to help you grow around the globe.

Global logistics has a complex language all its own and businesses of all sizes undergo similar challenges. These include sourcing materials, warehousing, product distribution, cost, visibility, transportation and foreign regulations—just to name a few.

It can be a daunting experience even for veteran exporters, but fluency means entering new markets flawlessly (and penalty-free). To ensure a smooth international expansion, business owners should be aware of the **three most common errors**:

1. Assigning the incorrect value to goods
2. Misclassifying goods
3. Misstating the country of origin on a product shipment



Incorrect value

Assigning the incorrect value to goods is a common error among entrepreneurs since different countries have different definitions of value. Companies sometimes think that a different value can be used for shipping goods to a subsidiary as opposed to a customer, but the predominant rule is that the same value should be applied. To further complicate matters, different countries have different rules on whether the cost of packaging and transportation should be included in the valuation.



Misclassifying goods

Like assigning incorrect values, misclassification of goods is another common mistake that new and experienced exporters make. For example, suppose you classify an optical instrument that is something other than a binocular, as a binocular. The binocular is duty-free, whereas the other item has duties of six per cent. Misclassification could mean that you circumvented export control regulations (which cover strategically important technology, services or information). At the very least, you have to pay back duty plus interest.



Country of origin

Declaring a country of origin sounds simple, but in today's global manufacturing environment, it can be tricky. For instance, a technology manufacturer may source components from multiple countries and assemble those components in yet another country. Is the point of assembly the country of origin? The short answer is: it depends—but in most cases, 50 per cent of what makes up the product typically determines the country of origin.