



How to Start Importing from China

A beginner's guide





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The time for investing in Africa-China trade has never been better.

We see our role as a pivotal economic enabler to grow thriving continental trade, and to this end, we leverage our extensive footprint, expertise, partnerships and trade solutions to unlock new opportunities and create value.

An end-to-end trade solution eco-system

With **Trade by Standard Bank**, we aim to be a partner in your growth journey and create a secure and trusted environment for you to trade in, by providing an end-to-end trade solution ecosystem.

Africa is our home

When it comes to trade across the African continent, Standard Bank Group Limited (also trading as Stanbic Bank) is well-favoured due to our unique positioning. As the largest African banking group by assets and earnings, operating in 20 countries in the sub-Saharan region our on-the-ground presence and regional expertise are unparalleled. Our footprint, coupled with the African Continental Free Trade Area (AfCFTA), opens opportunities for African-based businesses with aspirations to grow continental trade.

Direct access to the Chinese market

Our partnership with the world's biggest bank, the Industrial and Commercial Bank of China (ICBC), has resulted in a

powerful strategic collaboration that enables us to provide our customers with direct access to one of the world's strongest economies. Not only has this partnership already grown trade and investment between Africa and China, but we also continue to work together on various initiatives to build and strengthen unique import and export propositions for increased business between Africa and China.

That said, there are many risks that stand between importers and the benefits they hope to reap from trade with China. The objective of this handbook is to provide insights on how to equip your business for importing from China and share solutions for how to overcome common challenges and risks.

Learn more

If you'd like to learn more about how we can support your business in this arena, please email us at: AfricaChina@standardbank.co.za

Warm regards,

Standard Bank: Head of Trade and Africa-China, Business & Commercial Banking



1

Importing from the World's Factory

Known as the 'world's factory', China provides importers with unrivalled range, capacity and scale at cost-effective prices.



1.1 What are Imports?

Imports are goods (raw materials, semi-finished, finished etc.) or services acquired by businesses, the government, or citizens from another country via air, sea, road, rail, or post. These goods can also include transmission commodities such as crude oil, natural gas and their derivatives – and other liquids and gases transported through cross-border pipelines as well as electricity transmitted through cross-border transmission lines – depending on where they are imported from and where they are exported to.

1.2 WHY IMPORT?

Countries are most likely to import goods or services that their domestic industries do not or cannot produce or provide, as efficiently or cheaply as the exporting country.

1.3 Why Import from China?

Importing from China offers several advantages for businesses and consumers. Here are some of the key reasons why importing from China is popular:

1.3.1 Cost-Effectiveness

China is known for its cost-effective manufacturing capabilities and relatively low labour costs. This enables businesses to source products at competitive prices,

which can result in higher profit margins or more affordable prices for consumers.

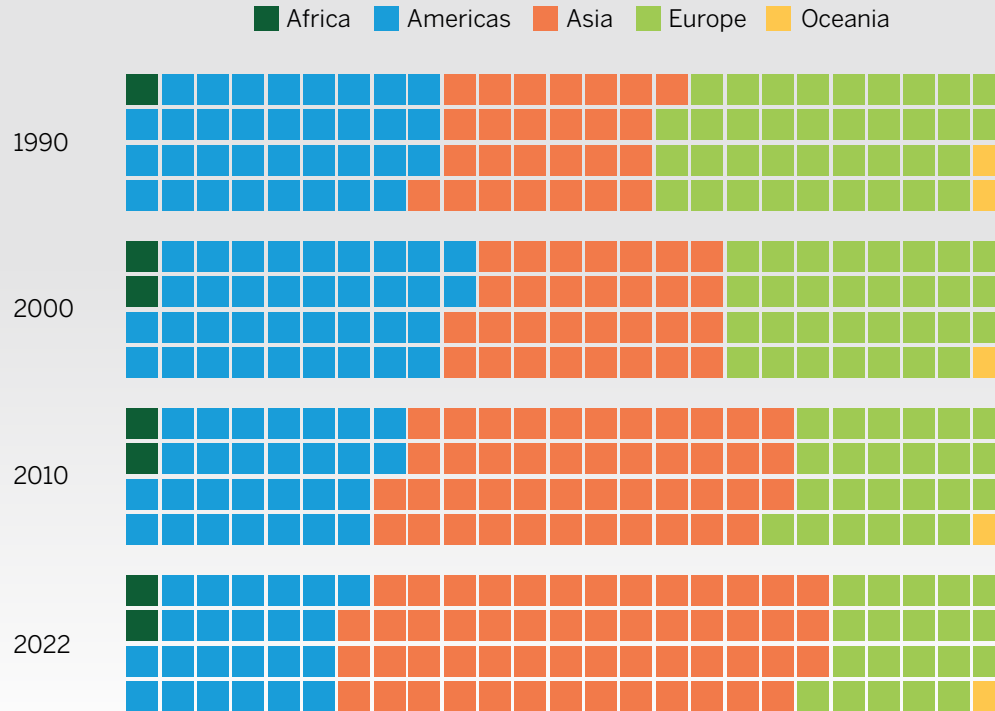
1.3.2 Wide Range of Products

China has a diverse manufacturing base and produces a vast array of products, ranging from electronics and machinery to textiles and consumer goods. This extensive product range makes China a one-stop destination for businesses looking to source multiple products.



China's Industrial Transformation

Percentage share of World Manufacturing Value Added (MVA) by Geographical Region



The Manufacturing Value Added (MVA) of an economy is the total estimate of the net output of all resident manufacturing activity units and is calculated by adding outputs and subtracting intermediate consumption.

SOURCE: United Nations Industrial Development Organisation

China's Industrial Transformation

Percentage share of World Manufacturing Value Added (MVA) by Geographical Region

- In the 1990s, Northern America and Europe accounted for over 60% of world MVA, while Asia and Oceania contributed less than 30%.
- Global production has gradually shifted away from traditional industrialised economies in the last three decades leaving Northern America and Europe with a share of 38% in 2022, while the contribution of Asia and Oceania increased to 5%.
- In this time, China has established itself as the world's manufacturing powerhouse, with its share of global manufacturing rising from 3.5% in 1990 to a staggering 30.5% in 2022.
- To put this share into context, the five top Asian performers that follow, Japan (6%), the Republic of Korea (3.1%), India (3.1%), Taiwan Province of China (1.6%) and Indonesia (1.5%), jointly account for less than half of China's global share.
- Meanwhile, contributions by Latin America and the Caribbean plunged from 8.7% in 1990 to just 4.8% in 2022 and Africa accounted for the smallest share of global manufacturing among the main regions, with 2.0% in 2022.



SOURCE: United Nations Industrial Development Organisation



1.3.3 Manufacturing Expertise

China boasts a sophisticated manufacturing ecosystem, with cutting-edge infrastructure and a highly adaptable workforce. This depth of experience and expertise translates into a vast array of products across diverse categories, enabling importers to balance price and quality with unparalleled flexibility.

1.3.4 Scale and Capacity

China can handle large-scale production orders, making it suitable for businesses requiring bulk quantities. The country's manufacturing infrastructure and supply chain networks are highly developed, allowing for efficient production and timely delivery.

1.3.5 Access to Technology

China has made significant investments in technology and innovation. As a result, it has become a global leader in certain industries, such as electronics and telecommunications. Importing from China provides access to advanced technologies and cutting-edge products.

1.3.6 Flexible Manufacturing Options

Chinese manufacturers can often accommodate customisation and provide flexible manufacturing options. This allows businesses to tailor products to their specific requirements, including branding, packaging, and design modifications.

1.3.7 Trade Agreements

China has established trade agreements and partnerships

with many countries, which may provide favourable trade conditions, reduced tariffs, or streamlined customs procedures. These agreements can facilitate smoother import processes and lower costs.

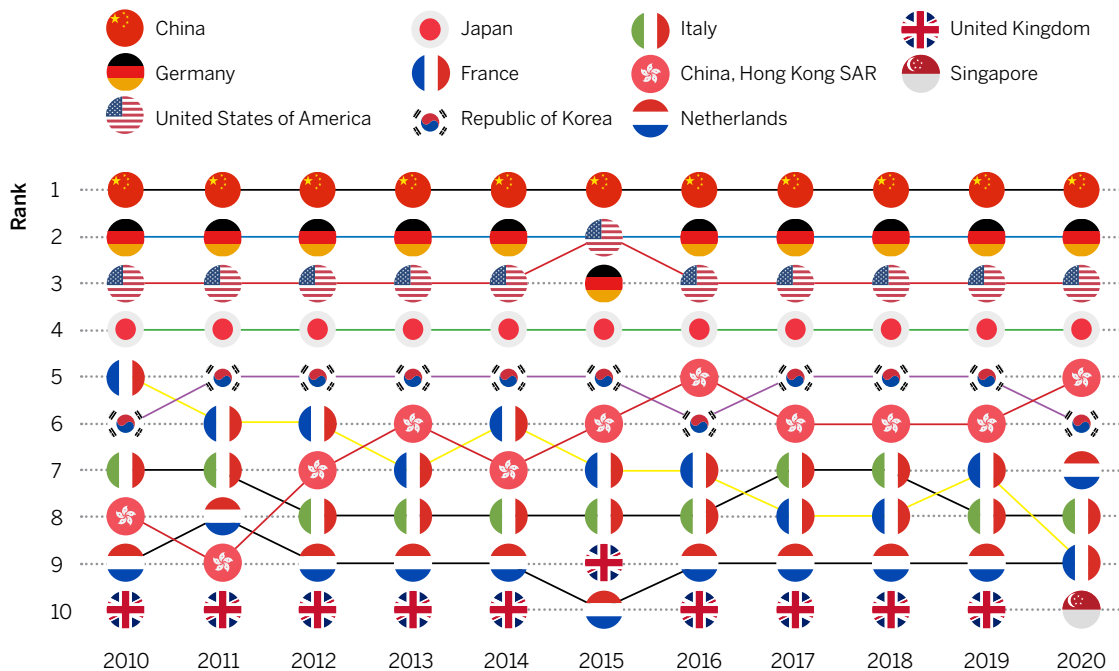
1.4 China's Industrial Transformation

- In the 1990s, the world's manufacturing hubs were concentrated in Europe and the Americas. However, the manufacturing landscape has steadily changed over the past three decades, with global production gradually moving away from traditional industrialised economies and into Asia, **which currently accounts for 54.1% of the world's manufacturing**.¹
- Within the Asia region, China has established itself as the world's manufacturing powerhouse. **China's share of global manufacturing has steadily grown from 3.5% in 1990 to a staggering 30.5% in 2021.** To put this share into context, the two top performers on the Asian continent that follow China are India at 3.2% and South Korea at 3.1%, accounting for a much lower share of global manufacturing, despite remaining important manufacturing players worldwide.²
- **China has remained the top manufacturing exporter in the world since 2010**, followed by Germany, the USA and Japan. Together, these four countries account for around 38% of world manufacturing exports.³

SOURCE - 1,2,3: United Nations Industrial Development Organisation

Top 10 Economies in the CIP Index

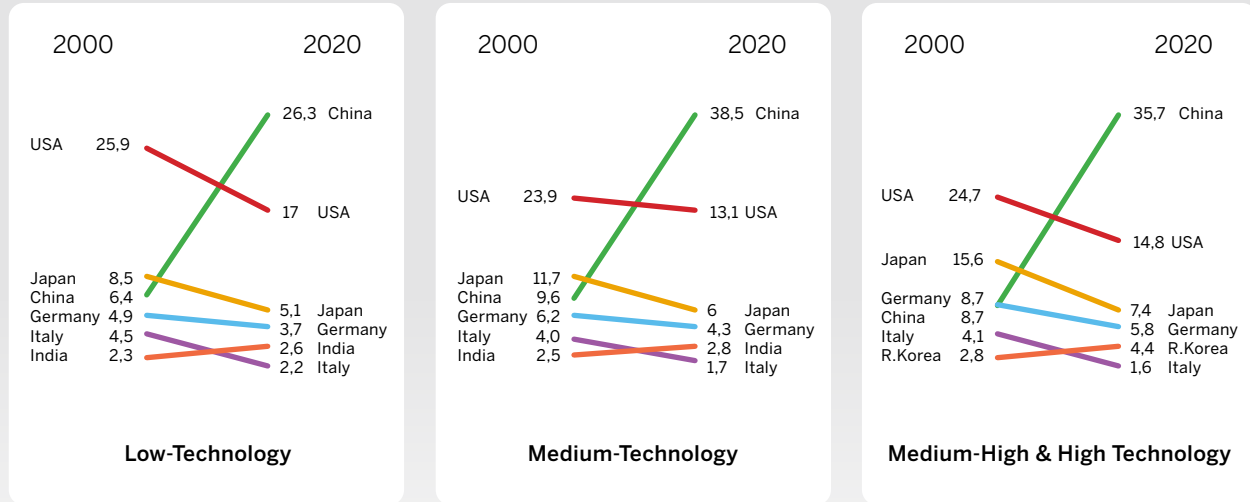
The world's leading manufacturing exporters



SOURCE: United Nations Industrial Development Organisation

Leading Manufacturers by Technological Intensity

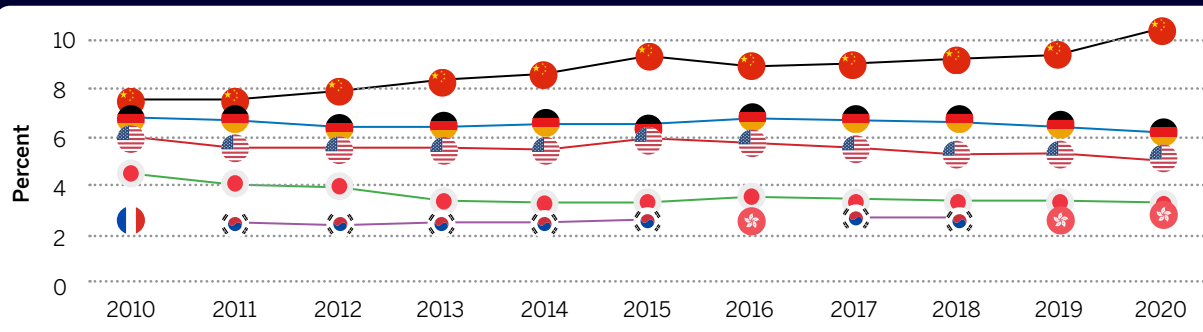
Percentage of global production by country



- China's transformation into the 'world's factory' is clearly visible across several industries. **By 2020, China had become the leading manufacturer of low-technology (LT), medium-technology (MT), medium-high (MHT) and high-technology (HT) products.**⁴
- The United States of America (USA) ranks second in all three categories, followed by other large industrial economies, such as Japan and Germany.

SOURCE - 4: United Nations Industrial Development Organisation

Share of Top 5 MHT Exporters in Total MHT Exports



- In terms of technology intensity in manufacturing exports, **China remained the top MHT (medium-high and high-technology) exporter throughout the period between 2010 and 2020**. The top five MHT exporters comprised around 27% of MHT world exports from 2010 to 2020. While Germany, the USA and Japan showed a clear declining trend, China registered a sustained increase, growing from 7.8% in 2010 to 10.4% in 2020.⁵
- China embraces 41 major industrial categories, 207 industrial medium categories, and 666 industrial sub-categories. China's economy is the only country in the world which comprises all the industrial categories listed within the United Nations industrial classification system, which means **China has the capability to manufacture any category of product that the world market requires**.⁶



Despite these advantages, it's worth noting that there can be challenges associated with importing from China, such as language barriers, cultural differences, intellectual property concerns, and logistical complexities.

SOURCE - 5: United Nations Industrial Development Organisation. SOURCE - 6: China Ministry of Industry and Information Technology



1.5 Suppliers and Communication in China

Even though China has the world's largest social media base with highly engaged and mobile-savvy users, its market composition varies considerably from the rest of the world.

Due to the 'Great Firewall of China', as the Chinese government's Internet censorship project is commonly referred to, Facebook, X, YouTube and other leading international social media players, are all blocked in the country. However, the Chinese social media market is not incomparable with its Western counterparts.

China's media landscape in terms of social networking almost mirrors that of the rest of the world with the exception that each of these sites is a domestically engineered platform.

While email remains a common tool, the social media app, WeChat, reigns supreme in China. It is the preferred destination for establishing business relationships and storing contacts. Whether in online or in-person meetings, Chinese professionals prefer sharing WeChat details over exchanging business cards or other contact details.

WeChat's translation feature enables users to translate instant messages and use their smartphones' cameras to translate text in images from English to Mandarin and vice-versa.



Downloading it will ensure smoother interactions with suppliers, since WhatsApp is limited in China's digital landscape.

Businesses need to conduct thorough research, and due diligence, and establish strong relationships with reliable suppliers to ensure a successful importing experience.

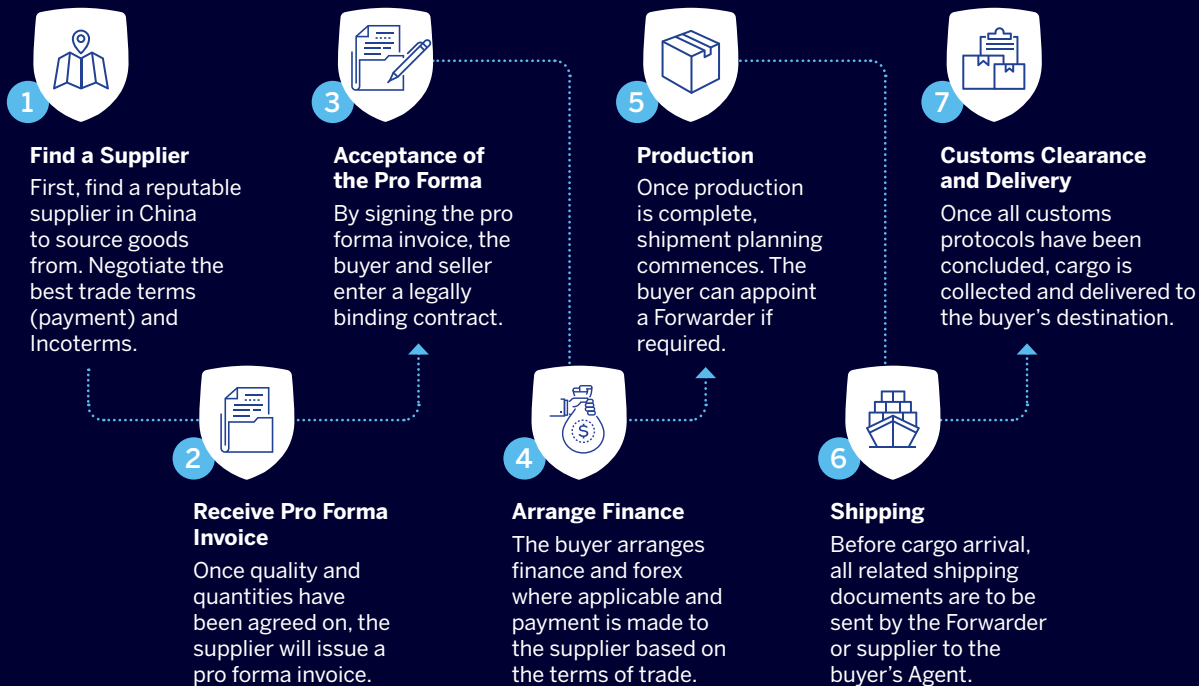
Read Chapter 4 in this guide to see how we can assist.

2

Understanding Importing

Before embarking on your first import endeavour, it's crucial to get to grips with all the steps and regulations associated with the import process.

2.1 Understanding the Import Journey



2.2 How to Become an Importer

When it comes to registering and acquiring an importer's license/permit, each country is governed by its own customs regulatory requirements and laws. It is essential to ensure that these are adhered to, as failure to do so can result in heavy penalties or fines.

Visit the links listed below to familiarise yourself with the steps and process to register as an importer in your respective country.

COUNTRY	CUSTOMS BODY	WEBSITE
Angola	Angola Customs Authority	https://www.minfin.gov.ao
Botswana	Botswana Unified Revenue Services	https://www.burs.org.bw
Eswatini	Eswatini Revenue Services	https://www.ers.org.sz
Ghana	Ghana Revenue Authority	https://gra.gov.gh/customs
Kenya	Kenya Revenue Authority	https://kra.go.ke
Lesotho	Revenue Services Lesotho	https://www.rsl.org.ls
Malawi	Malawi Revenue Authority	https://www.mra.mw
Namibia	Namibia Revenue Authority	https://www.namra.org.na
Nigeria	Nigerian Ports Authority	https://nigerianports.gov.ng
South Africa	South African Revenue Services	https://www.sars.gov.za
Tanzania	Tanzania Revenue Authority	https://www.tra.go.tz
Uganda	Uganda Revenue Authority	https://www.ura.go.ug
Zambia	Zambia Revenue Authority	https://www.zra.org.zm
Zimbabwe	Zimbabwe Revenue Authority	https://www.zimra.co.zw

2.3 Incoterms

Incoterms play a vital role in the world of global trade. Incoterms® 2010 or Incoterms® 2020 may initially seem complicated, however, it's imperative that buyers and sellers clearly understand how they work and their own obligations along the supply chain.

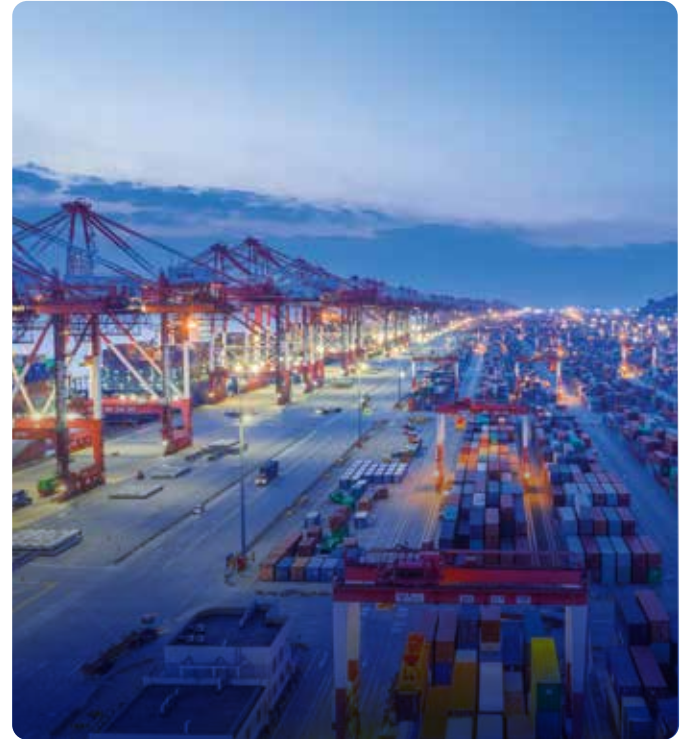
2.3.1 What are Incoterms?

Put simply, Incoterms are the selling terms that the buyer and seller of goods both agree to during international transactions. These rules are accepted by governments and legal authorities around the world.

Understanding Incoterms is a vital part of International Trade because each Incoterm classification clearly outlines the tasks, costs and risks that are associated with the buyer, and with the seller.

Each Incoterm states when the seller's costs and risks are transferred to the buyer. It's also important to understand that not all rules apply in all cases.

Some encompass any mode or modes of transport. The Incoterm FCA, CPT, CIP, DAP, DPU (replaces DAT) and DDP cover all modes of transport (road, rail, air and sea). Whereas the Incoterms FAS, FOB, CFR and CIF cover sea/inland waterway transport only.



All International purchases will be processed on an agreed Incoterm to define which party legally incurs costs and risks. Incoterms will be clearly stated on relevant shipping documents.

2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

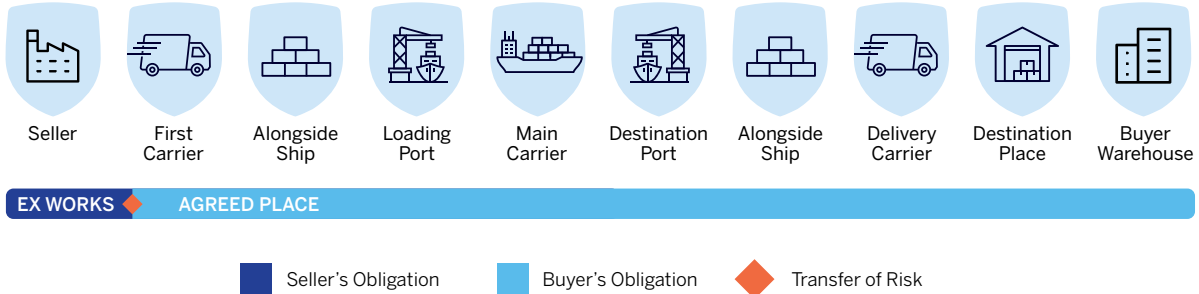
EXW – Ex-Works or Ex-Warehouse

Ex-Works is when the seller places the goods at the disposal of the buyer at the seller's premises or another named place (i.e., works, factory, warehouse, etc.).

The seller does not need to load the goods on any collecting vehicle. Nor do they need to clear them for export, where such clearance is applicable.

EXW, Incoterms® 2020

Point of delivery and transfer of risk





2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

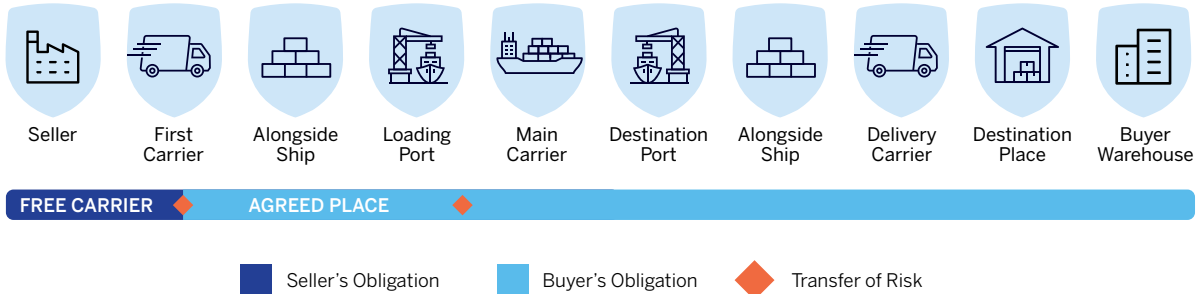
FCA – Free Carrier

The seller delivers the goods to the carrier or another party nominated by the buyer at the seller's premises, or another named place.

The parties are well advised to specify the point within the named place of delivery as explicitly as possible, as the risk passes to the buyer at that point.

FAC, Incoterms® 2020

Point of delivery and transfer of risk



2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

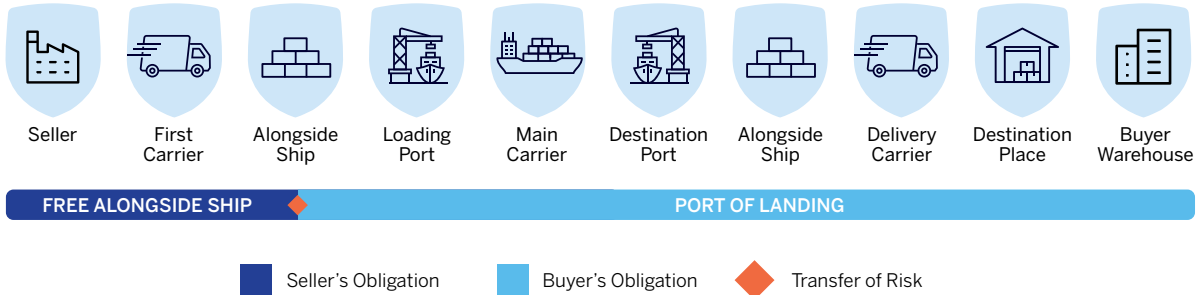
FAS – Free Alongside Ship

The seller delivers when the goods are placed alongside the vessel (e.g., on a quay or a barge) nominated by the buyer at the named port of shipment.

The risk of loss or damage to the goods passes to the buyer when the products are alongside the ship. The buyer bears all costs from that moment onwards.

FAS, Incoterms® 2020

Point of delivery and transfer of risk





2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

FOB – Free On Board

The seller delivers or procures the goods on board the vessel named by the buyer at the named port.

At the time of the completed loading of the container on board the vessel, the risks and costs are transferred to the buyer.

FOB, Incoterms® 2020

Point of delivery and transfer of risk





2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

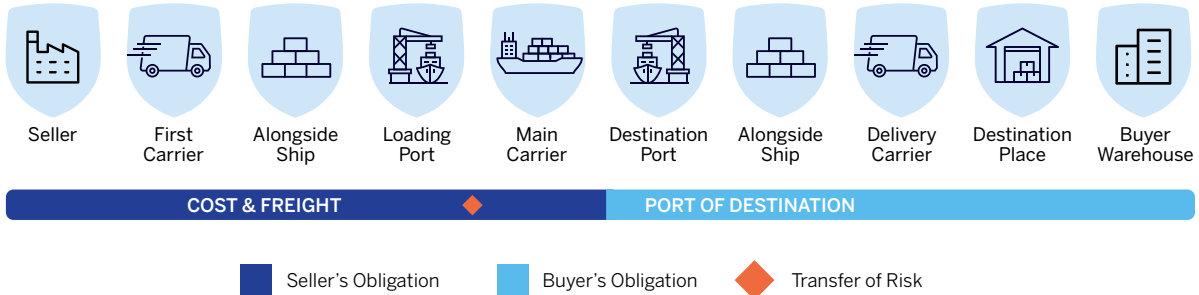
CFR – Cost and Freight

The seller delivers the goods to the buyer on board the vessel or procures the goods already so delivered.

The risk of loss of or damage to the goods transfers when the goods are on board the vessel, and the buyer bears all costs from that moment onwards.

CFR, Incoterms® 2020

Point of delivery and transfer of risk





2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

CIF – Cost, Insurance and Freight

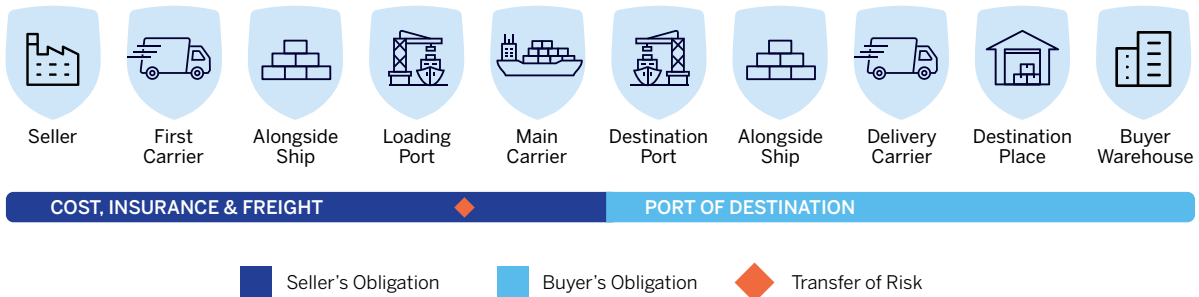
The seller delivers the goods on board the vessel or procures the goods already delivered. The risk of loss of or damage to the goods passes when the products are on the ship.

The seller must contract for and pay the costs and freight necessary to bring the goods to the named port of destination. The seller also contracts for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage.

The buyer should note that under CIF, the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have greater insurance protection, they will need to either agree as much expressly with the seller or make their own additional insurance arrangements.

CIF, Incoterms® 2020

Point of delivery and transfer of risk





2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

CPT – Carriage Paid To

The seller delivers the goods to the carrier, or another party nominated by the seller at an agreed place (if any such site is agreed between parties).

The seller must contract for and pay the costs of carriage necessary to bring the goods to the named place of destination.

CPT, Incoterms® 2020

Point of delivery and transfer of risk





2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

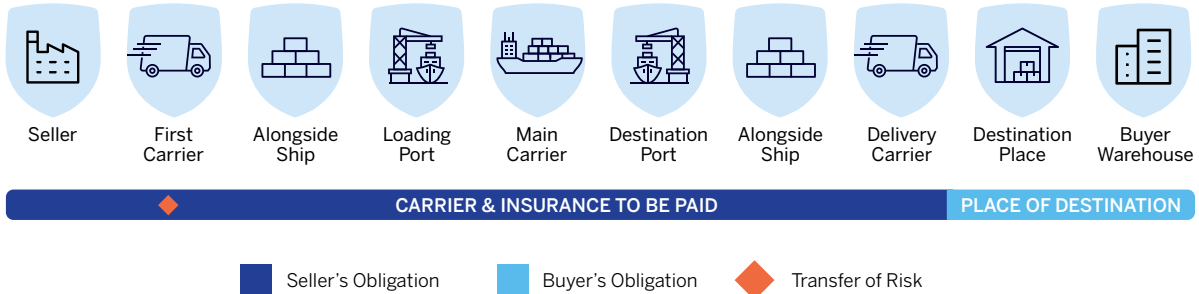
CIP – Carriage and Insurance Paid To

The seller has the same responsibilities as CPT, but they also contract for insurance cover against the buyer's risk of loss of or damage to the goods during the carriage.

The buyer should note that under CIP the seller is required to obtain insurance only on minimum cover. Should the buyer wish to have greater insurance protection, they will need either to agree as much expressly with the seller or to make their own additional insurance arrangements.

CIP, Incoterms® 2020

Point of delivery and transfer of risk





2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

DAP – Delivered At Place

The seller is responsible for all charges and risks in transit until the goods reach their destination, at which point the risk transfers to the buyer.

DAP, Incoterms® 2020

Point of delivery and transfer of risk





2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

DPU – Delivered At Place Unloaded (replaces Incoterm® 2010 DAT)

DPU replaces the former Incoterm® DAT (Delivered At Terminal). The seller bears all risks involved in bringing the goods to and unloading them at the named place of destination.

DPU is the only Incoterms rule that requires the seller to unload goods at the destination.

DPU, Incoterms® 2020

Point of delivery and transfer of risk



2.3.2 An Overview of Incoterms® 2020 for 11 Terms, 7 for any Mode of Transport

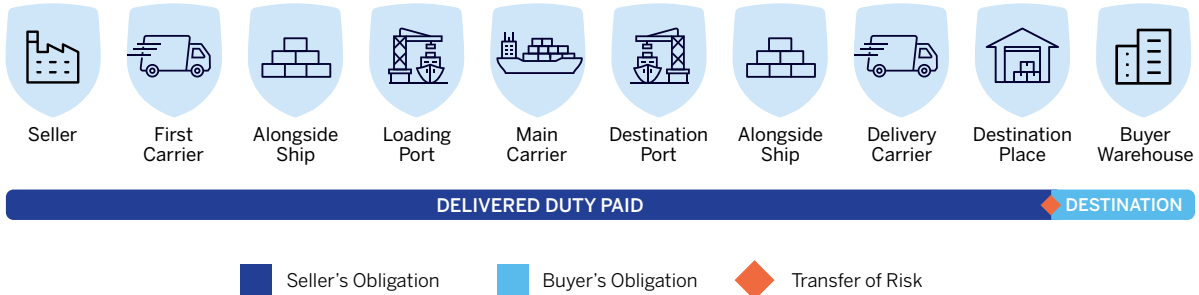
DDP – Delivered Duty Paid

The seller delivers the goods and transfers the risk to the Buyer, when the goods are cleared for import, on the arriving means of transport, ready for unloading (but not unloaded) at the agreed place of destination.

The seller bears all the costs and risks involved in bringing the goods to the place of destination. They must clear the products not only for export but also for import, pay any duty for both export and import and carry out all customs formalities.

DPP, Incoterms® 2020

Point of delivery and transfer of risk





2.4 The Role of Country Customs Administration

Customs Administration plays a pivotal role in facilitating the movement of people and goods that are entering or exiting the borders of a country. Each country mandates their Customs Administrators with priorities – the top ones being:

- Provide border control management, community protection and industry protection (protection and security element)
- Administer trade policy measures and industry schemes (economic element); and
- Collect revenue (fiscal element, directly and in support of tax administration)

For more information on your country's customs and regulations, visit the relevant website address listed in the table on [page 15](#).

2.5 HS Codes and Customs Tariffs

HS (Harmonised System) codes are a standardised system of codes used to classify goods for international trade. They are used by customs officials to identify and assess tariffs and taxes on imported and exported goods.

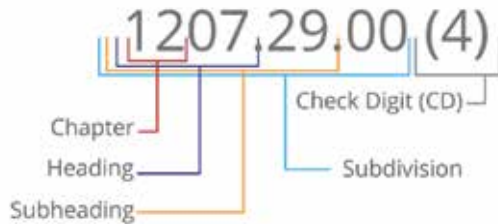
These codes are used to estimate the correct duties and customs value-added tax (VAT) for goods entering any country. HS codes are closely related to customs tariffs because they are used to determine the appropriate duty and taxes for imported goods.

Customs tariffs are taxes imposed by a government on imported or exported goods. Tariffs are determined by country customs; each country is governed by its own customs regulatory body. Each HS code is assigned to a particular product and each HS code corresponds to a specific tariff rate, which can vary depending on the type of product, the country of origin, and other factors.

It's imperative when purchasing goods from China, that the commodity description be as clear as possible, this will assist customs officials to ensure that the correct tariff rate is applied. Failure to divulge the correct information or under-declaring the correct value or product can lead to penalties or even the loss of your importer's licence.



This is a standardised numerical code that is used to classify goods for the purpose of import, export and trade statistics. You can see the structure of the tariff code below:



When purchasing goods for import, the supplier or manufacturer of the goods should provide you with the HS code. Your nominated Forwarding and Clearing Agent may also provide you with guidance on the correct HS code to utilise.

You must ensure that the correct HS codes are provided before your shipment reaches the country of destination for customs clearing.

As a rule of thumb, suppliers are always encouraged to endorse the commercial invoice and the bill of lading with the HS code indicated.



2.6 Role of a Forwarding Agent

Depending on the Incoterm® that you have negotiated with your supplier in China, you may require the services of a Forwarding Agent.

A Forwarding Agent is an agent appointed by the buyer, to facilitate and manage the transportation and movement of goods from China by booking cargo space on a vessel, airplane, or ship (depending on the mode of transport).

The role of the forwarder is critical as they are tasked to coordinate the shipping process, track shipments, and ensure that goods arrive at their destination safely and on time.

They also work with customs officials at the origin port to clear shipments and ensure all documentation is in order.

If you'll be importing goods from China, we can assist you with the forwarding component via our ACTS offering.
Turn to page 41 for more information.



2.7 How to Select a Good Forwarding Agent

Below are some tips to help you select a reliable Forwarding Agent:

2.7.1 Network Coverage

Selecting a Forwarding Agent that has an established worldwide network means they can handle almost any commodity through any one of their offices globally.

2.7.2 Accreditation and Permits

International shipping is highly regulated and adherence to rules and regulations is paramount. A Forwarding Agent with valid licenses and permits solidifies their credibility.

For example, if you're importing dangerous goods, careful planning and execution are required to ensure the safety of everyone involved in the transportation process. Dangerous goods can include flammable liquids, gases, explosives or chemicals that can pose a threat to the environment and human health. In such cases, a Forwarding Agent is required to have the necessary explosive permits to handle and ship dangerous goods.

2.7.3 Quality of Customer Service

International shipping is subject to volatility, it is therefore imperative that your Forwarding Agent knows how to communicate well and timeously with its clients.

2.7.4 Technological Capabilities

The advancement of technology has transformed how people live and do business. A Forwarding Agent that can provide you ease of access to information on your shipment and logistics at anytime, can improve efficiencies in your business.

2.7.5 Scope of Services

Each industry has its own specified requirements when it comes to international shipping. A Forwarding Agent that can offer a range of services, provides you and your business with flexibility and control over your shipping. You can rely on their expertise and resources to ensure your shipments are handled safely and securely – and that they arrive at their destination on time and in good condition.

2.7.6 Risk Mitigation Strategies

Global shipping conditions are typically unstable. Utilising a Forwarding Agent that can mitigate risks and has the knowledge to handle issues as they occur is crucial. They need to be proactive and be able to offer solutions in a timely manner.



2.8 Role of a Clearing Agent

When goods arrive at the port of destination, they will need to undergo a clearance process.

2.8.1 What is a Clearance?

The clearance process includes accepting and checking the goods declaration against the documents produced (invoice, bill of lading, certificate of origin, permits, etc.), examination of the goods if necessary and the assessment and collection of duty and VAT.

Customs may require additional information and may also request samples. Customs may also detain goods on behalf of other Government departments.

The relevant Government department will then ensure compliance with their applicable laws, regulations and rules. Customs values are set by the General Agreement on Tariffs and Trade (GATT) valuation code, which involves six valuation methods. This clearance process is governed by the destination country's customs regulations and can be complex and time-consuming.

A Clearing Agent is responsible for ensuring that customs clearance takes place in accordance with a country's customs regulatory requirements.



Clearing Agents ensure that, through customs, the shipment is compliant and all relevant documentation and permits are submitted in the correct format and time frame in accordance with the relevant country's customs regulations.

Some Clearing Agents also offer inland transportation services and once customs are satisfied with the entry submitted and related documentation/information for a shipment, they release the shipment to the buyer or Clearing Agent who will facilitate the delivery to the destination. Depending on the goods that you have purchased, you may require equipment, such as forklifts, when the transporter delivers the goods to your warehouse or premises.

It is also possible for an agent to facilitate both the forwarding and the clearing role as part of the importation process. It is imperative that you appoint agents who are qualified and well-versed in country customs regulations and procedures.

Turn to Chapter 4 to see how we help.



2.9 Common Shipping Documentation

2.9.1 Pro Forma Invoice

A Pro Forma invoice (PI) is a preliminary bill of sale from the supplier to the buyer. It contains much of the same information as the formal quotation, and in many cases can be used in place of one. It should give the buyer as much information about the order as possible so arrangements can be made efficiently.

2.9.2 Commercial Invoice

A Commercial Invoice is a required document for the export and import clearance process. It is also sometimes used for foreign exchange purposes. In the buyer's country, it is the document that is used by their customs officials to assess import duties and taxes.



2.9.3 Bill of Lading

A Bill of Lading is a legal document that serves as a receipt for goods shipped by a carrier, such as a trucking company or shipping line. It is typically used when importing or exporting goods by sea or air.

The Bill of Lading provides important details such as the names of the shipper and consignee, the type and quantity of goods being shipped, the port of origin and destination, and the expected date of arrival.

The Bill of Lading also serves as a contract between the shipper and the carrier, specifying the terms and conditions of the shipment, including any applicable tariffs or duties.

Bills of Lading can be issued as a 'Telex release' which is simply a message that is sent by the shipping line or agent at the port of load to their office or agent at the port of discharge advising that the shipper or exporter has surrendered one or all of the Original Bills of Lading (OBL) that have been issued to them and that the cargo can be released to the consignee shown on the Bill of Lading without presentation of any OBL.

2.9.4 Certificates of Origin

Certificates of Origin (COO) may be required to comply with the requirements of foreign customs at the country of importation, for letters of credit, or simply at the request of the buyer. There are two types of COOs:

- The first is known as 'generic' or 'non-preferential', which means that the country of origin of the goods stated on the document does not qualify the goods for any preferential treatment at the destination country on the receiving end.
- A second type of certificate may be required to obtain a free trade agreement (FTA) preferential tariff rate.

2.9.5 Packing List

A Packing List itemises the contents of each package (box, pallets, etc). It includes weights, measurements, and detailed lists of the goods in each package. The Packing List should be included in a carton that can be attached to the outside of a package with a copy inside.

This document is used by Forwarding Agents to determine weights and freight costs. It's also used by foreign customs officials to check the contents of a specific package or carton.

Based on the commodity, composition and country being shipped to, customs may call for other certificates and permits that have not been covered in this guide.



It is advisable to check with the supplier, forwarder and clearing agent as well as customs in your country to ensure that you have all the required permits and certificates before goods arrive in your country to avoid incurring storage charges at the port of arrival.

For you to streamline your importation experience, it's advisable that you familiarise yourself with the full importation process, prepare what you can in advance and regularly check in with the relevant process enablers at each point in the supply chain.



Importing Readiness Checklist

A quick reference guide summarising the key stages and requirements of the import process.



3.1 Your Import Readiness Checklist

Here's a readiness checklist that covers the basics to assist you with your first import activities.

Before importing make sure you have completed the following:



3.1.1 Find a Reputable Supplier

Finding reputable suppliers that will meet industry standards and regulatory requirements can be challenging. However, with the advancement of modern technology, access to this information has become easier. Typically, supplier research would begin with a Google search to scan the Internet for relevant web pages.

In regards to locating suppliers based in China, it is not as easy as a simple Google search. This is due to the 'Great Firewall of China', which blocks search engines such as Google, making it an impossible task to locate Chinese suppliers.

So how do you locate credible suppliers in China?

We have the solution. At Standard Bank, we're proud to have a strategic partnership in place with the world's largest bank, the Industrial and Commercial Bank of China (ICBC).

Through this partnership, we're able to make the import process simpler and connect you to trusted Chinese suppliers and manufacturers.

Turn to **page 41** to learn more about how our Africa-China Trade Solutions (ACTS) can help you locate ideal suppliers in China.



3.1.2 Get Your Import/Export License

Check with your Customs Governing body on this process. You can also refer to [page 15](#) and follow the relevant link to familiarise yourself with the steps and processes to register as an importer in your country.

3.1.3 Find Out What the Tariff Codes (HS Codes) of All the Goods in Your Shipment Are

As mentioned in [Chapter 2](#), tariff codes (or HS codes), are used by Customs to classify your imported goods.

Customs duties, quotas and regulations are assigned to your goods according to this classification, so it is crucial to know which code your goods fall under. Turn to [page 28](#) for more info on HS codes.

3.1.4 Determine Whether You Need an Import Permit

In the case of regulated imports, you will require a special permit from certified regulatory bodies or a department of government in your country.

Turn to [page 38](#) to find out if you can benefit from a preferential (reduced) import duty rate. Preferential rates are listed in the tariff book according to duty tax grouping (origin).

These rates may only be claimed if the import is accompanied by a Certificate or Declaration of Origin.

If your tariff code shows a preferential rate relevant to its origin, you can ask your supplier to provide you with a Certificate of Origin.





Countries Offering Preferential Rates and Each Duty Tax Grouping

GENERAL	EU	EFTA	SADC	MERCOSUR	AfCTFA
	<i>EUR.1 Certificate is required</i>	<i>EUR.1 Certificate is required</i>	<i>SADC Certificate is required</i>	<i>SACU-MERCOSUR Certificate is required</i>	<i>AfCFTA Certificate is required</i>
Applicable to other countries of origin, or if no certificate of origin accompanies import.	<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• Iceland• Lichtenstein• Norway• Swiss Confederation	<ul style="list-style-type: none">• Angola• Botswana• Union of the Comoros• Democratic Republic of Congo• Eswatini• Lesotho• Madagascar• Malawi• Mauritius• Mozambique• Namibia• Seychelles• South Africa• Tanzania• Zambia• Zimbabwe	<ul style="list-style-type: none">• Argentina• Brazil• Paraguay• Uruguay	<ul style="list-style-type: none">• Benin• Botswana• Burkina Faso• Burundi• Cabo Verde• Cameroon• Central African Republic• Chad• Congo• Democratic Republic of Congo• Egypt• Equatorial Guinea• Eswatini• Gabon• Ghana• Guinea• Guinea Bissau• Ivory Coast• Kenya• Lesotho• Liberia• Madagascar• Malawi• Mali• Mauritania• Mauritius• Namibia• Niger• Nigeria• Rwanda• São Tomé and Príncipe• Senegal• Seychelles• Sierra Leone• South Africa• South Sudan• The Gambia• Togo• Uganda• United Republic of Tanzania• Zambia

SOURCE: <https://tradelogistics.co.za/tools-and-calculators/import-duty-directory>



3.1.5 Calculate Your Import Tax

Import Duty is paid upon customs clearance.

The only sure way to know the exact Import Duties and VAT total due will be at the time of clearance since the rate of exchange at the 'shipped on board date', is used to calculate these charges.

However, you can make use of online estimated landed costing tools to get an idea of the duties and taxes due, to be better prepared from a cash flow perspective.

3.1.6 Decide on an Incoterm for the Delivery

We have detailed the seller's obligations, buyer's obligations as well as the transfer of risks in this guide for you to make the best-informed decision when negotiating the most favourable Incoterm for your import.

3.1.7 Get Cargo Insurance for Your Shipment

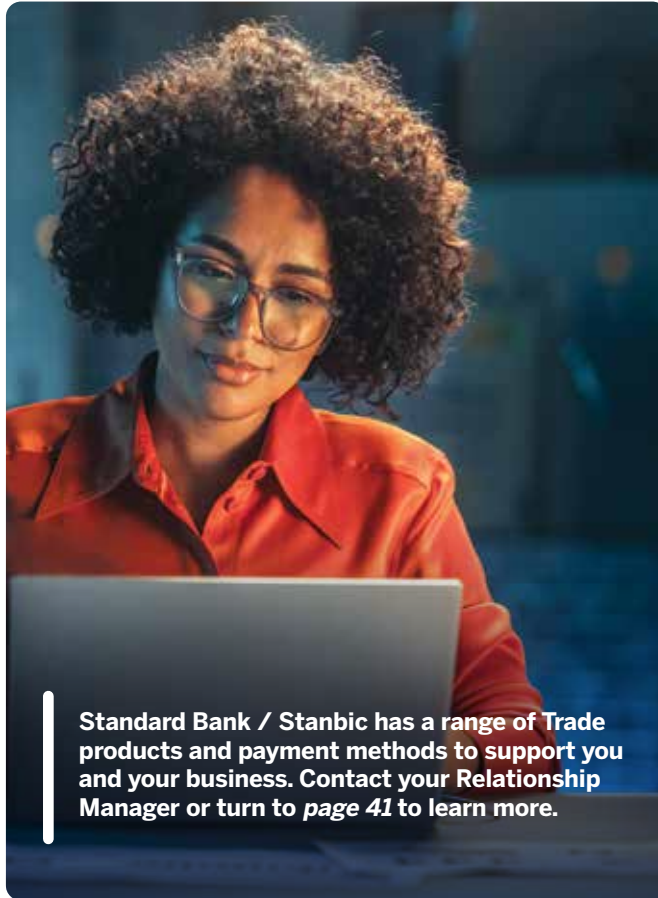
Unless otherwise specified by the Incoterm, there is no legal obligation to insure your shipment. However, if you are the party carrying the risk (according to the Incoterm) it is in your best interest to do so.

Standard Bank / Stanbic can help you protect your business with any local and international liability insurance you may need which will allow you to move raw materials, capital equipment or third-party goods with the appropriate cover, and cover loss or damage to cargo being stored or moved from one point to another.

If you are paying for the shipment and your supplier is carrying the risk, you can insist that they insure the shipment or get a policy in your name.



Standard Bank / Stanbic also offers a range of Trade Finance solutions to assist your business in the facilitation of international and domestic trade transactions. Turn to *page 41* to learn more about these capabilities.



Standard Bank / Stanbic has a range of Trade products and payment methods to support you and your business. Contact your Relationship Manager or turn to *page 41* to learn more.

3.1.8 Decide on a Payment Method

Payment for international transactions can happen before or after the goods are successfully delivered to the importer if the lag between payment and delivery does not exceed limits set by your governing Central Bank.

3.1.9 Get an Indicative Freight Quote

Depending on the Incoterm, you may have to arrange freight (carriage) for your import shipment. This could apply to all or just a part of its journey.

To get a quote from a Forwarding Agent you will have to give them the following information:

- Point, port or address of origin
- Point, port or address of delivery
- Incoterm
- Tariff (HS) code of the shipment as well as a description
- Number of pieces in the shipment (e.g. packed boxes)
- Mode of transport
- Type of packing (e.g. boxes, pallets or crates)
- Dimensions of the shipment or/of each piece
- Weight of the shipment of each piece
- Special shipping and packing requirements (e.g. if the goods are hazardous, flammable or fragile)

Depending on the agreed Incoterm, other charges may be applicable i.e., Customs Duties, Customs VAT, transport and delivery to a final destination in the destination country.



4

Solutions for Importing from China

End-to-end solutions to assist you
in minimising risk and maximising
the success of your Africa-China
import activities.



4.1 Support with Importing from China

Standard Bank / Stanbic has products and services that ensure your importing experience is as seamless as possible by supporting you and your business in the following manner:

Our Africa-China Import Solution

- Our tailor-made Africa-China Trade Solution (ACTS) assist your business in finding reputable suppliers in China and sourcing quality goods on your behalf.
- Under this offering, we can also handle the shipping as well as pre- and post-inspection.

Trade Finance

- We have a range of trade finance products that can assist your business in the facilitation of international and domestic trade transactions.

International Payments

- Enjoy seamless international payments and access to foreign currency to facilitate your international payments to suppliers.

Renewable Energy

- We source and finance alternative energy solutions.
- From small to enterprise-level needs, our alternative energy solutions support businesses of all sizes, operating in all industries.

Insurance

- We offer marine insurance for cargo by air, land or sea. We help you protect your business with the local and international liability insurance you need.
- Move raw materials, capital equipment or third-party goods with the appropriate cover and/or cover loss or damage to cargo being stored or moved from one point to another.

Global Markets

- We specialise in foreign exchange, Bonds, FRAS and SWAPS.
- We provide around-the-clock access to expert market data headlines, a range of forex rates and products, and the tools and calculators you need to protect and grow your interests.

Vehicle and Asset Finance

- We understand that financing and managing your company's assets is critical to the success of your business.
- Our dedicated team of experts will assist you with the financing of your vehicles and assets and can arrange a comprehensive funding package to suit your unique requirements.



4.2 Africa China Trade Solutions (ACTS) for End-to-End Importing Services

At Standard Bank / Stanbic, we understand the challenges you may encounter when importing from China. We can help you navigate any possible risk with the assistance of our trusted Import Partner in China to ensure seamless, end-to-end cross-border trading.

Our partnership with the world's largest bank, the Industrial and Commercial Bank of China (ICBC), provides us with an unrivalled competitive advantage when it comes to Africa-China trade. With ICBC's financial and global reach and Standard Bank / Stanbic's deep expertise and heritage in Africa, we can link you to growth opportunities in the African and Chinese economies.

Standard Bank / Stanbic's Africa-China Trade Solutions assist you with cross-border trade requirements from start to finish.

4.3 Africa-China Import Partner FAQs

As part of our Africa-China Trade Solutions (ACTS), we connect local importers with our vetted Chinese Import Partner to source and validate quality goods produced by reputable suppliers in China.





Why is Standard Bank / Stanbic focused on Africa-China imports and exports?

In line with our core mission of driving Africa's growth, we're leveraging our partnership with the Industrial and Commercial Bank of China (ICBC) to simplify trade between Africa and China – enabling our clients to gain a competitive advantage and grow their businesses.

As the continent's largest bank by assets, we aim to become Africa's 'go-to' bank for global trade, with particular emphasis on Africa-China Trade.

We believe this proposition is of immense value to our clients and will help us achieve our purpose of driving growth on the African continent.

What is ACTS?

ACTS is an acronym that stands for Standard Bank / Stanbic's 'Africa-China Trade Solutions'.

What does ACTS help with?

Our Africa-China Trade Solutions (ACTS) team provides end-to-end support for the following activities pertaining to Africa-China trade:

- Import
- Export
- Arranging travel logistics to China, on behalf of our clients.

What does the ACTS import solution entail?

Our Africa-China Trade Solutions (ACTS) team provides end-to-end import solutions for our clients, which not only includes the sourcing of products from accredited Original Equipment Manufacturers (OEMs) but also entails:

- Solutions that are tailor-made to our clients' specific requirements and production-flows
- Trade finance, trade insurance and trade logistics solutions
- Recommendations for more efficient and/or advanced products which take into account the local demand, consumption habits, application, usage and longevity requirements, quality standards, and operating environments.

With our reputation linked to this solution, we go to great lengths to ensure we partner with the best.

Leveraging our strategic partnership with ICBC, one of the largest commercial banks in China and our physical presence in 20 African countries, proactive support in the entire supply chain is guaranteed.

Additionally, to deliver the best solution to our clients, our ACTS team may also recommend products that can be purchased more affordably and/or efficiently from reputable local or regional suppliers, when applicable.



What are the key benefits of Standard Bank / Stanbic's China Import Partner network?

The main objective is to connect African importers to reputable Chinese suppliers via our nominated and vetted Chinese Import Partner. Our Import Partner will ensure you get the best deals by:

- Sourcing the right suppliers for your business
- Negotiating the best prices and trade conditions on your behalf
- Arranging travel logistics when you need to travel to China to meet with various suppliers
- Providing translators to facilitate trade negotiations and discussions
- Validating and ensuring that the quality of goods from your supplier/s meet the agreed standards
- Providing financing services based on Letters of Credit from Standard Bank / Stanbic and ICBC, should the need arise
- Handling your shipping logistics and delivery to destination, depending on your preference.

How do Standard Bank / Stanbic's Import Solutions benefit African clients?

Currently, African importers have a limited view of China's supplier universe. African importers must generally travel to China where they meet one or two suppliers, build a relationship and then start importing.

Operating through an accredited Import Partner in China means that African importers can have sight of and access to thousands of reputable suppliers in China, providing them with more options and the ability to negotiate better quality goods on improved terms.

Since the process is underwritten by a bank-backed Letter of Credit, African Importers will no longer need to pay upfront, in hard currency. Instead, they can keep their cash in the business until goods are landed and sold, thus freeing up working capital.

Our Chinese Import Partner assists with translation services and communicates in Mandarin with Chinese suppliers, customs officials and shippers. This removes language barriers while creating visibility and predictability for the import process.

How do Standard Bank / Stanbic's Import Solutions benefit clients and suppliers?

Standard Bank / Stanbic, in partnership with the Industrial and Commercial Bank of China (ICBC), can issue payment in the form of Guarantees and Letters of Credit, supported in turn by ICBC Letters of Credit – raised and drawn down in China.

This means that Chinese suppliers can be 100% confident of timely payment in full, without running the risk of dispatching goods without payment or having to insist on cash payment upfront in hard currency.



What is the name of the Chinese Import Partner?

Zhejiang International Trading Supply Chain Co Ltd, also known as Guomao. They are a China-based agent appointed by ICBC (Industrial and Commercial Bank of China) and Standard Bank / Stanbic to assist African importers in executing trade seamlessly with China.

Currently, Guomao has a supplier base of over 10,000 Chinese companies.

Is there a criterion for minimum volume thresholds on imports to work with your Chinese Import Partner?

The minimum order value must be \$2,000.

Does Guomao focus on or specialise in any product type?

Guomao has broad expertise and can handle the procurement of all kinds of products, raw materials and goods in sectors which include:

- Agriculture
- Construction
- Health and Medical
- Industrial
- Infrastructure
- Manufacturing
- Transport.

They can leverage their supplier base of over 10,000 companies to deliver on all orders.

What are the typical product delivery timelines?

This depends on the port of load and discharge port. Direct shipping timelines range from 25 to 35 days. Indirect shipping timelines range from 35 to 65 days.

Direct freight charges are typically higher than indirect shipping, and shipping timelines for inland destinations are longer than coastal destinations due to additional inland transportation requirements. Production timelines vary per product.

What are Guomao's fees?

Guomao charges an Agent Commission of 3% to 5% on the total invoice.

What if I have an existing supplier?

You can still get quotations from your present suppliers and compare those to Guomao's quotations for the same product quality before deciding on which option you prefer. Guomao does not charge fees if the trade is not conducted through them.

What is the turnaround time (TAT) once negotiations have been concluded and initial payment has been made?

This is provided on a case-by-case basis depending on the product specification. TAT is also subject to local shipping terms and documentation procedures.



Can payment be structured?

Yes, this will be agreed upon with the Import Partner before the initial upfront payment. The aim is to free up your cash flow and help you get more products with reduced down payment to suppliers.

What are the permissible modes and currency for payment?

Payments can be made through Letter of Credit (LCs), Bills or Telegraphic transfers depending on the importer's preference. Guomao will not insist on any specific payment mode.

Standard Bank / Stanbic can also issue Renmimbi (RMB) LCs to make payments for goods procured under this proposition. This eradicates the need for you to source Dollars (USD), thereby resulting in faster transactional TAT.

Do I have to be a Standard Bank / Stanbic business customer to take advantage of this service?

Yes.

Can I talk to the suppliers directly?

Yes, Guomao can link you to the suppliers for direct discussions.

How long must I have an account with Standard Bank / Stanbic before I can benefit from the Import Partner proposition?

You can be linked to the Import Partner, Guomao, as soon as you open a business account with Standard Bank / Stanbic.

Can I make payments to Guomao from my other bank accounts?

No, all payments to Guomao must be made from a Standard Bank / Stanbic account.

Who takes responsibility if the received goods are not what was agreed upon?

The Import Partner, Guomao, takes full responsibility to rectify any default on behalf of you, the customer.

Is this service also applicable to imports from other countries?

No, it is only applicable to imports from China.

Will the bank charge me for the service of introducing and linking my business to Guomao?

No, we do not charge a service fee for introducing you to our Chinese Import Partner. However, normal bank transactional charges apply for international payments and trade-related transactions.



What commission does Guomao charge when I complete orders through them?

Guomao charges a commission of between 3-5% of the value of your import order. Because Guomao can negotiate competitive pricing on products on your behalf, the overall cost including this commission is likely to be lower compared to the average market price.

If I want to travel to China to see my suppliers, can Guomao assist?

Yes, Guomao can assist by providing a Chinese Government invitation letter and help with organisation arrangements.

Please note that if clients only get an invitation letter through Guomao but don't travel and follow the set itinerary scheduled, Guomao will not issue a future invitation letter as they bear the risk and responsibility for clients who are invited by them to China.

How does Standard Bank / Stanbic benefit from this partnership?

In line with our key purpose of driving Africa's growth, we're leveraging our partnership with ICBC to simplify trade between Africa and China – and in doing so, we enable our clients to gain a competitive advantage and grow their businesses.

We aim to become Africa's 'go-to' bank in global trade, with particular emphasis on Africa-China trade.

How do I contact Guomao?

For more information on how we can assist with your Import interests and/or needs, speak to your Relationship Manager or Enterprise Direct. Alternatively, you can email the relevant address below with the following details:

- Business name
- Standard Bank / Stanbic account number
- Relationship manager (if known)
- Product/s to be imported i.e., Product name, type, specifications, and volume required.

COUNTRY	EMAIL ADDRESS
Angola	africachinabanking@standardbank.co.za
Botswana	africachinabankingbw@stanbic.com
eSwatini	swdenterprisedirect@stanbic.com
Ghana	StanbicGhanaAfricaChinaTeam@mail.standardbank.com
Kenya	africachinabankingkenya@mail.standardbank.com
Lesotho	africachinabankinglesotho@stanbic.com
Malawi	africachinabankingmalawi@standardbank.co.mw
Mozambique	AfricaChinaBankingMozambique@standardbank.co.mz
Namibia	mansueta.dlakavu@standardbank.com.na
Nigeria	africachinabankingcentre@stanbicibtc.com
South Africa	africachina@standardbank.co.za
Tanzania	China2Tanzania@stanbic.co.tz
Uganda	AfricaChinaBankingUganda@stanbic.com
Zambia	AfricaChinaBankingZambia@stanbic.com
Zimbabwe	africachinabankingzw@stanbic.com



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- <https://www.trade.gov/>
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- https://www.unido.org/sites/default/files/unido-publications/2023-12/UNIDO_IndustrialStatistics_Yearbook_2023.pdf
- <https://tradelogistics.co.za/import-readiness-checklist/>
- <https://tradelogistics.co.za/tools-and-calculators/import-duty-directory/>





Unlocking Africa-China Trade Opportunities

Email us at AfricaChina@standardbank.co.za
for more information on how we can assist you with
end-to-end import and export solutions.

