

## **GUIDE FOR MAURITANIAN EXPORTERS**

### **1. WHAT IS YOUR EXPORT POTENTIAL - Are you ready for export?**

- Do you have a product that is in demand on a specific market?
- Do you think your product is exportable (international quality, exportable packaging, with international standards, competitive price)?

### **2. EXPORT PREPARATION**

- Do you know the potential markets for your products?
- Do you have a duly registered company?
- Do you have material and technical support to meet the needs of the export activity?
- Do you have financial resources, product information, a price list, a website.
- Have you done a SWOT analysis (Strengths, Weaknesses, Threats Opportunities) of your market/product?

### **3. SELECTION OF PRODUCTS AND MARKETS**

- You should be aware of the laws and regulations and business practices in the targeted country.
- You should consider visiting distributors / representatives in the target market, which will help you to learn more about market information through meetings with potential customers.
- It is advisable to select a market with high potential and low risk that best suits your products / services.
- Having a detailed knowledge about your market through structured market research will help to minimize the risks and costs of starting a new business or expanding your existing export business.
- Each market has its own specifications and consequently your product will have to adapt itself to the requirements of the target market (s).
- Mauritania's Commercial Agreement / Free Trade Agreement with partners countries could be considered as priority markets for market penetration.
- Information about the Country's standard of living / purchasing power is key
- The business environment related to information such as: the country's political, economic, social, technological, legal and environmental framework are essential to determine your level of market engagement.

- 4. RESEARCH ON THE MARKET ABROAD
- It is important to collect all information about your product and the target market to better plan your export business.
- A market research will help in identifying the appropriate market, customers, distribution channels, the best way to promote your product and also the competitors in the market.
- The smart tools presented in this site will help you find information to support your research in the target market.
- *Visiting the target market* is always advisable to see and have a feel for the opportunities it offers for your products or services. It will also help to identify competitors and challenges, and to select the customers with whom you would like to do business.
- *It is also important to prepare buyers' visits* to your factory before placing an order to verify your compliance with its standards, and select the models/varieties you can offer.
- *Participating in a trade shows / exhibition* – these are professional meeting places between buyers and sellers. It is always advisable to visit such events to see the products presented and understand the needs and requirements of buyers. It is essential that such a visit be planned thoroughly.
- Corporate culture - It is important that you inform yourself about the target country's business practices in (language, culture, values and business ethics code)
- Your competitors - A study of the competition in the target market (local or international) is crucial for your positioning in the target market. Additional information can be obtained from SMART tools.
- Target Market Regulations - Each market has its own regulations (health, safety, labor legislation, social and environmental standards and product standards). It is imperative to consider them.
- Export logistics and available networks to route products successfully to the target market (air / sea connections, internal transport, freight rates, documentation and travel and visa requirements).
- An assessment of risk factors and market transaction challenges is recommended to minimize unexpected events.

## 5. SELECTION OF DISTRIBUTION CHANNELS AND MARKET ENTRY STRATEGIES

- Successful export activities depend on well-organised distribution channels that allow exported products to reach end-users. The judicious choice of the mode of distribution will give an advantage to the companies in terms of entry on the market.

## 6. THE EXPORT BUSINESS PLAN

- It is vital for any company that plans to engage in export activities to develop an export business plan to value the exporting company, demonstrate the company's ability to engage in export activities production / export, the characteristics of the product (s), and facilitate the demand for borrowing from financial institutions.

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## 7. SALES and MARKETING

- Marketing allows your customers to be aware of your business as well as the products or services your company offers. An effective marketing approach helps to target the interests of customers and to announce promotions or new products and / or services offered. A well-developed marketing strategy allows you to distinguish your company from other competitors
- Developing your Export Marketing Plan  
A Marketing Plan is a key tool for voting sales and export activity. After an analysis of internal factors (evaluation of your export capacity) and external factors (market, opportunities, competition, logistic and risk analysis), it is important that you establish a unique selling proposition (USP) of your company.
- The marketing plan should cover the following elements:
  - The target market;
  - The distribution channel (agents, distributor, retailer);
  - The price of the product;
  - An analysis of the competition;
  - The promotion strategy;
  - Logistics (freight forwarder, customs broker, shipping companies, airlines);
  - After-sales service and support centers;
  - The necessary resources (budget and staff);
  - Risks and mitigating factors;
  - Your usp (price, features, quality, customer service, brand and technology).
  - E-marketing
  - E-commerce - the use of mobile applications enables you to reach a clientele in the most remote regions.
  - It is important to have all relevant information about your product, including photographs, and a database of potential buyers.

## 8. BRANDING

- Branding is not limited to your logo and slogan but the way your products or services in your business are perceived by customers.
- The reputation or impression you create becomes the identity of your brand.
- Respect your promises at all times. Your brand is an indication of your position relative to your competitors. It is recommended to consult specialists in the field for major initiatives.

## 9. EXPORT PRICES

- Identifying the mechanism to determine your export price is crucial for your export business. Choosing an export pricing strategy will help you maximize your profit margin, optimize resources and grow sales volume. It will be necessary to identify all factors affecting the price and also to understand the impact of market volatility.

## 10. SERVICE PROVIDERS

- Any export activity requires the services of a customs broker and authorized freight forwarder to help you choose the most economical route and price, as well as the most reliable shipping company / agent.

## 11. FORMALISATION OF THE DISTRIBUTION AGREEMENT

- For any exporter, it is essential that a distribution agreement be formalised between the exporter and the distributor of the country (buyer / importer / reseller abroad) in order to avoid future misunderstandings. The purpose of a distribution agreement is to clearly define the responsibilities of each party. Each clause of the contract must be checked carefully. Any error or omission can be expensive and even result in the cancellation of orders.
- Example of a contract contents:
  - Detailed specification of the goods
  - Quantity ordered
  - Agreed prices
  - Packaging and labeling instructions
  - Conditions of transport (air, sea and destination)
  - Shipping dates
  - Payment methods
  - Dispute resolution (arbitration, competent court)

## 12. SECURE EXPORT ORDERS

- The success of any export activity is based on the renewal and growth of orders. It is therefore crucial to retain your customers from your first order in order to maintain your company's presence. Customer loyalty depends on solid negotiations accompanied by continuous monitoring process to ensure secured orders.
- Customer loyalty tips
  - Keep your promise.
  - Effective and constant communication with your customers.
  - A professional customer service, an effective follow-up and the measure of satisfaction continues.
  - A personalized relationship is always desired.
  - Building the capacity of your staff is vital.
  - Some degree of flexibility to your reliable customers.

## 13. EXPORT PROCEDURES AND DOCUMENTATION

- Knowledge of the documentation required on export markets is one of the prerequisites for any export activity. It should be noted that these documents differ by country / market and sector. Exporters must ensure updated and properly completed export documents to avoid delays in processing, customs clearance and delivery. Delays in shipping products could affect the loyalty relationship with your customers.

## 13. KNOWLEDGE OF INCOTERMS

It is important to know the terms used in international affairs. The universally accepted terms of international trade, commonly referred to as INCOTERMS, governs trade between countries.

- HS Codes  
You must also know the correct description of the products, which are classified in the tariff numbers of the customs tariff, also called harmonized system code or more commonly H.S. code.
- Commercial Invoice  
The commercial invoice is an important document for international trade. It serves as a customs declaration document provided by the exporter for the purpose of customs control, valuation and determination of duties and taxes.

This document identifies the product being shipped and contains the following information:

- The full name and address information of the exporter (sender) and the importer (consignee), including telephone and e-mail addresses.
- Complete description of the product and its H.S code

- Conditions of sale (Incoterms)
  - Country of origin (where is manufactured)
  - Quantity exported, with unit value and total value
  - Number of packages and total weight
  - Signature and date of the exporter / sender
- Bill of Lading  
The bill of lading (B / L) is a title deed issued by or for the transport company (the carrier) which provides the details of the goods transported and the conditions of shipment, giving the title of this shipment to a consignee, who shall give a negotiable copy of the B / L to take possession of the goods. The bill of lading is one of the most important documents in the shipping process.
  - Certificate of Origin  
The certificate of origin, also known as the movement certificate, is an important international commercial document attesting to the origin of the goods being shipped.
  - Letter of Credit  
The letter of credit (LC) is a document issued by a bank and constitutes a guarantee of payment from the recipient of the goods (the importer) to the exporter up to the amount indicated on the letter of credit, to condition that all delivery conditions mentioned on the LC are met. To receive the payment, the exporter must produce the LC with the stipulated documents, including the invoice.

#### 14. PAYMENT TERMS

Understanding the different types of payments will help in choosing the most appropriate payment terms for your business transactions as well as receiving funds. This will have an impact on your cashflow and influence your ability to purchase goods or services needed for manufacturing as well as for delivery to your customers. Another factor to consider is the volatility of exchange rates, as fluctuations can affect profitability and prices.

#### 15. FINANCING YOUR EXPORT OPERATIONS

- How to develop and finance your export activity? You need to examine the financial strength of your business by exploring all financing options, and therefore determine the amount of funds you will need to finance your export operations.
- Examine your financial capacity  
Your financial capacity depends on the financial situation of your company. Your request for additional bank loans, for example, will depend on your

company's equity position or your debt commitment. You may contact your bank for an assessment of the current financial strength of your business and its eligibility for loans or credit facilities.

- Financing options available to you:

#### *Own funds*

If your business is financially sound, this could be the best option for you with no interest payable on loans or other repayment commitments.

#### *Bank loans or credit facilities*

Typically, businesses use this mode of financing for business expansion. It is important to identify the right bank and carefully plan the terms and conditions of your loan or credit facility to maximize your return on investment in relation to your debt needs.

#### *Friends, parents and family*

Friends, parents, and family can be a source of financial support for expanding your business at no cost or may ask for a share of the business. This represents a user-friendly and flexible option that could include risks (personal relationships) in the event of reduced activity or loss. It is also wise to have formal documents related to the terms of these loans even if your personal contacts do not insist on them.

- Need for business plans and export strategy

It is necessary to have a written business plan and a strategic export plan if you intend to apply for a bank loan or credit facilities.

- Determine the amount of funds you need

A financial forecast is essential to determine the amount of funds you need. Your financial plan will allow you to estimate the amount of financing required and if it is necessary to use a loan. The basic elements that you may need to include in your financial plan are:

- *Sources of foreign funds* - Unit price of product (on a yearly basis), projected sales taking into account competition and market demand, and payment methods in the foreign market (ie, advance in cash or letters of credit).
- *Cost of financing* - Interest, repayment terms and credit insurance.

- *Cost of goods and sales* - Cargo insurance, consular legalization, container loading, shipping, export documentation and packaging, import duties, unloading or truck loading, telecommunication costs and supplier payment terms (non-binding list). exhaustive).
  - *Export Promotion and Marketing Expenses* - Advertising, Trade Shows, Supplies, Travel, Promotional Materials, Communication Materials (non-exhaustive list)
  - *Export costs* - Notary, commission, shipping, insurance premiums, wages, office supplies (non-exhaustive list).
- The above list is not exhaustive, other factors such as exchange rate volatility and taxes (transfer pricing, market corporation tax, personal tax compliance, for example) may also affect significantly your cash flow.
  - It is always advisable to contact an export consultant / accountant when developing your export financing plan.

## 15. UNDERSTAND EXPORT RISKS

- Every exporter needs to be aware of the challenges and risks of selling their products and services to other countries. These risks can be:

### *Political risk*

As an exporter, you may face risks of political instability in your export market, which can disrupt your business. This can lead to late payment or risk of non-payment, the introduction of exchange controls, the seizure of assets and assets and a change in commercial policy, among others.

### *Legal risk*

Knowing the differences between laws and regulations is essential before embarking on your export market. Investigate the operation of the judiciary related to litigation, arbitration, property protection and intellectual property rights, employment, health and safety laws, and the justice system.

### *Risk of corruption*

Consider corruption legislation in the country to which you want to export.

### *The risk of compliance*

Each country applies a form of restriction on imports of goods and services on the basis of established compliance standards and standards for:



- Work legislation
- Health and security
- The need for a valid phytosanitary certificate
- Quarantine laws (export of animals)
- National Security
- Compliance with standards
- Environmental compliance

#### *Risk of change*

Tracking the change in the current exchange rate of the currency in which you are advertising your exports is crucial for your export business. Any mistake in determining the foreign currency price can be detrimental to your business, eroding your profit margin or causing a loss. You can protect yourself against currency risks by quoting your prices in USD (or any hard currencies) and protecting yourself against currency fluctuations. (always consult your bank)

#### *Risk of non-payment*

The choice of business partners is a crucial element. It is advisable to use safer payment terms such as early receipt or an irrevocable letter of credit. In the case of extended credit terms, it is important to protect against the risk of non-payment by taking out an appropriate cover for export credit insurance.

#### **DISCLAIMER**

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