

RP BUSINESS

Glossary of International Shipping Terms

This guide is designed to provide a quick overview of commonly used terms around the world for international shipping.



A

ADR

International **A**greement on the Transport of **D**angerous Goods by **R**oad (formally, the Europe Agreement on the International Transport of Dangerous Goods by Road (ADR)) is a 1957 United Nations treaty governing the transnational transport of hazardous materials.

AIR WAYBILL

Bill of Lading prepared by the shipper, or representative, where the goods are described and the conditions of the contract between Shipper and Air Transport Operator are highlighted.

ALL INCLUSIVE ou ALL IN

All costs under one heading.

ARRIVAL NOTICE

Notification provided by the carrier when a shipment has arrived to the consignee or notify party.

B

BAY

Section of the vessel on which the containers are deposited.

BILL OF LADING (BL)

A document issued by a carrier or their agent acknowledging receipt of cargo for shipment. It is a written proof of the sea and / or land transport contract. That is:

- (1) A receipt of the goods (in the custody of the owner / shipowner or agent) and
- (2) A charge for transporting and delivering the goods safely to the indicated / agreed location, except for maritime hazards, against
- (3) Delivery of the document where or where the provisions contained in the document stipulate delivery on request from a designated person, upon request (blank) or to the holder
- (4) Evidence of the terms of the contract of carriage.

BOOKING

1. Action to record provisions for the movement / transport of goods by ship or other means of transport.
2. Express, in advance, desire for something in order to reserve it. For example: the transportation of goods.
3. Also known as a reservation request.

BREAK BULK CARGO

Break bulk cargo or general cargo are goods that must be loaded individually, and not in intermodal containers nor in bulk as with oil or grain. Ships that carry this sort of cargo are called general cargo ships.

C

CABOTAGE

Transport of goods by water, between ports in the same country, commonly refers to coastwise or intercoastal navigation or trade.

CASS

International Air Transport Association (IATA) Freight and Charge System

CAD (CASH AGAINST DOCUMENTS or ON DELIVERY)

Documents or cargo will only be delivered upon payment.

CARGO

Any goods being transported, regardless of the mode of transport.

CIA (CASH IN ADVANCE)

Payment is made before shipping the goods. (Advance payment).

COD (CHANGE OF DESTINATION) or DIVERSION CHARGE

Fee for changing the original destination to new location after shipment.

COLLECT SHIPMENT

Freight (shipping) payable (at destination).

COLLECT CHARGES

Expenses payable (usually for international freight when freight is to be collect, ie payable at destination).

CONGESTION SURCHARGE

Surcharged at ports where and/or when there is often a congestion of vessels and delay in docking.

CONSIGNEE

The person or place to whom a shipment will be transferred. The ultimate consignee is the final recipient of the goods, while an intermediate consignee takes possession of the goods for a portion of the time that they are in transit.

CONSOLIDATION

When cargo from multiple shippers is combined in a single container or in a AWB airwaybill.

CONTAINER CLEANING FEE

This charge covers the extra or special cleaning costs and is applicable in cases where the container does not meet the standard cleaning criteria (inside and outside) when returned empty by the customer.

CONTAINER - OPEN TOP

Removable lid container that allows top loading.

CONTAINER - REEFER

Temperature container controllable and adjustable to the type of goods to be transported.

CERTIFICATE OF ORIGIN

A document certifying where goods were originally made, often abbreviated as COO. A COO specific to a particular free trade agreement may be used to claim preferential duty treatment. A generic certificate of origin may be requested by the customs authority of the country of import, in which case the COO must be stamped by a chamber of commerce.

CUSTOMS

A customs authority, or customs for short, refers to the agency within a government that is responsible for collecting duties and enforcing import and export regulations.

CUSTOMS BROKER/ CUSTOMS CLEARANCE AGENT

Customs Broker is the professional with power granted by the exporter or importer, who is responsible for presenting to the Customs, the documentation established in the tax rules, concerning the customs clearance of import or export.

D

DELIVERY RECEIPT

A document signed and dated by a consignee or their authorized agent confirming receipt of goods and stating the condition of the goods upon delivery.

DEMURRAGE FEE (IMPORT)

Demurrage is a charge to be paid by a shipper or consignee to the carrier as penalty for delaying the carrier's cargo beyond the allowed free time.

DETENTION FEE (EXPORT)

Detention is the same as demurrage except that instead of applying to delays in cargo, detention applies to delays in equipment.

DOOR-TO-DOOR

Transport service from the consignor's door to the consignee's door; (merchandise) delivery from door to door.

DRY CARGO

Cargo that does not require temperature control.

DEPOSIT FEE

Container deposit fee to ensure return of same (s) in good condition. Upon return of the container and the necessary checks and inspections are made to ensure that the equipment is in good condition, the deposit is fully refunded.

DUTY DRAWBACK

1. Payment returned by re-exported cargo or trade fair material.
2. A customs refund for re-exported cargo.

E

ENDORSEMENT

Transfer of ownership of a title by written declaration, usually made on the back of the title itself.

ETA - Expected Time of Arrival

The expected date and time when a certain cargo will arrive at the destiny, since it cannot be held responsible for lateness due to bad weather conditions or delays.

ETD - Expected Time of Departure

The expected date and time when a certain cargo is left the origin.

EXPRESS DELIVERY

A premium-rated service for urgent deliveries.

F

FCL - Full Container Load

Full Container Load. It is an arrangement whereby the shipper packs cargoes into a container provided by the carrier or the forwarder before delivering to the container terminal.

FTL - Full Truck Load

Full truckload. It is an arrangement whereby the shipper packs cargoes into a truck's carrying capacity to a single customer. Often referred to as simply a truck transporting cargo directly from supplier to receiver.

FEEDER

A service which incorporates a small vessel to transport containers to and from the "mother" ship. The mother ships carry the high volume cargo to high volume ports; the feeder vessels carry the small volume cargo to small volume local ports.

Feeder Vesse is a short-sea vessel which transfers cargo between a central "hub" port and smaller "spoke" ports.

FREIGHT FORWARDER

The party arranging the carriage of goods including connected services and/or associated formalities on behalf of a shipper or consignee

Freight forwarders typically arrange the carriage of cargo to an international destination - including connected services and/or any associated trade formalities. They are also referred to as international freight forwarders; they have the expertise that allows them to prepare and process the documentation and perform related activities pertaining to international shipments.

FREIGHT COLLECT

The freight and charges agreed by the shipper and carrier is payable at destination.

FREIGHT PREPAID

Freight and charges are required to be paid by a shipper before an original bill of lading is released.

H

HS CODE - HARMONIZED SYSTEM CODE

Global commodity classification system to be used by manufacturers, transporters, exporters, importers, customs to enable uniform classification of goods on the international market. The nomenclature is made up of six common commodity digital codes for all countries. Beyond the six digits, countries are free to enter other digits for tariff distinctions or statistical purposes.

HBL - HOUSE BILL OF LADING

Bill of lading issued by a forwarder or an NVOCC operator.

I

IMO – International Maritime Organization

International Maritime Dangerous Goods code; the regulations established by the International Maritime Organization (IMO) for the international transport of dangerous goods.

IMPORT

Shipment of goods into a country. Opposite of export.

IMPORT LICENSE

A government-issued permit authorizing a party to import a good into the country.

INCOTERMS

Incoterms are universal trade terms published by the International Chamber of Commerce (ICC.) They consist of three-letter codes that are intended to clearly communicate the tasks, costs and risks associated with the transportation and delivery of goods in an international transaction. They describe how responsibility is allocated between the seller and the buyer for different parts of the transaction.

INTERTEK

Intertek is the appointed company by the Government of Mozambique as the sole provider of its pre-shipment inspection. (see PSI - Pre-Shipment Inspection)

J

JUE or SeW - Single Electronic Window

Single Electronic Window is basically an electronic platform customized to take account of the conditions pertaining in the Mozambique business environment and thru which is submitted all customs formalities.

L

LCL - Less than Container load

Less-than-container, is a shipment that is not large enough to fill a standard cargo container.

LTL - Less-than-truckload, less-than-load

A medium shipment, typically between 150 pounds and 20,000 pounds. An LTL carrier mixes freight from several customers in a single truckload.

LETTER OF COMMITMENT FOR BANKING INTERMEDIATION

It is a document issued in the JUE (SeW) system and approved by the intermediary bank of a goods / goods import operation to be presented to the customs authority. This document certifies that the importer is its client and is intermediating the import operation in question, as well as the importer makes an irrevocable commitment to send the relevant documents (import DU) to the same bank within the deadlines, defined for that purpose;

LETTER OF CREDIT - LC

Also called a documentary collection and often abbreviated as LC or L/C, a letter of credit is a written commitment by a bank issued after a request by an importer that payment will be made to an exporter provided that the terms of the letter of credit have been met as evidenced by the presentation of certain documents.

LETTER OF INDEMNITY

Guarantee from the shipper or consignee to indemnify carriers or forwarders for costs and/or loss, if any, in order to obtain favorable action by carriers or forwarders. It is customary practice for carriers and forwarders to demand letters of indemnity from consignees for taking delivery of cargoes without surrendering bill of lading which has been delayed or is lost.

M

MANIFEST

A document that lists in detail all the bills of lading issued by a vessel or its agent or master, i.e., a detailed summary of the total cargoes or containers loaded in a vessel. Used principally for customs purposes. It is also called summary of Bills of Lading.

MULTIMODAL TRANSPORT (TRANSPORTE MULTIMODAL)

Transport which are at least two different variables (road-sea, air-road, sea-rail, etc.)

N

NOTIFY PARTY

Person, Company, Bank, Agent to be notified of the arrival of the cargo.

NVOCC

Non-Vessel Operating Common Carrier. Cargo consolidator of small shipments in ocean trade into containers at the port.

O

OUT OF GAUGE

Cargo whose dimensions exceed those of a container.

P

PHYTOSANITARY INSPECTION CERTIFICATE

Certificate issued by the health authorities of the Ministry of Agriculture for health regulations in exporting countries; indicates that the shipment has been inspected and is in good condition with no risk of disease or other infections or parasites.

PRE-ADVICE

Freight paid by the shipper to the carrier when merchandise is tendered for shipment. It is a non-refundable deposit even if the merchandise does not arrive at its intended destination.

PREPAID

Freight paid by the shipper to the carrier when merchandise is tendered for shipment. It is a non-refundable deposit even if the merchandise does not arrive at its intended destination.

PSI - Pre-Shipment Inspection

An inspection of contract goods prior to shipment so as to ascertain their quality, quantity, price and/or origin. Commonly issued by neutral, internationally respected firms such as SGS or Bureau Veritas, Intertek, so that the importer is assured of receiving goods of quality/quantity specified in the sale contract. Government agencies may also require inspection certificates as regards price and origin, so as to prevent parties from under or over invoicing in an attempt to pay lower customs duties or evade foreign exchange restrictions.

S

SADC

The Southern African Development Community is an inter-governmental organization headquartered in Gaborone, Botswana. Its goal is to further socio-economic cooperation and integration as well as political and security cooperation among 16 southern African countries.

Members: ANGOLA, BOTSWANA, COMOROS, DEMOCRATIC REPUBLIC OF CONGO, ESWATINI, LESOTHO, MADAGASCAR, MALAWI, MAURITIUS, MOZAMBIQUE, NAMIBIA, SEYCHELLES, SOUTH AFRICA, UNITED REPUBLIC OF TANZANIA, ZAMBIA and ZIMBABWE.

SHIPPER

In the context of international trade, shipper is a term typically used to identify the company selling the goods to a foreign market. The shipper may also be called the exporter or consignor in this case.

SHIPPING DOCUMENTS

Paperwork that accompanies a shipment as it makes its way to the final destination, such as packing lists or bills of lading.

T

TEU

Designation equivalent to 20' container (Example: 2 TEUS = 1 40' container)

THC (Terminal Handling Charge)

1. THC ORIGIN - Container handling fee for loading the containers from the container terminal to the vessel.
2. THC DESTINY - Container handling fee to move the container from vessel to containers terminal. This fee is not covered by sea freight but may be paid from the origin.

TRANSHIPMENT

The transfer of cargo from one carrier to another or from one vehicle to another at an intermediate point during the goods' journey to the final destination.

W

WAREHOUSE

A place for the storage, consolidation and distribution of cargo. Warehousing is the storage of cargo.