

Shipping and Airfreight Terminology

Term	Description
Air Cargo Automation (ACA)	The computer system, used by Australian Customs, that coordinates and controls the reporting and delivery of import air cargo in Australia.
Agents	An Agent is a person / organisation who acts on behalf of another person, group, business, government etc. as their representative. Some shipping lines use an Agent to act on their behalf when they don't have their own branch office in a port. Similarly, freight forwarding companies like MONDIALE VGL have Agents in countries where we don't have our own offices. These Agents look after shipments in and out of these countries on behalf of MONDIALE VGL.
Australian Quarantine and Inspection Service (AQIS)	The Australian Quarantine and Inspection Service (AQIS) was the Australian government agency responsible for enforcing Australian quarantine laws as part of the Department of Agriculture. The AQIS brand has since been phased out and is now called the Australian Government Department of Agriculture, Fisheries and Forestry (DAFF).
Air Way Bill (AWB)	Produced by the origin forwarder from the information on the SLI (see SLI). It is a receipt of goods for carriage and an invoice for transport charges. It is a non-negotiable document.
Bunker Adjustment Factor (BAF) / Bunker Surcharge (BSC) / Fuel Surcharge (FS)	All three terms have the same meaning. This is a surcharge applied by an ocean carrier to ocean freight rates to recover costs associated with bunker fuel.
Buyers Consolidation	<p>If you import and have multiple suppliers near a single origin port, your freight forwarder may have an opportunity to improve your supply chain efficiency by creating a buyer's consolidation. This means cargo from your suppliers can be consolidated into one container instead of shipping them individually. Through their freight forwarder, smaller businesses who can't fill up their own container can opt to include their cargo with other businesses to fill a container.</p> <p>There are usually significant savings to be had in choosing buyers consolidation over shipping your cargo as a single shipment / an LCL (less than container load). Developing a solid consolidation strategy will help maximise your savings, speak to your MONDIALE VGL Sales Representative to discuss this option.</p>
Bulk Run	Bulk runs refer to the evacuation of containers from an Empty Container Park (ECP) to a Container Terminal for repositioning overseas, or from the Container Terminal to an ECP for forwarding to exporters. Sometimes it can also refer to multiple full container movements. Also see, Repo and Stack Run.
Bonded Warehouse	This is a customs-approved facility that is used to store imported goods until the duty owed on them is paid. Bonded warehouses are strategically used by businesses to delay payment of duty on goods up until the goods are required, facilitating the cash flow of the business. This can form part of your supply chain strategy, speak to your MONDIALE VGL Sales Representative to discuss this option.

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Carrier Access Arrangements (CAA)	These are the rules of entry set by a Container Terminal or Empty Container Park for all trucks entering their site.
Currency Adjustment Factor (CAF)	When the cargo is payable in foreign currency and this currency is subject to major exchange rate fluctuations, the shipping company sometimes levies a currency surcharge or CAF (Currency Adjustment Factor) to compensate for those exchange rate risks. It is often charged on the basic sea freight as a percentage.
Carnet	<p>A Carnet or ATA Carnet (pronounced kar-nay) is an international customs and temporary export-import document. It is used to clear customs in 87 countries and territories without paying duties and import taxes on merchandise that will be re-exported within 12 months.</p> <p>Most merchandise can be listed on a Carnet. Virtually all types of goods and equipment can be transported under the ATA Carnet including Commercial Samples; Professional Equipment (Tools of the Trade); Goods for Fairs & Exhibitions. However, consumable items such as agricultural products (food, seeds, fertiliser, pesticides), explosives, disposables and postal traffic cannot travel under an ATA Carnet.</p>
Collection Fee / Currency Uplift Fee / Currency Collection Fee (CC Fee)	A Collection Fee (CC Fee) is a percentage surcharge, usually between 2% and 6%, of the total freight bill, charged by carriers and forwarders on collect freight amounts. The charge is applied to recover interest on funds payable at the time of shipment; also, to cover fluctuation of exchange rates.
Cost, Insurance and Freight (CIF)	<p>Cost, Insurance and Freight (CIF) is one of the INCOTERMS specifying that the transfer of cost and risk will occur after placing the goods on board of the ship in the port of departure or after the goods are loaded.</p> <p>The seller has fulfilled their obligation to deliver when the goods are placed / loaded on board the nominated vessel at the port of departure. The insured value of the goods is normally 110% of invoice value.</p> <p>Please also look up INCOTERMS.</p>
Cargo Management Re-Engineering Fee (CMR)	A fee charged by the Australian Customs Service to facilitate the introduction and implementation of a new cargo management system introduced in 2001. The aim of the new system was to speed up clearance of imports and exports; reduce overall cost of overseas trade; and boost surveillance for at-risk cargo such as illicit drugs.
Cargo Terminal	Cargo terminals are a key point in the supply chain where international goods are unloaded and loaded. They are the areas at a wharf or airport where goods under customs control are located either immediately before being loaded for export, or immediately after being unloaded for import.

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Cargo Terminal Operator (CTO)	A cargo terminal operator (CTO) is broadly defined as a person who manages a cargo terminal. A 'person' includes a government body, corporate body and/or an individual. Typically, the CTO is responsible for managing the operations at the cargo terminal such as scheduling the use of a cargo terminal, maintaining the terminal infrastructure and arranging terminal security. A CTO could be an entity that has long-term exclusive access to a designated area of a port or airport.
Cargo Terminal Operator Security Fee	A fee imposed by the CTO (listed above) to cover security costs at the port.
Container Transport Operator (CTO)	A company who owns and manages trucks for the movement of shipping containers by road. Also known as 'Transport Operator'. MONDIALE VGL Global Logistics is a CTO in Australia and New Zealand.
Consignee	The person or company to whom goods or documents are officially sent or delivered. A freight forwarder is usually an intermediate consignee - that is, they take possession of the goods before delivering them to the ultimate consignee .
Container	Or 'shipping container' - this is the metal box in which goods are transported via ship around the world. Different types of containers are used to ship different types of goods, for example refrigerated containers. Also described as "boxes" or "equipment". Also see TEU.
Container Park	See: Empty Container Park
Container Terminal	Container Terminals are the interface between ship and landside operations (see landside). Container Terminals unload/ load ships, provide a clearinghouse for containers, and load/unload trucks.
Co-Load - Consolidation Load	Different loads directed to the same destination being combined into a single shipment.
Consignor	The person/business sending a shipment to be consigned whether by land, sea or air.
Cross Docking	A practice in logistics of unloading incoming materials and re-loading these materials directly into outbound trucks with little or no storage in between. At MONDIALE VGL Global Logistics we look to maximize efficiency by reducing touch points of inventory handling which alleviates unnecessary storage and delivers products faster.
Customer Broker	An agent for importers ensuring all duties, fees and taxes are correctly paid on the goods being importing in containers. Also, can be involved with Freight Forwarding. See Freight Forwarders

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DAWR	The Australian Government's Department of Agriculture and Water resources, which is responsible for implementing policies and programmes to support the agriculture, fisheries, food and forestry industries.
Detention	A charge that is levied by shipping lines if a container is held by the consignee for longer than has been agreed. Usually a daily fee that is agreed to at the time of making a booking with a shipping line for use of their container. This can be thought of as a sort of 'rental fee' for the container from the shipping line.
Demurrage	<p>The shipping lines give you a set amount of time for the container to be picked up from or delivered to them. Once this allotted time is up charges will apply per day thereafter. Demurrage refers to these fees that are charged when a full container is held by the shipping line for longer than agreed</p> <p>(In import cases this is the time between when the container is unloaded from the vessel to when it is finally picked up off the wharf. For exports, it is time between when the loaded container is delivered to the port to the container being loaded on the vessel</p>
Depot	See: Empty Container Park. Also known as Container Freight Station
Direct Services	Moves directly from one port (either air or sea) to another, not stopping along the way. If the freight is urgent airfreight, then an express direct service would be an alternative option. This service is more expensive however is the quickest way to move cargo. The cargo will generally move on the next available flight
DO - Delivery Order	A document, issued in exchange for the Bill of Lading, authorizing delivery of the shipment.
Door to Airport	The shipment is collected from the supplier's door and flown to the closest customs airport. The receiver is then responsible for the customs clearance, quarantine, delivery and local taxes.
Door to Door	The shipment is collected from the supplier's door and is flown to the country of destination where the goods are cleared through customs & quarantine controls and then delivered to the receiver's door. Duties and taxes are to be paid by the receiving company or individual.
ECP - Empty Container Park.	An ECP is where containers are stored after their goods have been delivered to a warehouse. Containers remain at the Empty Container Park until they are required to be filled for a new shipment, at which time they are delivered to a loading warehouse, or back to a ship empty for repo. Also see "Repo".

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EDI - Electronic Data Interface.	The transfer of necessary documentation/information electronically through a standard that allows various software platforms to import data.
EDF - Export Documentation Fee	A charge levied by airlines in Australia for handling the documents for each shipment they carry.
Exporters	The owner of cargo that is to be shipped (exported) out of the country.
Export Warehouse	A warehouse where goods are loaded into containers for exporting.
EXW - Ex-Works	An incoterm (see incoterm) by which the buyer is responsible for the transport to port of export, from port of import and of good, all export procedures.
FAK- Freight All Kinds	LCL (see LCL) cargo from multiple shippers is consolidated at CFS (container freight station) or depot and packed into a container. Upon arrival at the destination the company who arranged the consolidation arranges pick up from the wharf and unpack of the container for consignees to pick up their freight.
FAS - Free Alongside Ship	An incoterm (see incoterm) by which the seller is responsible for delivering goods, cleared for export, alongside the vessel at a named port, at which point risk transfers to the buyer.
FCL - Full Container Load	Freight comes from one supplier to one consignee. The consignee picks up container from the wharf when it arrives and arranges unpacking at their premises
FOB - Free on Board	An incoterm (see incoterm) by which indicating whether the buyer or seller is responsible for the goods damaged during shipping. "FOB shipping point"/ "FOB origin" means the buyer is at risk once the seller ships the goods. "FOB destination" means the seller retains the risk of loss until the goods reach the buyer.
Freight Forwarder	An agent that arranges the carriage of goods on behalf of a shipper/consignee. Forwarders handle the import/export of goods by dealing with all the documentation and coordinating physical movement of containers. Can also be involved in custom broking (see Customer Brokers).
Futile Trip	Any time a truck turns up to an ECP, wharf terminal, or warehouse and cannot perform the task that they intended to perform, i.e. the trip is wasted.
Gateway	A point at which freight moving from one territory to another is interchanged between transportation lines

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GP – General Purpose	Refers to container, therefore: general purpose containers. These are containers which are designed for non-specific goods.
GRI - General Rate Increase	Applied by shipping lines as a given amount over and above whatever existing rate a shipper might be paying as the base ocean rate. Therefore, is a surcharge on the negotiated rate.
HAWS - House Air Waybill	The house air waybill is a forwarding agent's bill that they use to consign the cargo under.
HAZ/ Hazardous Cargo	Stands for Hazardous cargo. Like Dangerous Goods, this refers to good which can be harmful to people, the environment, or property, such as; petroleum, acid, radioactive material, explosives, biohazardous medical waste. This cargo cannot generally be carried by airfreight. There are strict guidelines laid down by IATA and ICAO on the carriage of hazardous cargo. Please contact our office prior to consigning your goods.
HBL - House Bill of Lading	Produced by the origin forwarder from the information on the shipper's letter of instruction. It is a contract between the shipper and the consignee; it is a negotiable document which can be an original express or telex 8/L.
IATA - International Air Transport Association	The trade and service organisation representing international airlines from more than 100 countries. MONDIALE VGL is IATA accredited.
ITF / Breakbulk Fee - International Terminal Fee	A fee applied at Australian airports by air freight forwarders to cover the costs of handling cargo and documents
Importers	The owner of cargo that is being shipped (imported) into the country.
Import Warehouse	A warehouse where containerised freight is unloaded in preparation for delivery to the cargo owner.
Incoterm	A set of rules published by the ICC (International Chamber of Commerce) defining the responsibilities of sellers and buyers for the delivery of goods under sales contracts. They are defined by commercial transaction terms between buyer and seller regarding the transfer of both cost and risk in international trade.
Landside	All operations that are carried out after a container leaves the gate at the Container Terminal. Landside also includes all movements from when container leaves the ship to then being delivered.

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L/C - Letter of Credit	Any arrangement, however named or described, whereby a bank, acting at the request and on the instructions of a customer is to make a payment to or to the order of a third party (the beneficiary), or is to pay or accept bills of exchange (drafts) drawn by the beneficiary, or authorizes another bank to affect such payment, or to pay, accept or negotiate such bills of exchange (drafts), against stipulated documents, provided that the terms and conditions of the credit are complied with.
LCL - Less Than Container Load	Loose cargo too small to warrant an FCL container. Cargo is then consolidated with other cargo to man an FAK. The cargo is sent to a consolidator to pack in an FAK (see FAK) container. This is known as a co-load
LOLO - Lift on Lift Off	Charge by the carrier for lifting of an FCL from the truck or ship upon receipt at a depot or container yard.
Manifest	A list or invoice of the passengers or goods being carried by a commercial vehicle or ship. It is a document that lists in detail all the bills of lading issued by a vessel or its agent or master, for example, a detailed summary of the total cargo of a vessel. Used principally for Customs purposes.
MAWB - Master Air Waybill	The master air waybill is a legal document that the airline uses to consign the cargo under.
M/T – Metric Ton	2204 lbs
Prime Contractor	A transport company that owns their own trucks. These companies do their own transport work and also contract out to other businesses. They may also employ sub-contractor drivers on an as needs basis. See also "CTO"
PSC - Port Service Charge THC - Terminal Handling Charge TRC - Terminal Receiving Charge	These are charges for handling cargo and containers at wharves and wharf terminals. FCL: a flat price per container LCL: Flat fee per cubic meter or tonne
PSS - peak season surcharge	Charge applied by shipping lines, over the base freight rate, during the busiest seasons of the year. Usually Charges as a fixed sum per container or by cubic metre for LCL
Redirection	A change in the instruction given by a shipping line about the drop off location for an empty container. That is, a redirection occurs when a CTO is advised by an ECP or a shipping line that a container should be returned to a different location than originally advised.

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Repo	Or 'Reposition' occurs when an empty container goes directly from an ECP to the wharf terminal for transport to another port. This usually occurs because shipping lines have too much container inventory in one port and too little in another. Repos will often happen in large numbers at one time to fill space on available ships. Also known as: Bulk Run, Stack Run, Single Empty.
SOLAS - Safety of Life at Sea	The International Convention for the Safety of Life at Sea (SOLAS) is an international maritime treaty which sets minimum safety standards in the construction, equipment and operation of merchant ships.
Stevedore	A person employed at a dock to load and unloads ships
Storage Fees at Wharf	After a vessel discharges its cargo there is a period of time, usually 2-3 days, during which the cargo may be collected. At the end of this period what is called 'time- up' occurs after which a daily storage fee will begin to accrue. These are calculated as a daily fee per container. It is a flat fee per day but the fee level escalates as time passes.
Sub-contractor	A sub-contractor is an independent worker in any field (transport, warehouse, administration, etcetera) who contract work from Prime Contractors (ex MONDIALE VGL). The sub-contractor may contract their labour, or their labour and equipment (i.e. prime mover, etc). See also: Prime Contractor.
Survey/Surveyor	Every container that is received at an Empty Container Park is surveyed on arrival. The container's state of repair is recorded and communicated to the Shipping Line that owns the container. Damaged containers may or may not be repaired by the Empty Container Park.
TEU - Twenty-foot Equivalent Unit	Twenty Foot Equivalent unit. The acronym used to describe the space occupied by a 20' container. i.e. 1 x 20' container= 1 TEU 1 x 40' container = 2 TEU
THC - Terminal Handling Charge	A charge for handling containers and goods at Container Terminals.
Transshipment Service	When the cargo or container is offloaded at a transshipment port and reloaded onto another aircraft or vessel for its intended destination. This service takes longer however is a cost-effective option for shippers.
TRC - Terminal Receiving Charge	A charge for handling containers and goods at Container Terminals.
VGM – Verified Gross Mass	A method of measuring weight which includes cargo weight, weight of loading equipment and materials, weight of the container, dunnage and so forth. VGM's must be provided by the shipper and signed of for safety purposes.

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Volumetric	All cargo is charged at the greatest weight, either actual or volumetric. For International airfreight, each cubic meter is equal to 167.0 chargeable kilograms. The calculation for this is as follows; The greatest length x width x height in centimetres divided by 6000. E.G. a parcel that measures 30 x 45 x 200 cm= 45 kilograms."
W/M - Weight or Measure (whichever is greater)	In Ocean shipping, the base tonne (i.e. 1000kg = 1 m3) to which the freight rate is applied and from which the freight amount is calculated.
War Risk Surcharge	A fee levied by shipping lines for shipments originating, transiting, or destined for ports /countries considered to represent a risk of war.
OBL - Ocean Bill of Lading	A bill produced by the shipping line consigned from the origin forwarder usually to the destination forwarder, in the cases of a direct shipment it is consigned to the ultimate consignee.
Commercial Invoice	An invoice which contains all information regarding the product, price, make, model, quantities, and any other relevant information from the supplier to the buyer of goods. It is used for both export and import customs requirement and to calculate duties and taxes.
PKO - Packing Declaration	A document completed by the shipper to advise what the cargo has been packed in e.g. timber pallets, straw etc. it is an AQIS requirement to have a PKO for every FCL or LCL shipment. Annual PKO can be used if a shipment is shipped exactly the same every time but must be sent within validity date of packing declaration.
VBS - Vehicle Booking System	A scheduling and booking system to manage truck arrivals at wharf terminals or empty container parks.
Waterside	The operations of loading and unloading ships at Ports. See also: Landside

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