



TRAINING GUIDE ON FREIGHT FORWARDING

What is Freight Forwarding?

- Freight forwarding is the **planning and coordinating of the movement of commodities across international borders** on behalf of shippers.
- Nature of Business: It is a service based company.



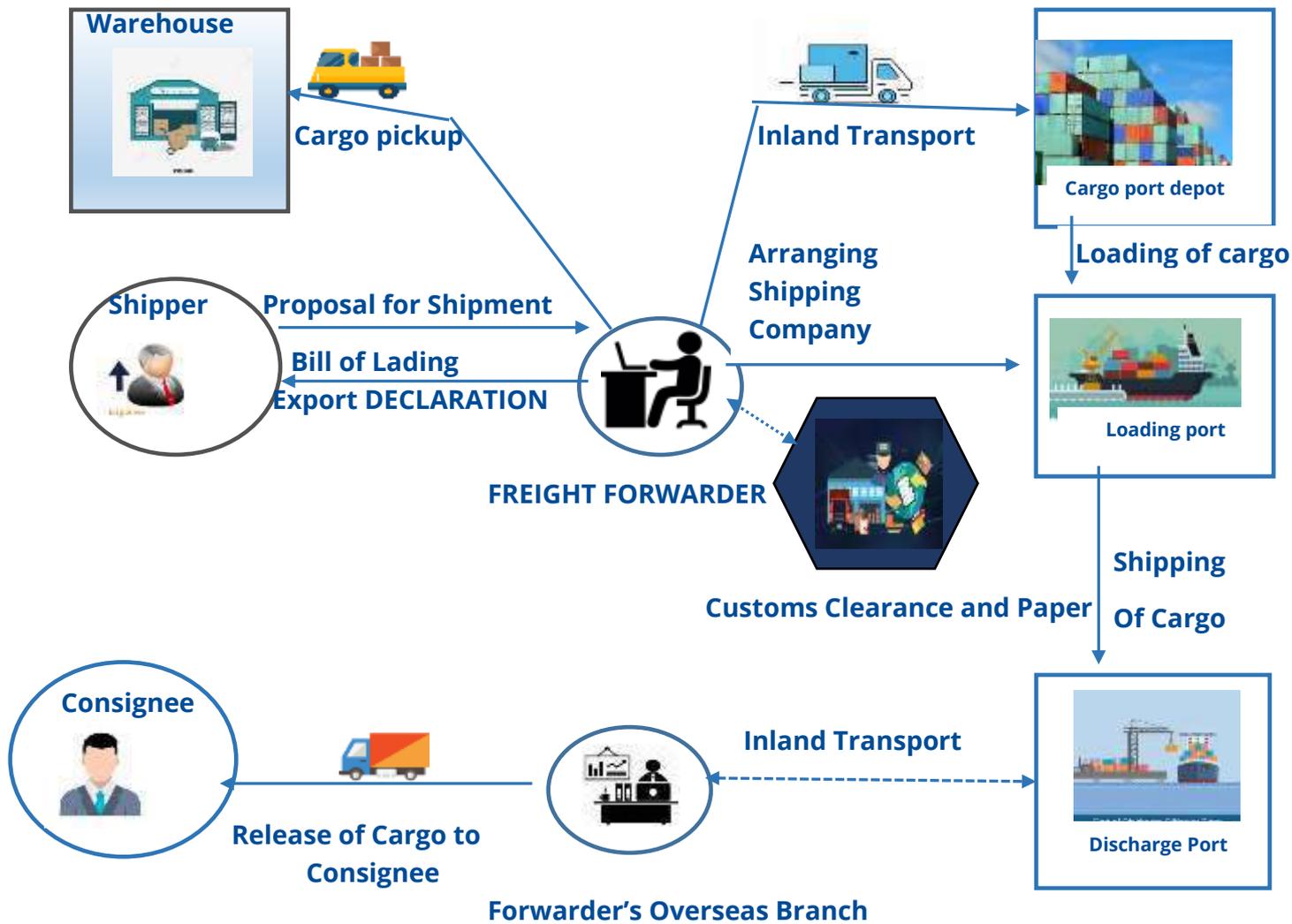
Who is freight forwarder?

- A forwarder does not move the goods but acts as an expert in the **logistics** network.
- In simple terms, a freight forwarder is **an agent responsible for the movement of goods** on behalf of the cargo owner.

Modes of Freight Transportation

- There are four major types of freight transportation available for shippers to use in the world of freight shipping.
- The primary ones are by
 - **Ground (road)**
 - **Rail**
 - **Ocean**
 - **Air**
- Although these are the main categories of freight transportation, each method has their own process that differ from other.

How the shipping process works?



Example 2



Importer

For customs purpose, the party who makes or on whose behalf agent broker the import declaration and who is the liable payment of duties on the imported goods. Normally this party is named either as the consignee in the shipping documents are the buyer in the exporter invoice.

Exporter

For customs purposes the party who makes or on whose behalf agent the export declaration. The exporter sells its goods to someone in another country known as an exporter.

Haulage

Haulage is the business of transporting goods by road or rail. It includes the horizontal transport of ore, coal, supplies, and waste, also called cartage. The transport of the same which carries is called hoisting.

Custom House Agent

- A Custom House Agent (CHA) is licensed to act as an agent for transaction of any business relating to the **entry or departure** of the import or export of cargoes at a custom agent.
- They give **commercial license, packing list and certificate of origin**.

Co-load process

- Co loading term used in the export and import trade especially in the area freight forwarding they will transfer cargo which from his customers to the other freight forwarder.
- This process is done when the freight forwarder doesn't have a service.
- They have service but unfortunately, they can't able to form a console when cargo is overflowing.



Containers

Containers are a form of operating system virtualization. A single container might be used to run anything from a small micro service or software process to a larger application. Inside a container are all the necessary executable, binary code, libraries, and configuration files.

Types of Containers

There are five different types of containers they are,

- General-purpose containers
- Open top containers
- Flat rack containers
- Refrigerated containers
- Tank containers

Purpose of Container

- **General-purpose containers**

General-purpose containers are these which we can take anything we want, which is in the dimension limits of the containers.



- **Open top containers**

Open top containers are those whose cargo is out of the garage, with the height of the cargo.

Example: Animals, Machinery.



- **Flat rack container**

Cargo which is especially out of is take in flat rack containers.

Example: Carrying a truck.



- **Refrigerator container**

Refrigerator containers are those used to carry temperature-sensitive cargo.

Example: Fruits, Flowers.



- **Tank containers**

Tank containers are those used to carry liquid cargo.

Example: Petrol, Milk.



Different Sizes of Containers

There are three different sizes,

- 20 feet containers.
- 40 feet containers.
- 40 feet high cube containers.

DIMENSION CHART

	EXTERIOR DIMENSIONS			INTERIOR DIMENSIONS			DOOR OPENING DIMENSIONS	
	LENGTH	WIDTH	HEIGHT	LENGTH	WIDTH	HEIGHT	WIDTH	HEIGHT
10 FOOT CONTAINER 	10'	8'	8'6"	9'3"	7'8"	7'9 ^{7/8} "	7'8"	7'5"
20 FOOT CONTAINER 	20'	8'	8'6"	19'3"	7'8"	7'9 ^{7/8} "	7'8"	7'5"
40 FOOT CONTAINER 	40'	8'	8'6"	39'5"	7'8"	7'9 ^{7/8} "	7'8"	7'5"
40 FOOT HIGH CUBE CONTAINER 	40'	8'	8'6"	39'5"	7'8"	8'10"	7'8"	8'5 ^{1/2} "
45 FOOT HIGH CUBE CONTAINER 	45'	8'	8'6"	44'5"	7'8"	8'10"	7'8"	8'5 ^{1/2} "

20 feet containers

The length of container is 20 feet

Width = 7 feet 8 inch

Height = 7 feet 10 inch

Weight = approximately 20,000 kg

Volume = 25 to 27 CBM

40 feet containers

The length of the container is 20 feet

Width = 7 feet 8 inch

Height = 7 feet 10 inch

Weight = approximately 25,000 kg

Volume = 55 to 57 CBM

40 feet high cube containers

Length = 40 feet

Width = 7 feet 8 inch

Height = 8 feet 10 inch

Weight = approximately 25,000 kg

Volume = 65 to 67 CBM

Vessel

A craft for traveling on water, now usually one larger than an ordinary rowboat, a ship or boat.

Types of vessel

- Container Ships
- General cargo ships
- Bulk Carrier
- Tanker Ships
- Passenger Ships
- RORO Ships
- Naval Ships
- Offshore Ships
- Special Purpose Ships

Difference between RO-RO and Breakbulk Cargo

RO-RO: Roll-on roll-off vessel is designed to carry wheeled cargo such as cars, trucks, semi-trucks off the ship with their heels such as self-propelled modular transporter.



General cargo ship



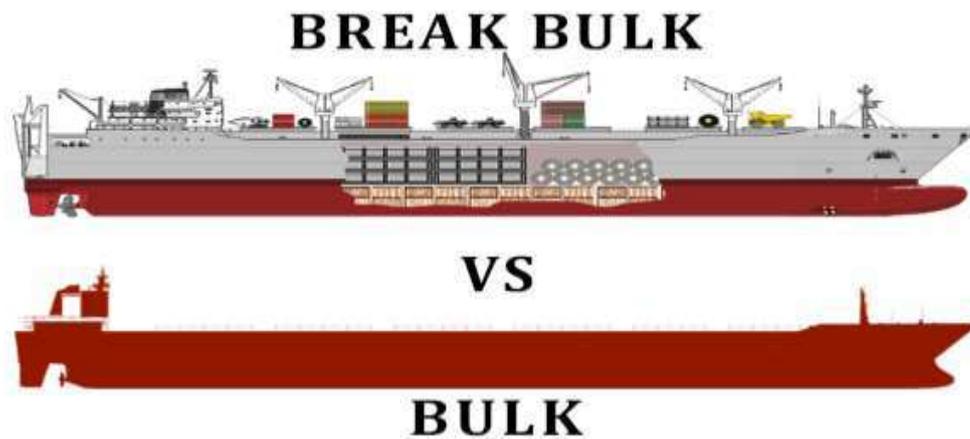
Bulk carrier



Passengers' ships



Breakbulk: Break bulk cargo are goods that must be loaded individually are not in an intermodal container this sort of cargo is called general cargo ships.



Difference between Bulk and Containerized Vessel

Bulk: A bulk carrier, bulk freighter specially designed transport raw and material shipped in cargo unpacked cargo.

Containerized Vessel: Containerized is a system of intermodal freight transport containers where the cargo is shipped in a container.

Difference between Feeder Vessel & Mother Vessel

Feeder Vessel: Feeder vessel normally small in size. Feeder vessel used to take goods from small ports to major parts. It has a capacity to carry small container.



Mother Vessel: Mother vessel normally big in size. Mother vessel only serve major parts. It has a capacity to carry thousand containers.



Definition and Purpose of key documents in International Trade

Quotation

An offer to sell goods or services in international trade RFQ received seller send under specified and term conditions.

Purchase Order

A purchase order is a commercial document and the first official offer issued by a buyer to the seller indicating types and providing, agreed price detail to be purchased include quantity price and other detail.

Commercial Invoice

The commercial invoice is a legal document between the supplier and the customer that clearly describes the amount due to the customer seller and buyer record the details which are sold out unit price quantity the total sum of goods.

Packing List

Itemize a list of articles each shipping package given quantity description weight of the contents. Prepared by the shipper item number and dimension.

Certificate of Origin

Certificate of origin is an important International trade the document confirms that the goods particular shipment the cargo and cargo details which be reassured of destination.

Shipping Instruction

A shipping instruction is a document advising detail of cargo and exporter's requirements and physical movement freight forwarder to issue the bill of lading.

Shipping Bill and Bill of Lading

It is a document filed by the exporter and value of goods qualified customs it is examined on customs authorities Tariff and regulations.

Cargo Manifest

A document used by customs particularly vehicle bill of the loading cargo provided by shipper by customers. A cargo manifest is a consolidated list of all the cargo that is onboard a cargo vessel.



Cargo manifest document

Container No		Actual Seal No.	Custom Seal No.	Type	Description	No of Pcs	Gross Weight	Volume (CBM)
					AMERICAN TOURISTER	10000	12,000.00	

Bl No	Origin	Destination	Shipper / Consignee / Notify	Commodity Description	Marks No	No of Pcs	Volume (CBM)	Weight	Remarks
					Total				

Remarks :

User : mwww@fresatechnologies.com

08-09-21 01:03:56 AM Asia/Calcutta

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Pre-Alert documents

When your cargo is ready for shipping before the departure of cargo. Free alert does final checking for all shipping documents for the filling with the custom at the destination.

Cargo Arrival Notice

CAN be given by a carrier or agent the conscience (and to the notify party) e-income about the arrival of shipment number package goods and weight and collection charges on the bill.

Types of Invoices

- Sales Invoice
- Purchase Invoice

Sales Invoice

Sales Invoice is a written document used by a seller to inform the detail of the transaction to their customers. It includes all factors about the due date, number of products, seller, buyer and also total price. On the other hand, a receipt will be sent after the seller received payment from their customer. It is prepared by the shipper and provided to the consignee. It contains product name cargo details total number of units.

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BILL OF SUPPLY															
Client	CARGOWISE LOGISTICS 22, EAST STREET, INDIA, 614001 Phone : N/A/Mobile : 8830950264 State : MH - MAHARASHTRA			Invoice No.	: BOMIN/211000788 / 28-OCT-21			Shipper	: N/A			Shipper Ref No.	:		
Due Date	: 28-OCT-21			Job No.	:			Consignee	:			Origin	: MUMBAI (EX BOMBAY), INDIA		
Place of Supply	: MH - MAHARASHTRA			Shipment No.	: BEXP/21/0001 / 28-OCT-21			Destination	:			Currency	: INR 1.00000		
IRN No.	:			MBL No.	:			Line Name	:			Division	: FCL		
BB / BOE No.	:			MBL No.	: BOMDXB/2100001A			Reference No.	:						
Remarks	:			Vessel / Voyage	:										
				Cargo Type	: General										
				ETA	: 31-OCT-21										
Charge	HSN/SAC	Qty	Amount / Qty	Desc.	Ex/Rate	FCY Amount	Taxable	Non Taxable	IGST %	SGST	CGST %	CGST	IGST %	IGST	Total Amount (INR)
BILL OF LADING		1	90,000.00	888	1.30000	90,000.00	90,000.00		9.00	4,500.00	9.00	4,500.00			99,000.00
							Total	90,000.00							
												Tax	Amount (INR)		
												IGST 18-CGST 9%	4,500.00		
												IGST 18-SGST 9%	4,500.00		
												Rupee Fifty-Nine Thousand Only	99,000.00		
HSN/SAC	IGST	CGST	SGST												
		4,500.00	4,500.00												
Container No.	Type	No. of Pcs	Pack Type	G.Weight	Unit	Volume (CBM)									
		1,500.00	PACKAGES	350.000	KGS	20.000									
Bank Name: EEE Bank Address: FFF															
Printed By: sriharsh@fresa.in															
Printed Date: 30-Oct-21 10:25AM															
Powered By: Fresa Technologies															
Page 1 of 1															

Purchase Invoice

A purchase invoice is created after the buyer has presented the seller with a purchase order, and the order has been confirmed and fulfilled by the seller. It contains identical information to a regular invoice as well as a due date, by which the buyer commits to pay the seller.

Container No.		Type	No of Pcs	Gross Weight	Volume	Volume Weight	
			1500 PACKAGES	350.000 KGS	20.000	150.000	
A/C Name	Narration		Qty	Currency	Amount / Qty	FCY Amount	Total Amount (INR)
SEA FREIGHT FCL COST	BILL OF LADING		1	INR	48,000.00	48,000.00	48,000.00
SGST INPUT A/C	SGST 9%		1	INR		4,320.00	4,320.00
CGST INPUT A/C	CGST 9%		1	INR		4,320.00	4,320.00
Rupee Fifty-Six Thousand Six Hundred Forty Only							56,640.00

Key Terminologies in Shipping:

Vessel Voyage

The time of transit from one place to another can be from a return trip when applied if any particular ship is engaged.

Gross Weight

The gross weight of the shipping container maximum operating vehicle manufacturer of the shipment gross weight equals the net weight plus the cargo weight.

Gross Mass



The total mass of an object including its contents and packaging.

Net Weight:

The actual or estimated amount of weight added to the good without container packaging. Gross weight less than weight equal net weight.



Definition

When the consignee holds onto the carrier container beyond the free time allotted. It is changed when import containers have been picked up but the container of the consignee and not returned.

Demurrage

Demurrage is charged for taking delivery import containers are still control loading and unloading shipping consignee didn't get the container.

Onboard

Bill which certifies that their specified would have been received in good order condition and take up abroad the named ship.

RFS

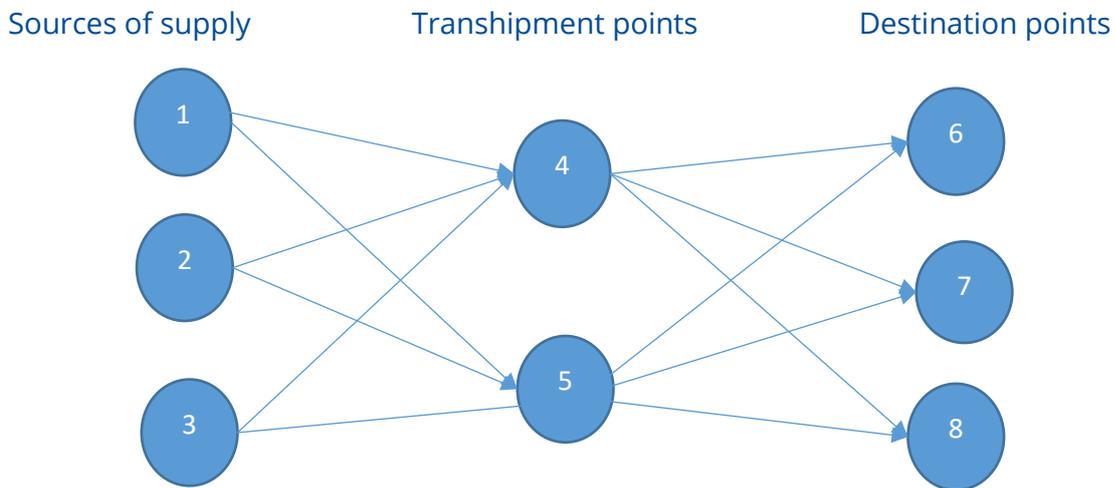
A document issued by a carrier that looks like a bill of loading of receipts of goods for a shipment received the issued before visible packages the vessel loading specific ship or voyage.

Transshipment

Transshipment is the shipment of goods or containers to an intermediate destination, then to another destination.



Flow Chart of Transshipment



(e.g., from ship transport to road transport), known as Trans loading.

Activities

- The main ports are doing cargo handling activities.
- Place where repairs and maintenance are carried out on the ship.

Port cutoff

Port cutoff is the information until the time and loaded container place and receipt. Then the container puts in the planned vessel in the port.

Storage Planning

Storage planning is the material loaded systematic planning which container should be loaded in a vessel based on weight

Port

Port can be defined as a harbor or an area that is able to provide shelter to numerous boats and vessels (transferring people or cargo).

The biggest port in the world

- Singapore port
- Shanghai port
- Hong Kong port



Singapore port



Shanghai port



Hong Kong port

Major seaports' cities

- Shanghai - China
- Busan - south Korea
- Shenzhen - China
- Jebel Ali - UAE
- Rotterdam - Netherlands
- Port Kelang - Malaysia
- Hamburg – Germany
- Antwerp - Belgium
- Los Angeles - USA
- Dalian - China
- Colombo - Sri Lanka
- Chittagong - Bangladesh
- Nigro - China
- Qingdao - China

Difference between ICD, Port and CFS

Port: Port is a customs station like a port or air cargo unit for a purpose unloading of imported and loading port consists of heavy pieces of equipment like cranes, forklifts.

ICD (Inland Container Depot): Inland can have an independent existence as it is a self-contained customs station that has a port to keep the cargo in ICD.

CFS: It is only a custom exercising control over a specified custom port airport and land were loading and unloading of cargo from the ship.

Stuffing

- Stuffing means '**loading' goods in to container** or any other mode for export.
- Once after completion of customs clearance procedures, the carrier loads the cargo to the container to move final destination mentioned in the shipping bill.



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Factory stuffing

Stuffing of cargo undertaken under the customs at factory premises or shipper place.

ICD stuffing

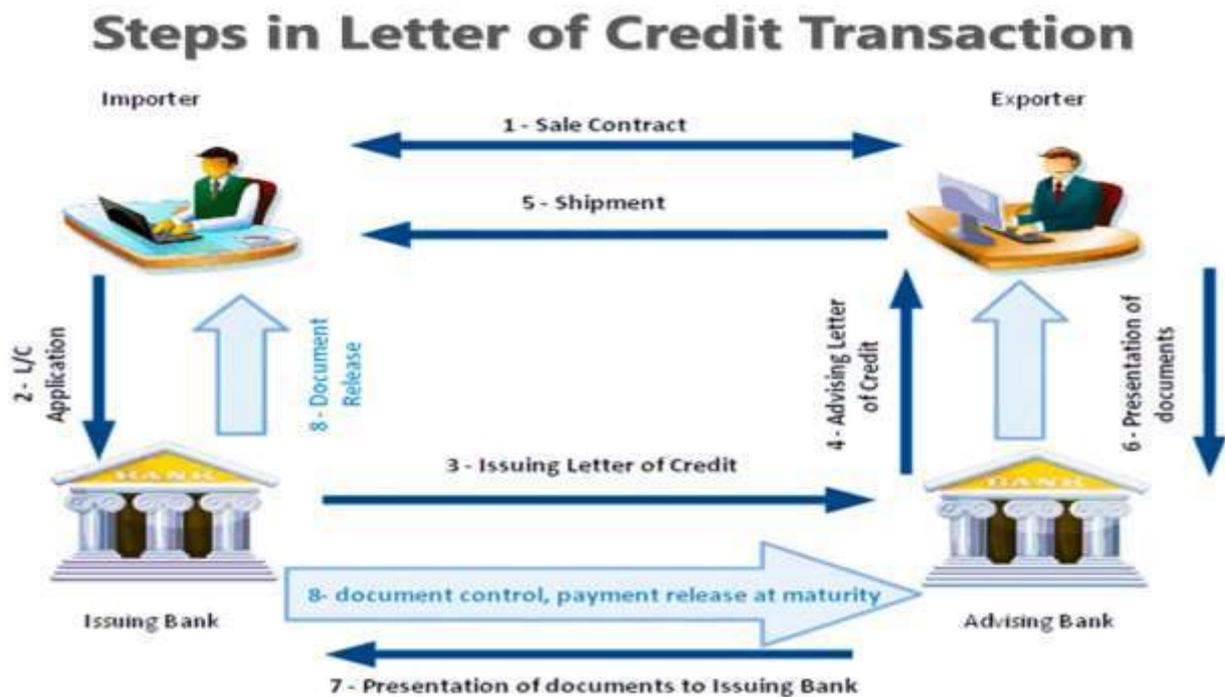
ICD is a term used in the field of import and export of sea shipment inland container depot.

Port stuffing

Stuffing refers to the loading goods inside the container in CFS is port stuffing.

Letter of credit

- Letter of credit is pay by a buyer or importer bank (called the issuing bank) to the seller's exporter's bank (called the accepting bank).
- A letter of credit guarantees payment specified sums in a specified currency are new to each other.
- The guarantee is that the exporter will get the payment and the importer will get the goods.



Types of LC

- Revocable LC
- Irrevocable LC

A revocable LC: It is a **credit**, the terms and conditions of which can be amended/ cancelled by the Issuing Bank. This cancellation can be done without prior notice to the beneficiaries.

An Irrevocable LC: An irrevocable credit is a credit, the terms and conditions of which can neither be amended nor cancelled.

Merits of LC

- The seller cannot hold the payment to the buyer raising objections between importer and exporter.
- LC promotes instant liquidity.

Demerits of LC

- LC can be misused
- LC's are offered tough to terminate or cancel.

Key elements of LC

- A commercial letter of credit
- LC validity date
- Insurance
- Packing type
- Storage

The seller will ask only for the original bill of lading to the liner since the bank is involved the bank asks for only one original documents.

Bill of lading

A detailed list of a ship's cargo in the form of a receipt given by the master of the ship to the person consigning the goods.

Air waybill (AWB)

It is equivalent of an ocean bill of lading used in air transport.

Inland bill of lading

- They are often the first transportation document issued for an international shipment.
- They are used for cargo shipments by **rail or road but not sea.**

Multimodal bill of lading

- It is an **international transport documents covering two or more modes transport**, such as shipping by road and by sea.
- We will use this type when we combine shipping methods.

House bill of lading

A House Bill of Lading is a **BOL created by an Ocean Transport Intermediary (OTI)** such as a freight forwarder or non-vessel operating company (NVOCC) and is issued to the supplier once the cargo has been received.

Master bill of lading

A **Master Bill of Lading issued by** main carrier of goods on receipt of goods from a freight forwarder to deliver at destination as per agreed terms.

Difference b/w HBL and MBL

HBL	MBL
an HBL is issued by an NVOCC, and usually lists the actual shipper and consignee,	the MBL is issued by the carrier.
HBL is issued by NVOCC operator freight forwarders to their customers in case of shipments	MBL is issued by liner carriers their customers or freight forwarders and commercial customers in the FCL shipments.

Incoterms

- **“Incoterms”** are a set of rules which define the responsible of sellers and buyers for the delivery of goods under sales contracts.
- Globally recognized, **incoterms prevent confusion in foreign trade** contracts by clarifying the obligations of buyers and sellers.

EXW – “Ex-Work”

- "Ex works" means that the **seller fulfils his obligation** to deliver when he has made the goods available at his premises (i.e., works, factory, warehouse, etc.) to the buyer.
- The buyer bears all costs and risks involved in taking the goods from the seller's premises to the desired destination.

Ex works (EXW) is a shipping arrangement in **which a seller makes a product available at a specific location, but the buyer has to pay the transport costs.**

Allocations of costs to buyer/seller according to Incoterms 2020

Incoterm 2020	Loading at origin	Export customs declaration	Carriage to port of export	Unloading of truck in port of export	Loading on vessel/airplane in port of export	Carriage (sea/air) to port of import	Insurance	Unloading in port of import	Loading on truck in port of import	Carriage to place of destination	Import customs clearance	Import duties and taxes	Unloading at destination
EXW	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FCA	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FAS	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
FOB	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
CPT	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer/Seller	Buyer/Seller	Seller	Buyer	Buyer	Buyer
CFR	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
CIF	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer	Buyer	Buyer	Buyer
CIP	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer/Seller	Buyer/Seller	Seller	Buyer	Buyer	Buyer
DPU	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Seller
DAP	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer	Buyer	Buyer
DDP	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Seller	Buyer

FCA - "Free Carrier"

- The **seller fulfils his obligation to deliver** when he has handed over the goods, cleared for export, into the charge of the carrier named by the buyer at the named place or point.
- **FCA term may be used for any mode of transport**, including multimodal transport.

FAS - "Free alongside Ship"

- **The seller fulfils his obligation to deliver when the goods have been placed** alongside the vessel on the quay or in lighters at the named port of shipment.
- The FAS term requires the buyer to clear the goods for export.
- It should not be used when the buyer cannot carry out directly or indirectly the export formalities.

FOB - "Free on board"

- **FOB means that the seller delivers the goods**, suitably packaged and cleared for export, once they are safely loaded on the ship at the agreed upon shipping port.
- At this point, **responsibility for the goods transfers to the buyer**.
- The seller may procure a freight contract at the buyer's request or, if the buyer has failed to procure one by the date of a scheduled delivery, the seller may procure one on their own initiative.
- **The buyer is responsible for the cost and risk of this freight contract**.
- The term FOB is also used in modern domestic shipping within the United States to describe the point at which a seller is no longer responsible for shipping cost.

CIF - "Cost, Insurance, and Freight"

- CIF means **that the seller delivers when the suitably packaged goods, cleared for export, are safely stowed on board the ship at the selected port of shipment**.
- The seller must prepay the freight contract and insurance.
- The seller is only obliged to procure the minimum level of insurance coverage.
- This minimum level of coverage is not usually adequate for manufactured goods.
- In this event, **the buyer and seller are at liberty to negotiate a higher level of coverage**.

CPT- "Carriage Paid To"

- **The seller is responsible for paying the freight charges** to transport the goods to the named location.
- Responsibility for the goods being transported transfers from the seller to the buyer the moment the goods are delivered to the carrier.

CIP- "Carriage and Insurance Paid to"

The seller is **responsible for paying the freight and insurance charges**, which are required to transport the goods to the selected destination.

DAP -"Delivered at Place"

It is the buyer's responsibility to affect any customs clearance and pay any import duties or taxes.

DAT- "Delivered at Terminal"

Seller is **responsible for the costs and risks to** bring the goods to the point specified in the contract.

DDP- "Delivery Duty Paid"

The seller **bears full responsibility for all costs and risks** until the goods have been unloaded at

Tally sheet

List of incoming and outgoing cargo a sheet for checking to count or scoring as cargo loaded (or) unloaded expand prepared and cross-checked whether the planned cargo is loaded into the container.

Outturn report

- A cargo report prepared by a discharging terminal to record discrepancies in the form of over short and damaged cargo as manifested and cargo checked at a time place of discharge over landed cargo mark disrupted.
- At discrepancy found it will be captured in our turn report and same communicated to load port.

Packaging

- Packaging means **the wrapping or bottling of products to make them safe from damages during transportation and storage.**
- It keeps a product safe and marketable and helps in identifying, describing, and promoting the product.
- “Packing is the preparation of product or commodity for proper storage and/or transportation.

Various types of packaging

- Cartons
- Pallets
- Pails
- Crates
- drums



Cartons



Pallets



Pails



Crates



Drums

Seaworthy packing

It is a dispensable application of the wooden packaging sector with is loading and transport different temperature zone against wind and weather.



Fragile goods

- Fragile cargo is cargo that can break easily if exposed to falls, shocks, and rough handling during transport.
- Fragile cargo includes but are not limited to antiques, certain glass articles including goods in glass container it is breakable.
- It must be in wrapped in packing material that can absorb liquid.



Personal effect cargo

The personal effect cargo is the type of cargo which is used one and it is a non-commercial cargo.

HS code

The harmonized commodity description and coding system generally referred harmonized system simply multi-purpose international product HS contributes to the harmonized customs non-documentary trade data interchange related to international trade.

HS Code Example

Apple

HS Code: 08081000



International

National

08 08 10 00 00 00

Section 02: Vegetable Products

Chapter 08: Edible Fruit and nuts, peel of citrus/melons

Heading 08: Apples, Pears and Quinces, Fresh

Subheading 10: Apples

Country Specific Divisions

Document Amendment

Amended documents when properly executed retain, the legal. Validity of the original document for construction supply contracts, amendment refers change made before the contract is any change made amendment is called a modification.

Dangerous goods

- Dangerous goods are substances or articles that pose a risk to people's property environment due to their chemical (or) physical property.
- A usually classified with reference immediate risk.

DG classifications

- Explosives
- Flammable gas
- Flammable liquids
- Flammable solids
- Oxidizing substance
- Toxic and infectious substance
- Radioactive substance
- Corrosive
- Miscellaneous dangerous goods.



DG classifications

DG compatibility

Combination of certain DG cargo cannot be transported on the same container due to the reactive nature of certain DG cargo, So DG compatibility is used.

Placards

Placards are used to warn others of hazardous material placards are signs put on the outside of a vehicle and bulk packages that identify the hazard class of the cargo.



Types of Hazmat Placards

MSDS

- A material safety data sheet is a document that contains information on the potential hazards to working safely with chemical products.
- It is an essential starting point for the development of a complete health safety program.
- It contains information on the use, storage information material than the label.



MATERIAL DATA SAFETY SHEETS

Additional charges involved in handling DG Cargo

- Freight charges will be high
- Packing at warehouse will be high
- DG terminal charges will be high