

Notes on the incoterms

The 11 incoterms are divided into two groups. The first group contains terms that can be used for all forms of transport and especially when there is a mixture of different forms ('intermodal' transport) – road, train, air and a part of the journey by sea. In journeys like these, the goods are very often transported by container. The second group is used only for goods transported by sea or inland waterways (canals). These goods may be in a container but often can be in 'bulk' form (e.g. a liquid or a commodity like coal or wheat).

Group 1: All forms of transport	
EXW	Ex works (<i>ab Werk</i>) The seller makes the goods available at their factory. The buyer pays all the costs of transporting the goods to their own country.
FCA	Free Carrier (<i>frei Frachtführer</i>) The seller pays for transporting the goods from their factory to a transport company (the 'carrier') e.g. at a railway station or airport. This place is named.
CPT	Carriage Paid To (<i>Frachtfrei bis</i>) The same as FCA but this time the seller also pays for transporting the goods onwards to a second named place (e.g. a railway station or airport in the buyer's country) by the transport company.
CIP	Carriage and Insurance Paid (<i>Frachtfrei versichert</i>) The same as CPT but this time the seller also pays to insure the goods during transport to the place in the buyer's country.
DAT	Delivered at Terminal (<i>geliefert Terminal</i>) A 'terminal' can be any place agreed by the seller and buyer – a port, a container terminal, a warehouse etc. The seller pays all the costs until the goods arrive here and are unloaded.
DAP	Delivered at Place (<i>geliefert benannter Ort</i>) The seller delivers the goods to any place agreed with the seller. Unlike DAT above, the seller does not pay for the goods to be unloaded – the buyer must do this.
DDP	Delivered Duty Paid (<i>geliefert verzollt</i>) The same as DAP but this time the seller also pays any customs duty ('Zoll') on the goods when they are imported into the buyer's country.
Group 2: Sea and Inland Waterways	
FAS	Free Alongside Ship (<i>frei Längsseite Schiff</i>) The seller simply delivers the goods to a (named) port in their own country. The buyer must pay for loading them on to a ship and transporting them onwards.
FOB	Free on Board (<i>frei an Bord</i>) The same as FAS but this time the seller also pays for loading the goods on to the ship.
CFR	Cost and Freight (<i>Kosten und Fracht</i>) The seller pays for transporting the goods right through to a (named) port in the buyer's country.
CIF	Cost, Insurance and Freight (<i>Kosten, Versicherung und Fracht</i>) The same as CFR but this time the seller also pays to insure the goods until they arrive at the named port in the buyer's country.