

Il case study

Business



Custom duties and Tax considerations Product form: It is very important for the logistics planner to decide on the form of the product in which the product is being shipped. Shipping the car in the completely knocked down (CKD) form would provide an advantage for the company in terms of reduced freight cost and reduced taxes. The freight cost will be reduced as the CKD form would occupy less volume when compared to that of fully assembled car. Certain countries would offer tax relief on the Imports In the form of CKD ultimately the customer will be benefited.

Hence Regal Auto Ltd ships the product in CKD form to the dealer in the UK. The Product will be assembled at the dealer's end before selling the product to the consumer.

Selection of mode of transport: Value to weight ratio of automotive products will be lower than that of electronic products. Usually electronic products are air lifted because of their higher value to weight ratio. Hence, Ocean mode is the most appropriate mode of transport for this type of products.

Hence, Regal Auto Ltd uses the ocean mode for transporting the product in CKD form. Logistics service provider selection: The list of logistics service providers who provide Marine services are to be identified who can provide reliable transportation services. Some of the leading shipping lines which are available In India are: 1.

Marks 2. PAL Logistics 3. CAVE Logistics 4. Mercado lines 5. Inter ocean group 6.

Trans Asia line 7. Shipping corporation of India 8. Great eastern shipping 9.

Forbes and company limited The factors which are to be considered while selecting the shipping line are: 1. Shipping line reliability- ability of the shipping line to ship the product without any damage/theft/ 2.

Lead time 3 shipping cost Regal Auto Ltd has selected Marks as its logistics service provider based on the above factors. Selection of intermediaries: Regal Auto Ltd might have to take the support of intermediaries for handling the hinders through various custom procedures.

Some freight forwarders available in Achaean are identified: 1. Delta freight forwarders 2. Achaean cargo co Ltd 3. Transoceanic Freight 4.

Schooner India 5. Paramount shipping Agency Delta Freight forwarders are considered as partners as they have better knowledge and experience in I-J custom practices Route selection: Port of Loading: Achaean Port Port of unloading: Southampton port Route used by vessel: Achaean proletarian seagull of Deadened Considerateness seabed of Physiotherapist port Inch terms selection: