

Avoiding obstacles in the road

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Gently does it: a 60t cupping press is lifted off an eight-axle trailer

Poor infrastructure in some countries, combined with arcane restrictions and tariffs, mean that canmakers need to make use of specialist logistics experts. Peter Brown reports

Importing canmaking equipment into developing countries around the world can present logistical challenges that require specialist knowledge to ensure

new projects are completed on time and without incurring unnecessary extra costs.

It's not just a problem of poor infrastructures that have to be navigated when bringing in heavy pieces of equipment. There are also legal issues and import duties that have to be taken into account. And that's where the use of specialist logistics companies can help.

Planning a cost-effective route for expensive and often heavy canmaking equipment including clearance through customs and arranging for local duties and taxes to be paid are all part of the service offered by US-based global logistics service provider UTC Overseas, which has more than 30 years of experience in this field.

Countries such as Myanmar, Algeria, Pakistan, Sri Lanka, Iraq, Brazil, Cambodia and Nigeria, are destinations that present potential challenges, says UTC. For example, local customs authorities may not be familiar with canmaking equipment, which can cause problems in ensuring the correct classification and valuation of equipment.

Project feasibility and route studies also need to be conducted to determine if there are local route restrictions on roads. And, as more countries introduce global packaging standards to prevent the introduction of chemical or biological contaminants, it is important to avoid the use of non-compliant packaging materials that could result in equipment being refused entry at the destination port.

"It is beneficial for the customer to get a logistics expert involved early on in the process for many reasons," says vice president, director of product development Martha Rojas.

"One is to get the best duty rate application, with duty free being the goal. For example, duty can be affected if a line is brought into a country in pieces or as one complete unit. If we consolidate pieces coming into the country in

order to ship as a complete system, that may qualify for duty exempt status versus bringing pieces in individually.”

UTC cites one example where it met with local customs clearance experts and customs officials to ensure problem-free clearance at the port of entry so that the project was completed on time and without extra costs. Since only very limited amounts of canmaking equipment have been imported into some developing countries, its classification often needs to be either established or clarified. And, since import duties can range from 10-20 per cent or even higher, potential savings are significant if the equipment can be designated as exempt from duty.

Once this obstacle has been overcome, imported equipment can then face the problem of getting to its final destination (and in the right sequence if in separate consignments) over poor roads made worse in monsoon seasons. This requires careful route planning and may even involve the provision of steel plates to reinforce bad sections of road.

With trade disputes between countries, such as the US and China, involving escalating import tariffs, it is also important to keep up to date with rapidly changing trade rules.

“UTC needs to keep abreast of fast-changing regulatory policies in the US and globally,” says chief operating officer Dean Temple. “Our worldwide office network allows us to monitor changes and the impact on shipping cargo.”

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