



NEW ZEALAND

Export pricing workbook

This all-purpose costing table is particularly useful for comparing prices in the market. You may not need all the steps, and you may need to estimate many of the values used for your calculations. The process can be refined as you learn more about the market and distribution of delivery costs.

Tip Box: These mark-ups are only examples. You should always carefully research mark-ups that apply in your target market.

		Notes	Examples (unit cost)	Estimated mark-ups or unit rates	Your costing
1	Retail price		\$60.00		
	Retail mark-up	e.g. 40%			
2a	Wholesale price		\$42.86		
	Wholesale mark-up and/or	e.g. 25%			
2b	Distributor price		\$34.29		
	Distributor's mark-up and/or	e.g. 15%			
2c	Agent's price		\$29.82		
	Agent's commission	e.g. 8%			
3	Landed price		\$27.62		
	Landing charges	Est. 1.5%	0.85		
	Tariffs/duties	(Real rate)	\$2.65		
	Customs clearing charges	Estimated	0.30		
	Handling and delivery charges (actual or estimated)	Estimated	0.15		
4	Market currency		\$23.62		
	Foreign currency at exchange rate	Day's rate			
5	Cost, insurance and freight (CIF)				
	NZ\$		\$33.74		
	Insurance costs - based on value	Estimated	0.35		
6	Cost and freight (C&F)		\$33.39		
	Freight costs	Unit rate	\$5.75		
	Contingencies	Estimated	0.50		
7	Free on board (FOB) NZ\$		\$27.14		
	Export expense allocation (as per budget)	Allowance	\$1.00		
	Export packaging	Estimated	\$1.50		
	Documentation		0.65		
	Bank charges including collection charges	Estimated	0.20		
	Other finance costs (foreign exchange charges)	Estimated	0.15		
	Freight handling (factory to ship or aircraft)		\$2.20		
	Trade indemnity insurance, export credit insurance		0.10		
8	Ex factory cost		\$21.34		
	Profit margin or mark-up		\$8.00		
9	Total factory cost		\$13.34		
	Materials		\$2.80		
	Direct labour		\$7.25		
	Fixed		\$1.35		
	Variable overhead costs		0.84		



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	Consumables		\$1.10		
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Tip Box: Attend ETP – Pricing and Costing and Budget and Cash flow Planning workshops to help you with this important exercise and for useful pricing templates and break-even formulas.