

Domestic and Global Freight Forwarding and its Documentation Process.

Dissertation submitted to College of Management & Economic Studies for the
partial fulfillment of the degree of

MBA (LOGISTICS AND SUPPLY CHAIN MANAGEMENT)

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April, 2018

CERTIFICATE

TO WHOMSOEVER IT MAY CONCERN

This is to certify that the dissertation report on “DOMESTIC AND GLOBAL FREIGHT FORWARDING AND ITS DOCUMENTATION PROCESS” completed and submitted to University of Petroleum and Energy Studies, Dehradun by (student name) in partial fulfillment of the provisions and requirements for the award of degree of MASTER OF BUSINESS ADMINISTRATION (LOGISTICS AND SUPPLY CHAIN MANAGEMENT), 2016-2018 is a bonafide work carried by the scholar under my supervision and guidance.

To the best of my knowledge and belief the work has been based on investigation made, data collected and analyzed by the scholar, and this work has not been submitted anywhere else for any other university or institution for the award of any degree/diploma.

Mr. Balaram Swamy Jutta

Dated.....

(COMES)

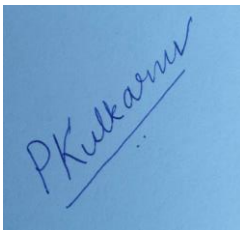
(UPES, Dehradun)

ACKNOWLEDGEMENT

First and foremost, I would like to thank my respective mentor “Mr. Balaram Swamy” (Prof.- SOB) for his valuable guidance and encouragement throughout my research project on “DOMESTIC AND GLOBAL SUPPLY CHAIN AND ITS DOCUMENTATION PROCESS”. His expertise, enthusiasm, and dedication for work have been a constant source of motivation for me.

I would like to express my deep gratitude to “University of Petroleum and Energy Studies” for extending the opportunity of undergoing the project and providing with all necessary resources and expertise needed for completion of the project.

I also convey special thanks to “Mr. Neeraj Anand –Head of Department (MBA- Logistics and Supply Chain Management)” for his extended support throughout the project.



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EXECUTIVE SUMMARY

A freight forwarder is a professional logistics provider. Freight forwarders are third parties and their objective is to dispatch shipments via asset based carriers such as ships, airplanes or trucks. The ability to arrange cargo movement from one destination to another within a short period of time makes a forwarder competent and however customers dependency remains constant on such forwarder. Freight forwarding companies have the expertise required to arrange all the activities related to the international shipping process.

Shipping various products between countries and territories usually involves a multitude of carriers, requirements and legal documentation. The freight forwarding services is specialized in handling the great amount of logistics help the clients ship goods securely and quickly. Freight forwarding services are typically used by companies that deal with international import and export activities. The freight forwarding company is a third party – it doesn't ship the cargo by itself. However, the freight forwarder acts as a professional intermediary between the client and the transportation services

Major companies and corporations greatly depend on professional freight forwarders in their import and export activities. The freight forwarding company guarantees that a certain cargo reaches the proper destination upon an agreed date. Furthermore, turning to the services of a freight forwarder is practically the only way that you can be certain that your products arrive at the specified destination in good condition.

These days, its virtually impossible for a company to ship goods at an adequate price without a forwarder. Freight forwarding companies have an established long term relationship with carriers of all kinds and will obtain the best deals in the least amount of time.

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CHAPTER – 1
INTRODUCTION

A freight forwarder is a professional logistics provider. Freight forwarders are third parties and their objective is to dispatch shipments via asset based carriers such as ships, airplanes or trucks. The ability to arrange cargo movement from one destination to another within a short period of time makes a forwarder competent and however customers dependency remains constant on such forwarder. Freight forwarding companies have the expertise required to arrange all the activities related to the international shipping process.

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These days, its virtually impossible for a company to ship goods at an adequate price without a forwarder. Freight forwarding companies have an established long term relationship with carriers of all kinds and will obtain the best deals in the least amount of time.

Freight forwarders faces numerous challenges and this has consequently led in the failure of their operations and satisfying customer needs. The occurrence of

problems of freight forwarders in India is as a result of government regulations, liner companies, non availability of trailers and trucks, lack of straight or access routes, warehousing of goods etc.

A freight forwarder, forwarder, or forwarding agent, also known as a non-vessel operating common carrier (NVOCC), is a person or company that organizes shipments for individuals or [corporations](#) to get goods from the [manufacturer](#) or producer to a market, customer or final point of distribution.^[1] Forwarders contract with a [carrier](#) or often multiple carriers to move the goods. A forwarder does not move the goods but acts as an expert in the [logistics](#) network. These carriers can use a variety of shipping modes, including [ships](#), [airplanes](#), [trucks](#), and [railroads](#), and often do utilize multiple modes for a single shipment. For example, the freight forwarder may arrange to have cargo moved from a plant to an airport by truck, flown to the destination city, then moved from the airport to a customer's building by another truck.

International freight forwarders typically handle international shipments. International freight forwarders have additional expertise in preparing and processing customs and other documentation and performing activities pertaining to international shipments.

When a business decides to export or import their products they soon realize that they have to deal with the numerous barriers that have to be overcome to ship the product to the end customer.

In many cases, a business will look to a specialist, called a freight forwarder, who can manage these obstacles.

The services of a freight forwarder can vary between different companies but the main function of the freight forwarder is to act as an intermediary between the client who is hiring them and various transportation services that are involved in getting the product overseas to the customer, including carriers, customs and handlers.

Depending on the final destination and the nature of the items shipped, there may be many transportation companies involved in the movement of the items from the supplier to the customer.

The freight forwarder may have to deal with many export and import issues that could be involved in the movement of the goods.

The freight forwarder is hired:

to get the product to the customer by a specific date

in an undamaged state

The freight forwarder will provide the client [insurance services](#) to make sure that if the items do arrive damaged, they will be reimbursed and not liable for the damages.

A research cannot be conducted abruptly. Researcher has to proceed systematically in the already planned direction with the help of number of steps in sequence. To make the research systemized the researcher has to adopt certain methods. The method adopted by the researcher for completing the project is called as research methodology.

RESEARCH OBJECTIVES:

1. To identify the importance of freight forwarding in the Indian Shipping Industry.
2. To study the functions and work activities of freight forwarders in India.
3. To investigate the factors which hinder the success of the Freight Forwarding Industry In India.
4. To suggest possible solutions to the challenges being faced by the freight forwarders in India.
5. To understand the documentation in domestic and global freight forwarding.
6. To understand the legal issues in freight forwarding.
7. To resolve the legal disputes that are arise in freight forwarding.

RESEARCH DESIGN:

Type of research: The type of research that has been adopted by the research is the descriptive research. It described the study of Freight Forwarding and the growing importance in Freight Forwarding.

Data Collection Process: This study is based on the secondary data in order to identify the challenges faced by the freight forwarders in India. The researcher has collected information based on the sources such as reports, journal articles, magazines, books, websites, previous studies and industry experts. The researcher has also contacted some of freight forwarders of sea transportation to study related to the freight forwarding industry in India.

Limitations of the study:

1. The researcher has done the study only on freight forwarder.
2. The researcher has not considered the financial the financial aspects of freight forwarders.
3. Lack of time available for the research.

BUSINESS PROCESS OF FREIGHT FORWARDING

Import Process:

- A foreign partner sends the pre alert of shipments details with copies of the Bill of lading.
- Check if contents of Master B/L as per specimen and House Bill of lading tally. In case of discrepancy inform foreign partners and ask them to correct the same.
- Check with Liner agent on ETA of vessel and inform the consignee/ custom house agent.
- Submit Master and the House B/L to the shipping line for filing the manifest within 48 hours before the arrival of vessel.
- Obtain Import General Manifest IGM and line no. from the shipping line and pass the same to custom house agent within 24 hours upon receipt of the same from the shipping line.
- Issue cargo arrival notice cum freight invoice to the consignee/ CHA within 47 hours before the arrival of vessel.
- Collect Freight and other local charges wherever applicable and hand over the same to accounts departments for remittance.
- To issue release order to custom house agent after collection of duly discharged original house bill of lading with all relevant endorsements such as bank, if bank is involved, consignee and customs house agent after collection of relevant charges.

Export Process:

- Receive rate enquiry from foreign partners if applicable.

- Check with local shipping company / break bulk operator/ consolidator and negotiate ocean freight.
- If business finalized, obtain routing order from the overseas agent comprising of shipper details/ consignee information.
- Advise shipper via telephone about being nominated to handle the shipment and check on cargo readiness.
- Obtain copy of invoice/ packing list and ACD Advance Cargo Declaration if shipments are destined to USA or Canada.
- If shipments is FCL then request for allotting the container is sent to the shipping line and once the plot permission is received than the same is handed over to the shippers CHA within 24 hours after request is received from the shipper/CHA.
- If LCL then advise shipper / CHA name of the LCL consolidator and ask the CHA to hand over the cargo after customs clearance.
- Follow up with the supplies/ customs house agent for draft of house bill of lading for preparation of original B/L.
- Intimate local charges such as terminal handling charges/ documentation charges etc to the shipper/ CHA.
- Release the shipping line to give the debit note for THC and local charges and payment request is given to accounts departments for payment of local charges.
- Release Master B/L;from shipping co/ consolidator as soon as the vessel sails. Be This could be seaway B/L. If original is released then the same is surrendered to the shipping line.

Packaging

A freight forwarder should provide assistance to the customer on how to package their products for export. [Packaging](#) that would normally be used for shipping

within the US may not be sufficient for extended transportation where the items may be either loaded in a container or loaded and unloaded several times along the route.

The item may be allowed to be stored in environments where extreme temperatures or weather may be experienced. If an item is to be shipped via air, then the freight forwarder may suggest packaging that is lighter than normal to keep shipping costs to a minimum.

Labeling

Freight forwarders will assist their customers in providing the correct labeling they require for their items.

The correct label will be required to show:

the precise items in the shipping container

any hazardous items

country of origin

correct weight in pounds and kilograms

port of entry details

any details that are required in the language of the destination country

Documentation

Documentation is important for the shipment of an item overseas. There are a number of documents that the freight forwarder needs to prepare for the shipment that requires specialist knowledge.

Bill of Lading ([BOL](#)) – The BOL is a contract between the owner of the goods and the carrier. There are two types of BOL; firstly a straight bill of lading which is nonnegotiable and secondly, a negotiable or shipper's order bill of lading. The negotiable BOL can be bought, sold, or traded while the goods are in transit. The customer will usually need an original as proof of ownership to take possession of the goods.

Commercial Invoice – The invoice is the bill for the goods from the seller to the buyer. It can be used to determine the true value of goods when assessing the amount of customs duty.

Certificate of Origin (COO) – The COO is a signed statement which identifies the origin of the export item.

Inspection Certificate – This document may be required by the customer to certify the goods have been inspected or tested and the quality of the goods is acceptable.

[Export License](#) – This license is a government document that authorizes the export of goods in specific quantities to a specific destination.

Shipper's Export Declaration (SED) – The SED is used for export statistics. It is prepared via the US Postal Service (USPS) when the shipment is greater than \$500.

Export Packing List – This is a detailed packing list that itemizes each item in the shipment, what type of packaging container was used, gross weight, and package measurements.

Companies looking to export items can use freight forwarders to not only save time and effort but to ensure that the goods arrive at the customer's site on time and without incident.

A freight forwarder can provide the exporter with all the necessary documentation as well as liaise with the transportation companies required to get the items to the customer.

EXPORT PROCEDURE AND DOCUMENTATION:

Objectives:

What are the important steps in export transaction.

What are the standardized and aligned pre shipment documents.

What are the documents related to goods

What are the certificates related to shipment.

What are the documents related to payment

What are the documents related to inspection

What are the documents related to excisable goods

What are the documents related to exchange regulation

INTRODUCTION:

The exporting activity involves several commercial and regulatory procedures.

These procedures also involve considerable documentation requirements.

The export documentation involves the preparation of the specified number of copies of the prescribed documents pertaining to the different procedures.

PRELIMINARY STEPS:

IEC Number: The IEC number are normally allocated by the regional licensing authorities

Membership cum registration: Membership of certain bodies will help the exporter in number of ways

Inquiry and offer: An inquiry is a request from a prospective importer to be informed of the terms and conditions of sale.

Confirmation of order: Once the negotiation are completed and conditions are accepted by the buyer and seller, the buyer may place an order with the exporter.

Export license: The export of some items are banned and of some items controlled by means of licenses, though many items are permitted to be exported freely.

Finance: If the exporter require pre shipment financial assistance, he should take the necessary steps to obtain it.

Production/ Procurement of goods:

Once the order is confirmed, the exporter should take necessary steps to ensure the timely availability of the goods of the specifications required and execute the export order promptly.

Shipping space:

As soon as the export order is confirmed, the exporter should contact the shipping companies which have sailings for the port to which goods have to be sent and book the required shipping space.

Packing and Marketing:

Once the goods are ready they are packed and marked properly.

Quality Control and Pre shipment:

Needless to say, goods to be exported only after ensuring that they are of good and proper quality.

Excise clearance:

As a matter of policy, the government has granted excise duty exemption for export products.

Custom Formalities:

Goods may be shipped out of India only after custom clearance has been obtained.

Following documents are required for the purpose of custom clearance:

1. Shipping bill
2. Declaration regarding truth or statement made in the shipping bill
3. Invoice
4. GR Form

5. Export license
6. Quality control inspection certificate
7. Original contract , wherever available or correspondence leading to a contract.
8. Contract registration certificate
9. Letter of credit
10. Packing list
11. AR 4 Form
12. Any other documents

EXCHANGE CONTROL FORMALITIES:

An exporter who has sent the goods outside the country has the obligation to satisfy the Reserve Bank Of India that he has received payment from the overseas buyer.

Make a declaration on the prescribed form to the collector of customs that foreign exchange, representing the full export value of goods has been or will be disposed of in the manner and within the period specified by the RBI.

Negotiate all shipping bill documents, including those related to sales consignment basis, through authorized dealers.

Receive payment by an approved method:

Surrender the foreign exchange received form exports to the exchange control authority through authorized dealers.

SHIPPING THE GOODS:

Goods may be exported to foreign by sea, air, post, land or river.

- 1) Shipping by sea: To obtain the permission of the port authorities for the movement of goods into the port, if it is necessary to present the cart ticket to the gate warden/ inspector/ keeper at the port gate.
- 2) Shipping by Air: Shipping by air has become popular for such products as commodities which are perishable and seasonal or high in cost but low in bulk.
- 3) Shipping by Post: Shipping of goods may be effected buy post subject to foreign trade and foreign regulations of the country.
- 4) Shipping by land: The procedure for the export of excisable goods by land to countries like Afghanistan is by large similar to the one laid down for export by sea.

NEGOTIATION OF DOCUMENTS:

After shipping the goods, the exporter should arrange to obtain payment for the exports by negotiating the relevant documents through the bank.

EXPORT INCENTIVES:

If the exporter is entitled to any export incentives, he should take the necessary steps to realize them.

PRINCIPAL EXPORT DOCUMENTS:

1. Commercial invoice
2. Packing list
3. Bill of lading
4. Combined transport document
5. Certificate of inspection
6. Insurance Certificate
7. Certificate Of Origin
8. Bill of exchange and shipment invoice

AUXILIARY DOCUMENTS:

1. Performa Invoice
2. Intimation for inspection
3. Shipping instructions
4. Insurance declaration
5. Shipping order
6. Mate receipt
7. Application of Certificate of Origin
8. Letter to the bank for collection, negotiation of documents.

REGULATORY DOCUMENTS:

1. Gate pass 1/ Gate pass 2- prescribed by Central Excise Authorities
2. AR4 Form Prescribed by central excise authorities
3. Shipping bill/ bill of export- prescribed by central excise authorities
4. Export Application/ dock challan- Prescribed by port trust.

5. Receipt for payment of port charges
6. Vehicle ticket
7. Exchange control declaration prescribed by RBI GR/ PP forms
8. Freight Payment Certificate
9. Insurance Premium Payment Certificate

DOCUMENTS RELATED TO GOODS:

1. Invoice:

An invoice is the sellers bill for merchandise and contains particulars of goods, such as the price per unit at a particular location, quantity, total value, packing etc.

2. Packing note and list:

Difference between a packing note and a packing list is that the packing note refers to the particulars of the content of the individual pack, while the packing list is a consolidated statement of the contents of the number of cases or packs.

3. Certificate of origin:

A certificate of origin as the name indicates is a certificate which specifies the country of the production of the goods.

CERTIFICATES RELATED TO SHIPMENT:

1. Mate Receipt:

A mate receipt is a receipt issued by the Commanding office of the ship when the cargo is loaded on the ship and contains information about the name of the vessel, berth, date and shipment, description of packages, marks and numbers, conditions of the cargo at the time of receipt on board the ship etc.

2. Shipping bill:

The shipping bill is the main document on the basis of which the Customs Permission for export is given.

3. Cart ticket:

A cart ticket, also known as a cart chit, vehicle and gate pass is prepared by the exporter and includes details of the export cargo in terms of the shipper names, the number of packages , the shipping bill number, the port of destination and the number of the vehicle carrying cargo.

4. Certificate of measurement

5. Bill of lading

6. AirwayBill

DOCUMENTS RELATED TO PAYMENT:

1. Letter of credit
2. Bill of exchange
3. Trust Receipt
4. Letter of hypothecation
5. Bank Certificate of Payment.

DOCUMENTS RELATED TO INSPECTION:

1. Certificate of Inspection:

It is a certificate issued by the export inspection agency, certifying that the consignment has been inspected as required under the Export (Quality Control and Inspection) Act, 1963.

DOCUMENTS RELATED TO EXCISABLE GOODS:

1. G.P Forms
2. Form C
3. AR form

While the maritime industry, also known as the deep sea shipping industry, has a long history, developments over the last five decades have been truly exceptional. The growth in International Trade has been truly accompanied by the corresponding growth in the capacity of marine vessels and the emergence of liner shipping, which offers a highly economical mode of transportation across large geographical distances.

Classification Societies and Registries of Shipping:

Ships carry people and cargoes of value. Hence they need to be registered and their designs must be approved, classified on the basis of their quality and monitored for maintenance. Ships have to adhere the following conventions:

- 1) International Convention on load line
- 2) International Convention for the Safety of Life at Sea.
- 3) International Tonnage Convention
- 4) International Convention on Maritime Pollution Prevention.

This process is enabled by classification societies which is also called the register of shipping. Lloyds register of shipping is the first such register. These societies issue classification on the basis of quality parameters of the ship after appraising the ships on their design and surveys on hull and machinery. If ships do not maintain the classification on the continuous basis then they will not be allowed to sail by maritime authorities of various nations.

In addition these insurance companies for hull and machinery as well as cargo, determine the eligibility of insurance as well as premium rates on the basis of classification status.

FREIGHT STRUCTURE FOR LESS THAN CONTAINER LOAD AND BREAK BULK CARGOES

Internationally, the currency of the ocean freight is US dollars and the shore side are in local currency. The logic is that when the ship goes on voyage, the expenditure is in the various currencies . So they have tried to have a US dollar tariff.

Basic Freight in USD per cubic meter or 1000 kgs, whichever is ever.

Cubic meter indicates volumes and it is normally length x breadth x height in meters.

FULL CONTAINER LOAD FREIGHT RATES:

Full container load rates are normally designated as USD per 20' and USD per 40'. Normally, 40' rates are not double of 20' rates. While the thumb rule is 1.5 times of the 20' rate, it would vary from line to line. The logic behind this is that whether 40' or 20' , handling (lift on/ lift off) is only done once.

TERMINAL HANDLING CHARGES:

As may be seen from the analysis, FCL containers are normally delivered directly to the terminals after customs examinations. Hence, the shore activities are offloading of the truck carrying FCL containers, stacking in the yard and moving it alongside the ship arrives during loading for exports and vice versa for imports. The cost of all these activities are recovered from the merchant in the nomenclature of the terminal handling charges. The THC is collected in the local currency.

FREIGHT RATES FOR SPECIAL CONTAINERS:

For special containers such as open top, flat racks and refrigerated containers, the freight rates are normally higher. For open tops and flat racks, while there could be standard rates for the standard rates for the cargo in gauge., which fits in within the dimensions of the containers, there will be special quotes for cargos, which are over dimensional. The reason for special rates, being the space or slots, which the ship has to waste for accommodating the special container for example no containers can be loaded on top of an open top container with over high cargo, with over hangs on both sides of the container have to be left empty.

SURCHARGES:

In addition to the rates quoted for the cargo on the basis of volume or weight, the freight charges also include certain surcharges, which act as a protection against any unfavorable changes to the ship owner or operator.

BUNKER ADJUSTMENT FACTOR OR BUNKER SURCHARGE:

Ships normally run on heavy fuel oil (furnace) . and the auxiliary engine runs on either light diesel oil and normal of a surcharge the amount of which is determined on the basis of distance. Bunker Adjustment Factor or bunker surcharge is normally charged on per container basis.

CURRENCY ADJUSTMENT FACTOR:

When a ship operates in a certain trade routes while it spends its expenses in various currencies, revenue is universally in dollars to protect against the potential reduction, revenue a surcharge called currency adjustment CAF is levied in the freight.

PEAK SEASON SURCHARGE:

This charge is levied on containers moving from Asia to US during the period June to October. The logic of this surcharge is that shipping lines are supposed to induct additional capacity during this period at a cost to meet the shipments of summer/ thanksgiving/ Christmas purchase demand in the US. Though the shipping capacity is deployed even normally to meet this demand, this surcharge is levied as a measure to collect additional revenue in the depressed freight market. It is levied as a rate on 20'/40' containers.

PORT CONGESTION SURCHARGE:

Whenever the ports are congested with ships and cargoes and lines are liable for additional costs, a surcharge named port congestion surcharge is levied. Some of the issues could be delayed in berthing and unberthing. Shortage of pilots, draft restrictions, shut out of containers, congestion of containers and ICD movements, mixed trains and efficiency of inter terminal trucking, port capacity and infrastructure to handle available traffic. Even if the ships are bertcargohed on the due date and time the loading and unloading efficiency could be affected due to these factors and ship may have to shut out cargo or over carry import cargo. This may cost the shipping company a lot of money.

ADVANCE MANIFEST SURCHARGE

Ever since 9/11 terrorist attacks, US Government has tightened its scrutiny of incoming passengers and cargoes. US Customs now require cargo manifest to be filed with them before the incoming ship leaves last port of call. This charge is per bill of lading irrespective of the number of containers or cargoes and the value of goods pertaining to the bill of lading.

INTERNATIONAL SHIP AND PORT FACILITY SECURITY SURCHARGE:

The International Ship and Port Facility Security Surcharge ISPS Code is an amendment to the Safety of Life at Sea Port. And government agencies. Having come into force in 2004, it prescribed responsibilities of government, shipping companies, shipboard personnel. As maintaining security involves a lot of additional activity and expense to the ports, terminals, and ships, the shipping lines charge an ISPS surcharge. This surcharge is also charged on per bill of lading basis.

AIR TRANSPORTATION

As the name suggests, air cargo involves the movement of goods from one place to another by air. Even though the definition is very simple, the execution of this mode is not as simple as it sounds.

It is widely believed that airfreight will be far more expensive than rail or road freight, not to compare with shipping. But still millions of tones of cargo are been transported by air domestically as well as internationally.

MOVING SHIPMENTS BY AIR:

Air cargo movement is governed by certain restrictions and regulations because of the limited space available in an aircraft for accommodating cargo and also the liability for danger posed by the cargo. Some of the procedures or limitations related to movement of cargo by air include the following:

1. Labelling and marketing
2. Size limitations
3. Security

Each package shipped by air must be properly identifiable for ease of tracking and also to ensure that a shipment consisting of several packages can be tallied at the destination. The rationale behind proper labeling and marking is explained in the following section.

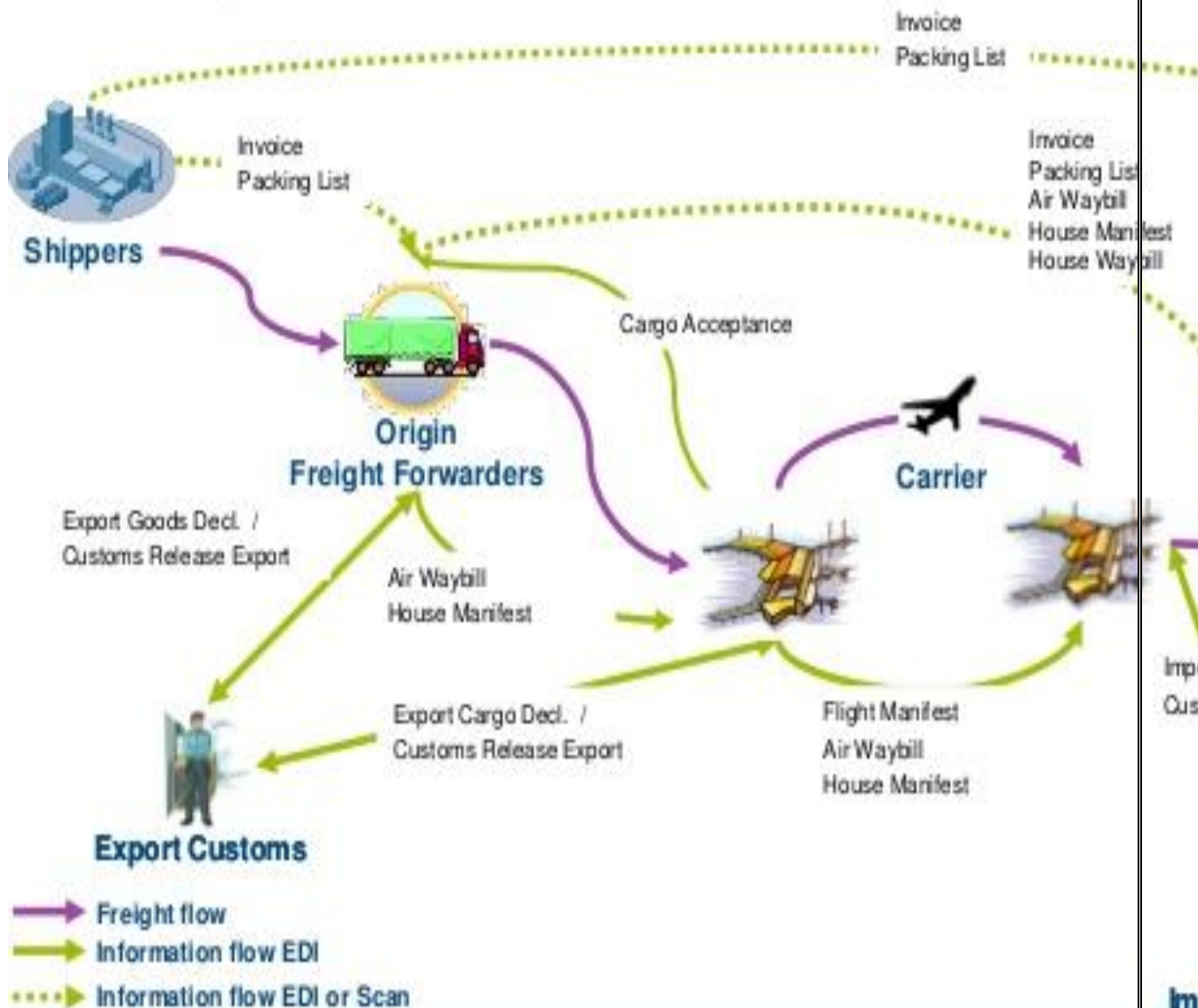
Use of bar coded labels has improved the efficiency of air cargo handling. There are standard guidelines set by the International Air Transport Association for bar coded labels. A bar code may be primary bar code has 16 continuous numerous characters which contains the following data:

1. The first three digits which are specific to a particular airline
2. The way bill number comprising eight digits
3. A four digit number, which indicates each unique piece in a multi piece shipment

4. One standard check digit



e-freight end-to-end data flow for Ge



MOVEMENT FLOWS AND EMPTY CONTAINER LOGISTICS:

Empty containers management is an integral part of the global part system. Once a full container has been unloaded from the vessel within the import cycle, the question is in dependence on the party within the import cycle, by whom the inland transport to the container unstuffing point will be performed. In the case where multimodal transportation has been agreed upon by the customer and the vessel operator is obliged to carry out the inland transport to the point of final destination.

In either case, the point for empty containers to be turned to must be defined by the operator or the logistic service beforehand.

- Where the container has not left the port/ container terminal because unstuffing was performed at the port warehouse upon consignee's request, the empty container will be repositioned to the empty container stacking area within the container terminal.
- Where transport to the final inland destination is being performed either by the owner/ operator designated by the customer or by the consignee and the container has been unstuffed empty container may be.
- Returned to the port container terminal, provided empty container space availability, returned to the empty container port satellite depot, outside the port area, and provided empty container space availability within the designated port / terminal.
- Left on the transport means on account of the export cycle or stuffing of the same box having been agreed.
- Returned to the leasing company depot on account of the subject container return having been agreed in the leasing arrangement.
- Left at industrial depot to be used by the user in the next user

- Left at the container terminal or depot agreed upon for container equipment interchange with another operator.
- Left at container repair shop depot, where container repair has been agreed upon.

Empty container repositioning i.e shifting and carriage from the empty container surplus point or empty container accumulation point to the empty container shortage point may be carried out at three different geographical levels:

- Local repositioning: repositioning within a region. For instance, an empty container having arrived to Rijeka from import is being transported empty to Zagreb for stuffing in export.
- Regional repositioning between nearby regions where one is with container surplus or import exceeding exports and the other with container shortage or exports exceeding imports. For instance, empty containers from Rijeka are being repositioned either by rail to Austria or by sea to Italian ports.
- Overseas repositioning empty container repositioning by maritime liner container services from ports with container equipment surplus to overseas markets with container equipment shortage. For instance, empty container carriage by sea from Rijeka to Chinese ports.

In quite opposite situations, where a particular market is experiencing container equipment shortage, the operators have the following options:

- Container equipment import repositioning from markets/ ports with empty container surpluses, both at the regional and overseas level.
- Container equipment leasing from leasing companies.
- Purchase of new containers from container equipment manufacturers.
- Container equipment interchanges with other operators.

On the owners side, the logistics of empty containers is seen as a series of activities from the container equipment movement follow up, maintenance and repair, container hire in and hire out, and purchase of new equipment to empty container repositioning activities. Where the empty container logistics optimization is concerned, issues like trade imbalances on certain markets, container capacities required by the type the ratio between the owned and leased in containers as well as tariff negotiations with inland carriers, terminals, depots, and container repair shops should be taken into consideration.

MOVEMENT FLOWS AND EMPTY CONTAINER LOGISTICS:

Empty containers management is an integral part of the global part system. Once a full container has been unloaded from the vessel within the import cycle, the question is in dependence on the party within the import cycle, by whom the inland transport to the container unstuffing point will be performed. In the case where multimodal transportation has been agreed upon by the customer and the vessel operator is obliged to carry out the inland transport to the point of final destination.

In either case, the point for empty containers to be turned to must be defined by the operator or the logistic service beforehand.

- Where the container has not left the port/ container terminal because unstuffing was performed at the port warehouse upon consignee's request, the empty container will be repositioned to the empty container stacking area within the container terminal.
- Where transport to the final inland destination is being performed either by the owner/ operator designated by the customer or by the consignee and the container has been unstuffed empty container may be.
- Returned to the port container terminal, provided empty container space availability, returned to the empty container port satellite depot, outside the port area, and provided empty container space availability within the designated port / terminal.
- Left on the transport means on account of the export cycle or stuffing of the same box having been agreed.
- Returned to the leasing company depot on account of the subject container return having been agreed in the leasing arrangement.
- Left at industrial depot to be used by the user in the next user

- Left at the container terminal or depot agreed upon for container equipment interchange with another operator.
- Left at container repair shop depot, where container repair has been agreed upon.

Empty container repositioning i.e shifting and carriage from the empty container surplus point or empty container accumulation point to the empty container shortage point may be carried out at three different geographical levels:

- Local repositioning: repositioning within a region. For instance, an empty container having arrived to Rijeka from import is being transported empty to Zagreb for stuffing in export.
- Regional repositioning between nearby regions where one is with container surplus or import exceeding exports and the other with container shortage or exports exceeding imports. For instance, empty containers from Rijeka are being repositioned either by rail to Austria or by sea to Italian ports.
- Overseas repositioning empty container repositioning by maritime liner container services from ports with container equipment surplus to overseas markets with container equipment shortage. For instance, empty container carriage by sea from Rijeka to Chinese ports.

In quite opposite situations, where a particular market is experiencing container equipment shortage, the operators have the following options:

- Container equipment import repositioning from markets/ ports with empty container surpluses, both at the regional and overseas level.
- Container equipment leasing from leasing companies.
- Purchase of new containers from container equipment manufacturers.
- Container equipment interchanges with other operators.

On the owners side, the logistics of empty containers is seen as a series of activities from the container equipment movement follow up, maintenance and repair, container hire in and hire out, and purchase of new equipment to empty container repositioning activities. Where the empty container logistics optimization is concerned, issues like trade imbalances on certain markets, container capacities required by the type the ratio between the owned and leased in containers as well as tariff negotiations with inland carriers, terminals, depots, and container repair shops should be taken into consideration.

CONCLUSION

- It is important to understand the whole process of import and export.
- Documentation is the most important part of freight forwarding as they facilitate transport and payments.
- So all these things are important for a smooth flow of goods.

Domestic and Global Freight forwarding and its documentation process

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