

Global logistics



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Logistics between Canada and China College: Efficient transport system is important for the flow of products for export. Minerals are the most important items for trade between Canada and China. The minerals exported from Canada to China provide Canada with significant tons since they are transported in bulk. The mineral of focus in this paper for export from Canada to China is Copper (Buckley, 2010).

According to Bookbinder (2013), the modes of transport of copper for export would include trucking, railway and marine transport systems. Rail transport is suitable for very bulky and unrefined goods as it can bear very heavy loads and is cost effective. Trucking transportation is suitable for relatively bulky goods and when there is need for faster and economical mode of transport. Marine transport is suitable for transporting bulky goods through water bodies when it is available and cheaper than air transport. Important factors for selecting any mode of transport above are availability, efficiency and cost.

From the mining fields, the unrefined copper ore is transported by rail from the minefields to the facilities in Toronto where they get processed and smelted to extract copper for export. From Toronto the copper is transported by rail to CentrePort Canada, where the copper is transported by trucks to the Port of Churchill, an Arctic deep sea port. This sea port has air, rail and road modes of transport, and the closest connection of sea between Asia and the mid-West of North America. CentrePort Canada has one unique difference from the rest of the inland ports because of the vibrant operations of air cargo combined with rail and truck transport connections at James Armstrong International Airport. The Copper is then loaded at Winnipeg Manitoba port and Transported by sea to the port of Nanjing in China. From <https://assignbuster.com/global-logistics/>

the port, the copper is transported by rail from the port Nanjing to Beijing Airport China. The expected transit time by ocean from Winnipeg to Nanjing would be about eleven days (Bauhmol, 2013).

The suitable incoterm to be used while transporting these goods is CIF because it is suitable for inland or waterway transport mode, and ensures that the seller is liable until the goods are delivered at the destination port. It covers many risks involved in water transportation in comparison to air transport.

In China, electronic goods for export would be transported by rail from the companies of manufacture to Beijing International Airport. From the airport the goods will get transported out of China by Air to CentrePort in Canada, a leading port for cargo in Canada. From CentrePort, the goods would be transported by rail to Toronto. The estimated time for the transit would be approximately 5 days. The incoterm that would be used here is the CFR. This incoterm ensures that the seller bears all the costs of exporting goods into Canada at the destination port, inclusive of the costs of carriage and clearance of goods with an exception of insurance. This is because the security procedures involved in air transport are very advanced and therefore risks are minimal.

Freight forwarding services are any form of services connected to handling, carriage, consolidation, storage, packing, and advisory services on declaration of financial and custom matters. It also involves the procurement of insurance services and relevant documents for goods (Buckley, 2010).

According to Ng (2014), the major difference between the freight forwarders in China and Canada is; Canada has several large scale international freight forwarders while China majorly has small scale freight forwarders operated

by the owners, and do not have their own bills of lading. The operations of these freight forwarders are always limited to specific airports or sea ports, and lack the ability for offering one stop services to clients unlike their Canadian counterparts.

In China however, the local freight forwarders are the only ones allowed to operate the transportation inland China because of legal restrictions on foreign investment in freight forwarding, and foreign freight forwarders are only allowed to handle international freight forwarding operations (Ng, 2014).

Roles of Freight Forwarders in China

Inland transport operation within China

Creating individual transport solutions

Calculation of import duties to clients

Purchase of export papers for clients

Connecting suppliers with clients

Roles of Freight Forwarders in Canada

Recommending the best and economical routes

Appropriate packaging

Customs clearance

Arrange for distribution and warehousing

Provide a worldwide network

Provide information on insurance cost, port charges and consular cost

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