

Chapter 24 - Preliminaries for Starting Import Business

Introduction

Starting an import business needs a proper guidelines and understanding of the foreign market. Before starting an import, it is also important for an importer to obtain all the necessary information in matters associated with foreign trade agreement. Starting an import is not a get-rich-quick-scheme. Like an export, import also requires a lot of preparations.

Selecting the Commodity Market

Proper selection of the commodity market is an important factor before starting an import. Commodity market data and information collected during research helps to prepare the commodity market report. The right market can be selected by answering the following the following questions.

- Is the product(s) an importer need to conducting his business available domestically?
- Is there a lucrative and untapped domestic market for an imported product?
- Does importing a product increase competitiveness as a business?

An importer should only proceed; if he is determined that importing certain goods will definitely make his business profitable.

Once the importer is confirmed about his importing decision, then he should proceed towards the development of the proper import business plan. While making the import plan, importer of India must evaluate the various government policies and guidelines including the rules and regulation as mentioned in the Foreign Trade Policy Procedures, 2004-09.

An importer is always free to import goods in India provided that such goods are imported under the regulations of ITC- HS Classifications of Export Import items. ITC-HS codes are divided into two schedules. All the rules and regulations related to the Indian import is mentioned in the Schedule I of the ITC.

Prohibited goods and items are not at all allowed to import while restricted items are only allowed to import though a special license issued by the Ministry of Commerce, Government of India.

State Trading Corporation of India

There are certain goods that can be only imported outside the country through a recognize agency. State Trading Corporation of India is also one of them that import a number of essential commodities to cover the domestic shortfalls and hold the price line. STC serves the national objective by arranging timely imports at most competitive prices. In the process, the Corporation makes best use of its strength in handling bulk imports, vast infrastructure and above all an experience of over four decades in fulfilling the needs of the industry. The STC is responsible for the import of goods such as bullion, vanaspati and edible oils, pulses, hydro-carbons, metals and minerals and fertilizers.