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SHETRADES MENA GUIDEBOOK TRAINING MATERIALS

HOW TO EXPORT GUIDE: PACKAGING AND LABELLING



This exporting guide has been produced by SheTrades MENA
hosted by the Dubai Department of Economy and Tourism



PACKAGING AND LABELLING

shipments, approval of the packaging and loading by an expert may be advisable. A fully documented dossier is needed, with particulars of the insurer, commercial description of the goods packed, premises where packed, details of products and packaging, modes of transport, handling and storage facilities.

Introduction

In general, packaging is described as the process of protecting products for distribution, storage, sale, and use. Packaging plays a very important role in the customer buying process and therefore the design and art is imperative. It is essential that for packaging to be successful both the technology and the design work well so as to adequately deal with the transport, warehousing, logistics, sale, and end use. At the same time one needs to bear in mind that packaging is also regulated because it comes into close contact with the final product.

Packaging protects and stores goods before, during and after shipment. When products are being packaged, their particular characteristics must be kept in mind. Different products need different types of treatment. Product factors to be considered when deciding upon the best type of packaging include:

- Fragility
- Durability
- Resistance to abrasion
- Value
- Susceptibility to moisture
- Chemical reactions such as oxidation and corrosion
- Chemical stability
- Deterioration or shelf life

The mode of shipment will also determine what type of packaging to use. For example, air shipment requires lighter packaging than do ocean shipments. For both ocean and air shipments, freight forwarders provide the best information on packaging. To avoid pilferage in foreign ports, it is best to use plain packaging, devoid of logos and brand names which advertise what is inside the package. It is also a good idea to make the external packaging as simple as possible to make the package less susceptible to tampering.

Various precautions should be taken by an exporter while packaging products. In specifying the packaging requirements, the exporter must conform to the customer's requirements, international packaging standards, and specific standards and regulations applicable in the market concerned. ISO, AFNOR (France), DIN (Germany), BS (UK), ASTM and ANSI (USA) are different types of international standards.

To avoid misunderstanding with the customer, the contract should specify the type of packaging to be used to protect the goods during handling, transport and storage. For exceptional export

Target Market and Packaging

The market to which a product is exported will determine the type of packaging to utilise. Importers in different countries have varying requirements for transportation packaging. Differences in the buying behaviour of consumers in individual countries will influence customer packaging. The packaging of competing products will also have a bearing on packaging. While importers tend to prefer packaging that is standardised and hence easier to handle, consumer packaging is often part of the marketing strategy for product and may need to be customised to the requirements of the specific markets. The exporter should keep in mind that packaging is an important marketing tool as it remains with the product at point of purchase until the product is used. Packaging gives the product its visual image, and through display techniques, distinguishes it from competing products. Particular care must be taken when packaging products for export to developed countries. Some countries have strict regulations on packaging and labelling, particularly for nutritional, perishable or dangerous goods. In Europe, consumers are environmentally conscious; hence exporters exporting to these markets should use eco-friendly packaging.

The exporter should contact the importer/buyer in order to obtain information and guidance on required transportation packaging. To make an accurate decision on appropriate consumer packaging, the exporter should obtain information on specific markets and the preferences of consumers there. The exporter can obtain information from the target countries' respective embassies and consulates on packaging and labelling regulations.

Packaging requirements are also influenced by international guidelines such as Codex Alimentarius and ISO standards, and by national health, safety, environmental, and consumer protection measures and regulations affecting the product and packaging concerned.

The Distribution Chain and Packaging

The type of packaging used plays a crucial role in protecting the product against avoidable loss and damage during transportation. The path of the product will follow during transportation, known as the distribution chain, can help the exporter determine the most appropriate form of packaging to employ. In general, the longer the distribution chain, the higher the risks for product loss and damage. In order to select the best form of packaging, the exporter should carefully analyse the various elements of the distribution chain. The exporter should be aware of:

- The transportation hazards that may arise along the distribution chain, including: breakage, crushing, contamination, climatic hazard (damp, heat, freezing) and theft.
- The quality of chosen shipment methods and their implications for packaging requirements.
- Handling and storage facilities available at each storage location in the proposed distribution chain.
- International distribution and coding or marking regulations that would apply for exported products.
- Labelling is used on export shipping containers to meet shipping regulations, ensure proper handling, and help receivers identify shipments. Labelling should not be used for advertising purposes.

As the rules and regulations vary widely between countries as well as between importers and distributors, appropriate labelling necessitates consultation with parties involved in shipment. All information should appear clearly on the package with waterproof ink, and in the language of the port of destination. There are many internationally recognised symbols that can be utilised. Freight forwarders can provide guidance on the appropriate symbols for the shipments.

Marking the packaged consignment is essential for proper identification. The marks and other information needed are as follows:

- Shipper's mark.
- Importer's mark as mentioned in letter of credit.
- Destination and port of entry.
- Order number.
- Country of origin.
- Port of shipment and places of dispatch.
- Gross and net weight, cubic measurement.
- Number of packages, and size of cases.
- Handling instructions conveying special precautions including symbols thereof.

Effective Packaging

Environmental concern and changing consumer behaviour dictate packaging trends. Both importers and consumers are increasingly insisting on eco-friendly packaging. Consumers prefer packages that do not require cumbersome disposal procedures, are easy to carry and store, etc. To obtain information on these trends the exporter can seek information in technical journals and exhibitions. Suppliers of packaging equipment and materials can also provide useful information. The marketing and technical requirements for good packaging cover the following aspects:

Physical protection: Ability to withstand mechanical stresses such as shock, puncture, drop or crush and vibration
Quality protection: Protecting the product's shelf-life (colour, flavour, safety etc) by safeguarding the product from physical and chemical stresses arising from heat, cold, humidity, dampness, dryness, light, oxidation, bacterial contamination, etc.



Product promotion etc: Quality image, display value, visibility, brand name promotion, quality of decoration, printing, varnishing, etc. **Product information:** Facilitate product recognition by providing readable product information on such matters as weight, contents, shelf-life, name of manufacturer, seller, importer, country of origin, instructions for use and safety warning if necessary.

Efficient use: Easy to handle, to empty, to open, to dispense; pack stability, firmness; environmental acceptability, disposability and child-proof.

Physical attributes: Temperature resistance; stress and crack stability; performance attributes.

Machinability: Machine-stop sensitivity, shape stability before, during and after use, ease of capping, labelling and printing, filling speed, surface smoothness, abrasion properties and glue compatibility.

Storage: Fitness for pelletization, stacking weight and strength, fitness for internal transport.

Transport: Weight and volume ration, maximum weight and dimensions.

Trade aspects: Weight, stacking, performance, stability identification of product, brand, marking and code, shelf-space efficiency, display visibility, disposability etc

Recyclable: Weight minimization and reduction, metals, glass, no PVD, plastics, biodegradable natural materials (Carton, paper, wood, etc) Returnability (glass, pallets)

Packaging and Costs

Not only does good packing affect the cost of transport and handling, and the scale and cost of insurance, it also creates a favourable product image, differentiates the product among competitors, and aids retailers in making their shelf and window dressing more attractive. Simply put, the cost of packaging, which depends on its sophistication, must be low enough to permit the competitive pricing of the goods.

Packaging costs can vary enormously in relation to the total cost. The proportion is primarily influenced by the nature of the product, the method of shipment used, the distribution chain, product value, and consumer preferences in the market concerned. For heavy engineering products, the share of packaging costs should be as low as 1% or lower. For cosmetic and personal care products, this proportion can be in the region of 25% or more. The cost of packaging in the processed food sector could amount to 12-15% average.

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