

Packing of Goods

商品的包装

Packing of Goods

- ❑ Introduction
- ❑ Types of Packing
- ❑ Packing Mark
- ❑ Neutral Packing
- ❑ Packing Clause in the Contract
- ❑ Case Study

1. Introduction

Home

- Importance
- Features of Packing



1.1 Importance

- ❑ The buyer is under certain conditions entitled to **reject the goods** if not packed with his instruction or provisions agreed upon
- ❑ Packing should be designed to suit shipping requirements.
- ❑ Packing should tally with the regulations in the country of destination.



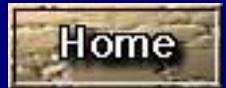
CISG Article 35.(1),

- “The seller must deliver goods which are of the quantity, quality and description required by the contract and which are contained or packaged **in the manner** required by the contract.”

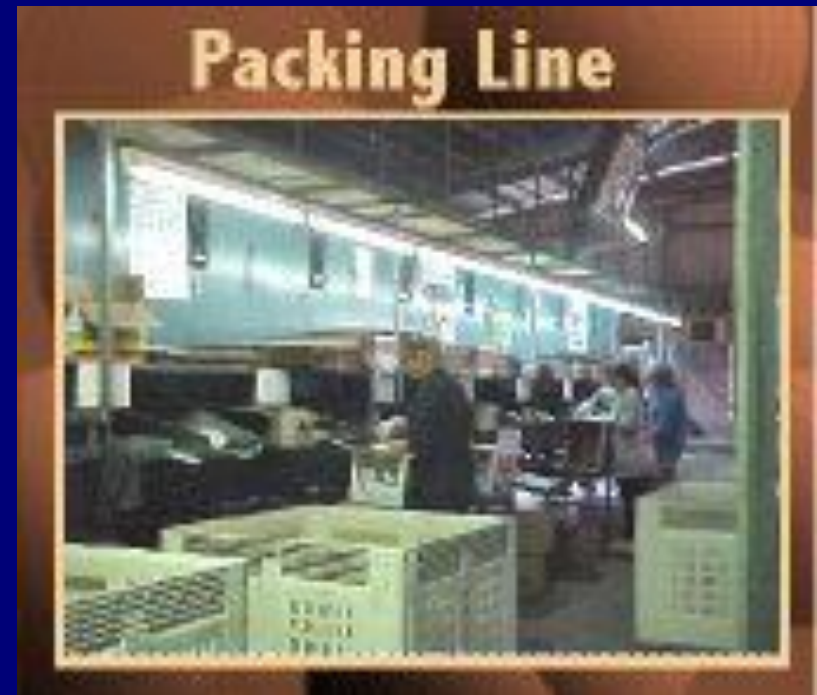
1.2 Features of Packing

- ❑ Protecting goods**
- ❑ Facilitating delivery**
- ❑ Reducing cost**
- ❑ Promoting sales**

2. Types of Packing



- ❑ **Kinds of Cargoes**
- ❑ **Shipping Packing**
- ❑ **Marketing Packing**



2.1 Kinds of Cargoes

- ❑ **Bulk Cargo**
- ❑ **Nude Cargo**
- ❑ **Packed Cargo**

2.1.1 Bulk Cargo

□ Def

- refer to those goods which are shipped on the conveyance in bulk

□ Examples

- Oil
- Ore
- grain
- coal,etc.

2.1.2 Nude Cargo

□ Def

- refer to those goods whose qualities are more stable, difficult to be packed or do not need packing

□ Example

- such as steel products, lead ingot, timber, rubber, etc.

2.1.3 Packed Cargo

- **Def**
 - refer to those which need packing.
- **Types of Packed Cargo**
 - Fully Packed Cargo
 - Partly Packed Cargo
- **Example**
 - Carton, box, etc.

CISG Article 86

- “If the buyer has received the goods and intends to exercise any right under the contract or this Convention to reject them, he must **take such steps to preserve them** as are reasonable in the circumstances. He is entitled to retain them until he has been reimbursed his reasonable expenses by the seller.”

2.2 Shipping Packing

□ Def:

- Shipping packing is also called big packing or outside packing

□ Types of Shipping Packing

- Single Piece Packing
- Collective Packing

2.2.1 Single Piece Packing

□ Def:

- The cargoes are packed as a single unit

□ Types of Single Piece Packing

- According to style:
 - ✓ Cases, drums, bag, bales, bundles, etc.
- According the material:
 - ✓ Cartons, wooden cases, iron drums, wooden casks, plastic casks, paper bags, gunny bags, et.



2.2.2 Collective Packing

□ Def

- Also called group shipping packing by which a certain number of single pieces are grouped together to form a big packing or packed in a big container.

□ Types of Collective Packing

- *Container*
- *Pallet*
- **flexible container**

Collective Packing

□ Container

➤ A kind of tool used for transportation which can be thought of as a particular shipping packing of the cargo, and can be regarded as a component part of the conveyance as well, usually provided by the ship company to go around.

✓ **8`x 8`x 20` feet container**

✓ **8`x 8`x 40` feet container**

Collective Packing

□ **Example of 20` Container**



Container

□ 8` x 8` x 20` Feet Container

- Loading capacity: 17M/T (max.)
- Volume: usu. 21- 25 cubic meters
- **TEU** (Twenty-feet Equivalent Unit)
 - ✓ When calculating the circulating quantity of container, we often take the 20-feet container as a measuring unit, i.e., TEU to indicate it, it means “being equal to a 20-feet unit” .

Kinds of Containers

□ Example of Dry Container



Container

- **Example of Refrigerator Container**



Container

☐ Example of Frame Container



Container

□ **Example of Open Top Container**



Container

☐ Example of Pen Container



Container

□ Example of Tank Container



Container

☐ Example of Platform Container



Container

☐ Example of Bulk Container



Collective Packing

□ Pallet

- A kind of single-layer or double-layer flat carrier which is made according to a certain specification.

Collective Packing

❑ Sample of Pallet



Collective Packing

□ Flexible Container

- A kind of round-shaped or square-shaped bag woven with synthetic fibre or compound material.
- Suitable for powder or grain cargoes such as fertilizer, ore, flour, sugar, cement, etc.

Collective Packing

❑ Sample of Flexible Container



2.3 Marketing Packing

- ❑ Marketing packing is also called small packing or inner packing.
- ❑ **Product Code**
 - UPC (Universal Product Code)
 - EAN (European Article Number)
 - ✓ 690, 691, 692, 693, 694, 695

2.3 Marketing Packing

- ❑ **EAN (European Article Number)**
 - China: 690-695
 - Czech: 859
 - Holland: 87

3. Packing Mark



- ❑ Refers to different diagrams, words and figures which are written, printed, or brushed on the outside of the shipping packing.
- ❑ Shipping Mark
- ❑ Indicative Mark
- ❑ Warning Mark

3.1 Shipping Mark

□ Contents of Shipping Mark

- Consignee/Consignor's Code
- Destination
- Package Number
- Volume
- Weight
- Country of Origin

H

Nos. 24/25

Singapore

44×50×60

G. 125KGs

N. 100KGS

T. 25KGs

MADE IN CHINA

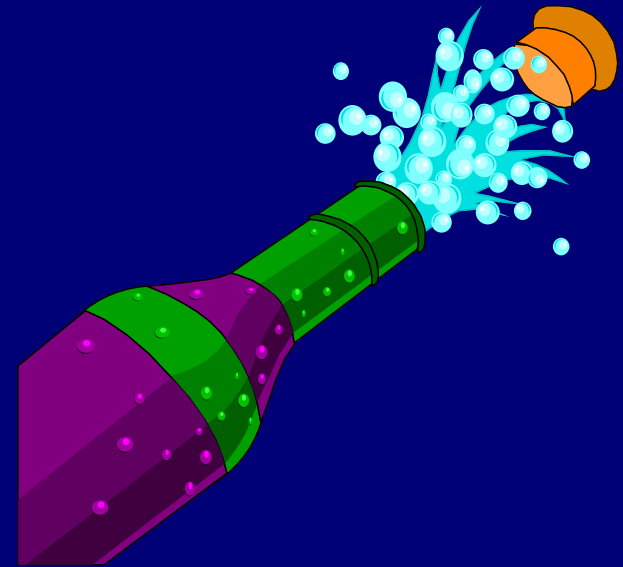
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Standard Shipping Mark



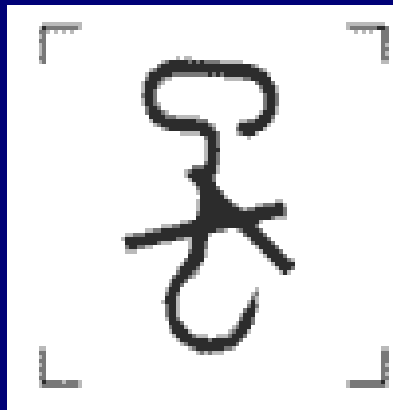
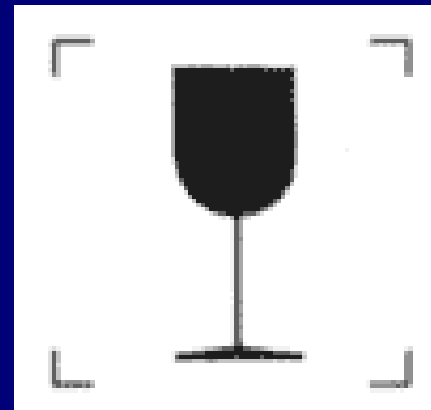
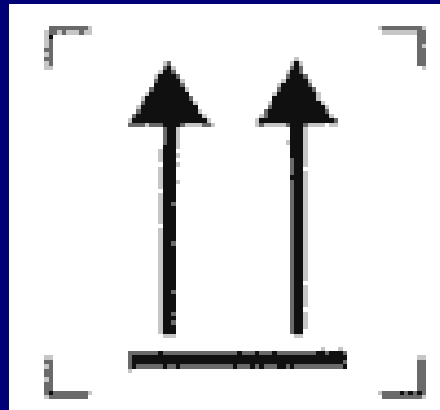
3.2 Indicative Mark

- ❑ Examples of Indicative Mark
 - handle with care
 - this way up
 - keep dry
 - keep away from heat
 - prevent freeze
 - us no hook
 - open here
 - **fragile**



Indicative Mark

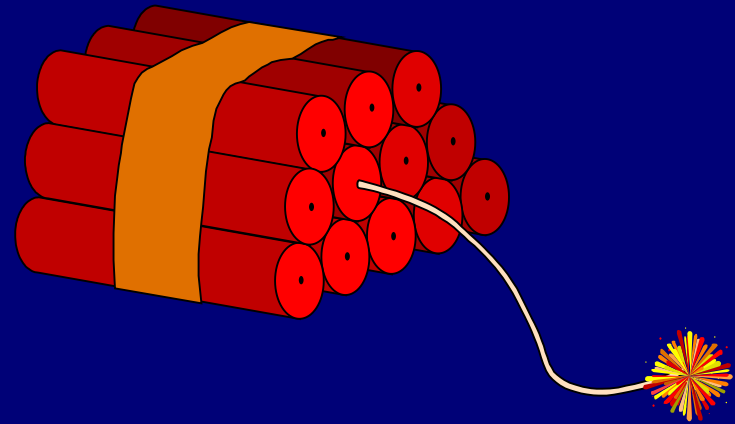
❑ Sample of Indicative Mark:



3.3 Warning Mark

□ Examples of Warning Mark (dangerous cargo mark)

- poisonous
- corrosive
- radioactive
- inflammable
- **explosive**



Warning Mark

□ Example of Warning Mark:



(符号：黑色 底色：白色)

4. Neutral Packing



- ❑ Definition
- ❑ Purpose of Neutral packing
- ❑ Types of Neutral Packing

4.1 Definition of Neutral Packing

□ Def:

- The Neutral packing means that there is neither a name of the origin, nor a name of the factory, nor a trade mark, a brand, or even any words on the packing of the commodity and the commodity itself.

4.2 Purpose of Neutral packing

- ❑ To break through trade barriers and non-trade barriers of some import countries
- ❑ In order to meet the special needs of such transactions as cross-border transaction

4.3 Types of Neutral Packing

□ Neutral Packing without Brand Name

- Packing without the name of origin or manufacturer, nor brand name or trade mark

□ Neutral Packing with a Designated Brand

- Packing with trade mark or brand name, but without the name of origin, nor the name of export manufacturer



Stipulation in Contract :

- “As to the trade marks designated by the buyer, if the seller is charged with the **infringement** by any third party, the buyer shall take up the matter with the plaintiff and it has nothing to do with the seller. Any losses thus sustained shall be compensated by the buyer.”

5. Packing Clause in the Contract

- ❑ packing manner
- ❑ Packing Expenses
- ❑ Packing Materials
- ❑ Shipping Marks

5.1 Packing Manner

□ Specific Packing Clauses

- In wooden cases of 50 kilos net each
- In cloth bales each containing 20 pcs. of 42 yds.
- In new single gunny bags of 50kg each

□ General Packing Clauses

- Seaworthy packing
- Customary packing

5.2 Packing Expenses

- ❑ The packing expense is included in the price of the cargo
- ❑ The packing expense is not included in the price of the cargo or partly included
- ❑ **Gross for net**
 - The packing material is charged for as much as the price of the goods

5.3 Packing Materials

- ❑ The seller supplies the packing materials
- ❑ The buyer supplies the packing materials
- ❑ The seller supplies the packing materials, which should be returned to the seller

5.4 Shipping Mark

N/M:

No Marks

- ❑ **Shipping Mark is usually prepared by the seller**
 - Unnecessary to stipulate in the contract
- ❑ **Shipping Mark can also be prepared by the buyer**
 - Must be stipulated in the contract
 - Must be a deadline to inform the seller about the shipping mark

BACK

6. Case Study

- ❑ One domestic factory exports lamps to overseas. In the contract it is stipulated: “lamps, 30pcs/basket, total 100 baskets” . When the goods are delivered, for the convenience our staff packed 50pcs in each basket, total 60 baskets, and the total amount of lamps is invariable.
- ❑ Question: Whether this activity breaks the contract?

6. Case Study

- ❑ A Chinese company imported some flammable liquid chemical raw material from a French company. When the goods arrived at the destination, it was found that there was a slight leakage caused by the defect in a few packages. However, the Chinese company failed to take any measures to save the loss and prevent the damage from expanding. As a result, the leakage worsened after the warehousing of the goods and led to a self-ignited fire. Afterwards, the Chinese company claimed against the French company for full compensation of the total loss, but was refused.
- ❑ **Question: Who will be responsible for the losses?**

6. Case Study

- ❑ KH company was exporting bicycles to the US. The contract stipulated, "Packed in wooden case." Although the letter of credit stated, "Packed in wooden case C.K.D.", the exporter packed the bicycles as usual (SKD). The invoice and shipping documents were marked "C.K.D.". But at the port of destination, the customs imposed a severe penalty on the goods, and the buyer demanded compensation from the seller.
- ❑ Question: Was the buyer entitled to the compensation?
- ❑ (C.K.D.: Completely Knocked Down, S.K.D.: Semi Knocked Down)

THE END

