

TopAlpha How do you determine the most profitable types of transportation?

Transportation of goods internationally, prices & other costs

You can expand your business more easily through international trade, but once you have sold, you need to deliver. Swift delivery of your products is crucial to customer satisfaction, and getting them to your customers at a reasonable cost is crucial to your financial success. An efficient and cost-effective international arrangement requires choosing the right mode of transportation.

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Examine how much it will cost you based on the size and weight of your goods. In addition to speed of delivery, distance and destination, consider the availability of the product. Large low-value products have a different approach than small high-value products.

Type of goods and international transport costs

A lot depends on what kind of goods you have to move and what your business requires. Choosing the right mode of transport for your products will balance service, quality, cost, organization, and time.

Transporting fresh goods (e.g. Fresh meat, fruits, and vegetables) will require speed and time. This product should also be transported with refrigeration.

When it comes to transporting animals, you must adhere to certain rules and regulations. It is important to follow guidelines and clearances for a successful and safe animal transport. If any of your goods are deemed hazardous, then you must follow the rigid procedures that are required when moving them.

Modes of transport in international trade

International transport consists of road, sea, rail, and air. The type of products being exported or imported affects the advantages, drawbacks and conditions of each mode. If you require logistics assistance, you might need to use more than one mode of transport.

Cost of road transport

Road transport is more flexible than all three other modes. In general, it is relatively simpler to track your goods, secure consignments, schedule transport and pay fees. Meanwhile, long distances often take a lot of time, especially if traffic is involved. The possibility of experiencing damage to your goods is also high in some countries due to high toll fees.

Transporting large quantities by road costs 3 to 7 US dollars per ton per kilometer. The cost of renting one of these trucks, excluding its driver, is between 1300 USD and 1900 USD per day. For example, in the US a package of 50 kg can be sent over a distance of 300 km for around 200 USD.

Cost of sea container transport

You can ship large volumes by sea for a lower cost than by air, rail, and road. You could also transport goods by land using shipping containers. Although, international transportation may be delayed due to the slow pace, weather shifts, and inflexible routes and schedules. The following rates are typical for transport by sea container:

Route	20 ft container	40 ft container
USA-Canada	600-800 USD	900-1100 USD
USA-China	1600-1800 USD	2400-2700 USD
UK-Spain	700-900 USD	1100-1300 USD
UK-Australia	2500-2800 USD	4000-4500 USD

These are the shipping costs from port to port. Land transportation could be more expensive. Additionally, rates may be higher in places where civil wars are raging.

Cost of rail transport

Environment-friendly, it is frequently used in prosperous continents like Europe. There are no flexible schedules for rail transport, and mechanical problems can lead to delays. Rail systems aren't present in every region, which is a huge setback for remote regions.

The cost of rail transportation varies from 2 to 6 US cents per ton per kilometer. The rail is thus a cheaper option compared to road transportation if a railway is available.

Cost of air transport

In international trade, air transport is the fastest way to ensure product delivery and distribution. Moreover, it is the safest method of transportation, which allows exports and imports of all sorts of goods.

The cost of air transportation is mainly determined by weight and distance. Shipping a package of 1 kg will cost you around 30 to 50 USD, whereas shipping a package of 10 kg may cost you over 70 USD, and shipping a package of 100 kg may cost you over 400 USD, if you use carriers like Fedex and UPS. Volumes may increase and especially if you can ensure a steady stream of packages daily so that these carriers' aircraft are occupied, then prices may drop considerably.

Customs regulations

You must also provide your goods with appropriate labeling and documentation for legal purposes. A key step is identifying your products with the right HS code, which determines how customs will treat them and also how much tariff you will pay. It depends on the country as to the number of documents needed: for Singapore, 4 documents are enough, while Thailand requires ten.

An agent or distributor who also handles the import can be indispensable to smooth business operations.