Landed cost worksheet

Importation: A Practical Course · Module 7 · Building a landed-cost spreadsheet

Sabbi

Build the cost up in layers, using realistic estimates for every line. Fill the Actual column once the figure is known, and use Variance to see where your assumptions are consistently wrong.

Product _____	Supplier _____	Incoterm _____	Units _____	Currency / rate _____

#	Cost category	Estimate	Actual	Variance	Notes
1	Factory price				
2	Inland freight to the port of origin				
3	International freight and insurance				
4	Customs duty				
5	Other import taxes (VAT or sales tax, levies)				
6	Port and terminal charges				
7	Broker and forwarder fees				
8	Inland delivery to your warehouse				
	Total shipment cost				
	Landed cost per unit (total ÷ units)				

Reminders. Customs value is the price plus freight and insurance to the border, plus commissions and royalties where they apply. Duty is a percentage of that value (ad valorem), a fixed amount per unit or weight (specific), or both. VAT or sales tax is usually charged on the customs value plus the duty. Time-based charges such as demurrage and detention grow with every day of delay.

Price and margin

Line	Value
Landed cost per unit	
Target margin	
Buffer for costs that vary shipment to shipment (for example demurrage)	
Selling price per unit	
Fixed costs of the shipment (for example forwarder minimum fees)	
Break-even volume (fixed costs ÷ margin per unit)	

Three scenarios

Line	Best case	Expected	Worst case
Factory price			
Freight and insurance			
Duty and taxes			
Port, agent and delivery fees			
Total landed cost per unit			
Margin at your selling price			

If your purchase is priced in a foreign currency, a shift in the exchange rate between agreeing the price and paying can change your landed cost. Build a currency buffer into your pricing. Revisit this model whenever a duty, tax or freight rate changes.