

Glossary

Advanced Shipment Notice (ASN)

Detailed shipment information transmitted to a customer or consignee in advance of delivery, designating the contents and nature of the shipment. A list transmitted to a customer or consignor designating items shipped. May also include expected time of arrival.

AWB / HAWB

Air Waybill / House Air Waybill. A waybill is a document issued by a carrier or forwarder giving details and instructions relating to the shipment.

ATF

Approved Transitional Facility. Has site approval and an accredited MAF person to receive and inspect import containers.

BAF

Abbreviation for "Bunker Adjustment Factor". Used to compensate steamship lines for fluctuating fuel costs. Sometimes called "Fuel Adjustment Factor" or FAF.

BOL

Bill of Lading. A document issued by an entity providing transportation services. The BOL serves three purposes:

- 1) receipt for the goods delivered to the carrier for shipment
- 2) defines the contract of carriage of the goods from the point of origin to the point of destination according to the responsibilities of the service provider listed on the bill of lading
- 3) under certain conditions, provides evidence of title for the goods.

Bonded Warehouse

Customs approved facility that is used to store or manufacture goods on which payment of duties is deferred until the goods enter the Customs Territory. The goods are not subject to duties if re-shipped to foreign points.

Break Bulk (B/B)

Covers a great variety of goods that must be loaded individually, and not in intermodal containers or in bulk as with oil or grain. Ships that carry this sort of cargo are often called general cargo ships.

Carnet

A customs document permitting the owner of the goods to carry or send merchandise temporarily into certain foreign countries for display, demonstration or other purposes without paying import duties or posting bonds.

CFS

Container Freight Station. Container freight handling depot

Chargeable Weight

Freight charges are charged out on the chargeable weight of the shipment. This can either be the actual gross weight or the volumetric weight – whichever is greater.

Airfreight – Take the cubic measurement of you shipment and multiply by 167

EG – Your shipment is 0.45cbm/25kgs, $0.45\text{cbm} \times 167 = 75.15\text{kg}$

The actual weight is 25kgs, the volumetric weight is 75.15kg making the volumetric weight the chargeable weight.

Sea Freight - Ratio is 1CBM = 1 tonne

Commercial Invoice

A commercial invoice is a document used in foreign trade. It is used as a customs declaration provided by the person or corporation that is exporting an item across international borders.

Consignee

A person or company to whom commodities are shipped and delivered. The receiver of a freight shipment.

Consignment

Consignment is the act of consigning, which is placing any material in the hands of another, but retaining ownership until the goods are sold.

Consignor

A person or company shown on the bill of lading as the shipper and the party who originates a shipment of goods. The sender of a freight shipment; usually the seller.

Consolidation

A service provided by freight forwarders in which several smaller shipments are assembled and shipped together to avail of better freight rates and security of cargo. Can also be called an assembly service, cargo consolidation, or freight consolidation.

Cross-docking

Cross docking operations require large staging areas where inbound materials are sorted, consolidated, and stored until the outbound shipment is complete and ready to ship. This staging generally does not require goods to be booked into stock and usually requires that goods are dispatched within 24 hours of receipt.

Delivery Order

A document electronically issued by the NZ Customs Department as authority to release the cargo to the appropriate party.

Demurrage

A penalty charge against shippers or consignees for delaying the cargo beyond the allowed free time.

Detention

Similar to demurrage but relates specifically to the delay of returning shipping line equipment once the container has been picked up until the time the empty container is returned to the nominated depot.

Devanning

The unloading of a container or cargo van. The unloading of cargo from a container or other piece of equipment.

Dimensions

CBM/M³ - Cubic Metres

Height×Width×Length to work out the cubic metre of a shipment

KG - Kilograms

R/T - Revenue tons

A billing unit used in the international freight industry.

W/M - Weight or Measure

Billing will be based on whichever is greater based on the conversion factor.

Door to Door

The through-transport of goods from consignor to consignee.

Door to Port

The through transport service from consignor to port of importation.

Duty

A tax imposed on imports by the customs authority of a country. Duties are generally based on the value of the goods, some other factors such as weight or quantity (specific duties), or a combination of value and other factors (compound duties).

Duty Drawback

A refund of duty paid on imported merchandise when it is exported later, whether in the same or a different form.

Endorsement

Special information that applies to a particular consignment.

ETA

Estimated Time of Arrival.

ETD

Estimated Time of Departure.

FAK

Freight All Kinds. Shipping industry term for a carrier's tariff classification for various kinds of goods that are pooled and shipped together at one freight rate. Consolidated shipments are generally classified as FAK.

FCL

Full Container Load. A standard (twenty or forty-foot) container that is loaded and unloaded under the risk and account of the shipper or consignee. In general, a full container load attracts lower freight rates than an equivalent weight/cbm of loose (LCL) or break bulk cargo.

FEU

Forty Foot Equivalent Unit. Refers to container size standard of forty feet. Two twenty-foot containers or TEU's equal one FEU

FIFO

First In First Out. A warehousing term used to describe the method of rotating inventory to use the oldest product first.

Gateway

In the context of travel activities, gateway refers to a major airport or seaport. Internationally, gateway can also mean the port where customs clearance takes place.

GRI

General Rate Increase. Used to describe an across-the-board tariff rate increase applied to base rates.

HIAB

Truck equipped with a crane for the loading and unloading of freight.

Incoterms

Maintained by the International Chamber of Commerce (ICC), this codification of terms is used in foreign trade contracts to define which parties incur the costs and at what specific point the costs are incurred.

Intermodal

The movement of goods by more than one mode of transport, i.e. airplane, truck, railroad and ship.

JIT

Just In Time. Term usually describing inventory arriving or being produced just in time for the shipment or next process. JIT is also a process for optimising manufacturing processes by eliminating all process waste including stages, material and excess inventory.

LCL

Less Than Container Load. The quantity of freight which is less than that required for the application of a container load rate. Loose or palletised freight.

L/C

Letter of Credit. This is a document issued by a bank to another bank to serve as guarantee for payments made to a specified person under specified conditions.

Ministry for Primary Industries (MPI)

The newly formed Ministry for Primary Industries is charged with leadership of the New Zealand biosecurity system. This encompasses facilitating international trade, protecting the health of New Zealanders and ensuring the welfare of our environment, flora and fauna, marine life and Maori resources.

MSDS

Material Safety Data Sheet. Provides procedures for handling Dangerous Goods (DG) in a safe manner. It will confirm how the goods can travel and if they can be loaded with other Dangerous Goods.

Origin services

Support/added-value functions offered at the point of origin of merchandise or materials. Can include buying, purchase order management, vendor compliance, quality inspection, document management, container optimisation, pick-and-pack, pallet loading, customs processes and consolidation.

Outturn

The process of unloading the freight at the destination depot ready to be allocated to a delivery truck.

POD

Proof of Delivery. A method employed for obtaining a signature or written confirmation for the official receipt of goods. Generally proves that the consignee has received the contents dispatched by the consignor.

POL/POD

Port of Loading / Port of Discharge.

PSC

Port Service Charges. Fees collected from ship owners and cargo owners to defray the cost of operating and maintaining sea ports including piloting, docking, supplying water, handling freight, and arranging services through agencies.

Quarantine Declaration (Q/D)

Required for FCL's (Full container loads) – MPI biosecurity requirement to declare at the time of packing, if the container/s were inspected internally and externally, and are clean and free from contamination with live organisms, material of plant or animal origin, soil and water.

Roll on Roll Off (RO/RO)

A method of ocean cargo service using a vessel with ramps which allows wheeled vehicles to be loaded and discharged without cranes.

Skid

A portable platform designed to allow a forklift, pallet jack, or other material handling equipment lift, move, and store various loads. A skid is similar to a pallet but does not have bottom deck boards.

SKU

Stock Keeping Unit. A unique identifier for each distinct product and/or service that can be purchased in business within a specific unit of measure. The term also refers to the identification number assigned to each SKU.

SLI

Shippers Letter of Instruction. A document filled in by the shipper providing all the details related to the shipment - Shipper and Consignee, dimensions and weight, description of the goods and shipping terms.

SSCC Label

Serial Shipping Container Code. An eighteen-character identification code used mainly for non-standard product mix containers. SSCC consists of two-character application identifier followed by one-digit packaging type, one-digit country code, six-digit manufacturer identification number, nine-digit shipping container serial number, and one check digit.

Surcharges

AMS - Amercian Maritime Security

Compliance costs associated with USA border security laws and procedures.

BAF - Bunker Adjustment Factor

Fuel Surcharge on a shipping vessel.

CAF - Currency Adjustment Factor

Charged to cover currency fluctuation.

FAF - Fuel Adjustment Factor

Fuel charges on road units or on airfreight.

GRI - General Rate Increase

Used by shipping lines to label general increase in ocean freight rates on particular trade routes.

ISPS - International Ship & Port Facility Security

To cover security handling at the origin and destination ports/depots.

SCA - Sea Cargo Automation Fee

Applied by Australian Customs to the computer system that coordinates and controls the reporting and delivery of import sea-cargo in Australia.

Tail Lift

A mechanical device permanently fitted to the back of van or truck, which is designed to facilitate the handling of goods from ground level or a loading dock to the level of the load bed of the vehicle.

TEU

Twenty Foot Equivalent Unit. The default measurement for ocean freight containers and the standard unit for describing a ship's cargo carrying capacity, or a shipping terminal's cargo handling capacity. A standard forty-foot container (FEU) equals two TEUs.

Transshipment

A term that refers to the act of sending an exported product through an intermediate country before routing it to the country intended to be its final destination.

WMS

Warehouse Management System. Computer software designed specifically for managing the movement and storage of materials throughout the warehouse and records and processes all associated inward and outward transactions.

3rd Party Logistics (3PL)

A supplier of outsourced logistics services to companies for part or all of their supply chain management function that primarily uses its own assets and resources.

4th Party Logistics (4PL)

A supplier of outsourced supply chain coordination and management services that generally does not own or operate the underlying logistical assets and resources required to fulfil customer needs. Often the organisation has evolved from a 3rd Party Logistics organisation with extensive experience in all logistics and supply chain sectors to a 4PL.

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