

International Transport & Logistics

Content :

1. International Transport and Logistics
2. International Modes of Transport
3. Marine Transport (Documentation, Costs, Freight, Insurance)
4. Air Transport. Road Transport. Rail Transport.
5. Multimodal Transport
6. Selecting a Mode of Transport.
7. Transport Documents. Transport Insurance;
8. Export Packaging. Containers

Objectives. The objectives of this Learning Unit are to:

- Understand the importance of correct logistics and transport management for international trade.
- Analyze these 4 modes of transport and their characteristics as well as the transport documents required for each mode of transport and how to complete them.
- Understand the functioning of marine transport, documents required for sea freight and how to complete them.
- Familiarizing the student with different types of **packaging**, packaging materials, the use of pallets and containers, packing marks, modes of transport and packaging, and the criteria to be used when selecting an appropriate packaging for particular shipments.

Summary:

No exporter can approach an export transaction without taking into account its **transport and logistics** requirements. This course will give you a thorough understanding of the main modes of transport in international trade and address the more common management issues related to them. Analyze the 4 modes of transport and their characteristics as well as the transport documents required for each mode of transport. Understand the functioning of marine transport, documents required for sea freight. Examine different types of packaging options, which materials, the use of pallets and containers, packing marks, modes of transport and packaging.

Transport is one of the main component factors taken into account when determining the **final price** of a product. Logistics is the process of planning, implementation and control of both the physical and information flow, as well as the storage of raw materials, semi-finished and finished products, from point of origin to the end consumer in the most efficient and effective way possible.

In recent years **air freight** has been developing rapidly and air carriers have been able to offer an ever widening range of services. Freight costs can be paid in advance, at destination or against reimbursement. IATA (the International Air Transport

Association) has simplified the handling of export documentation for air freight and has unified tariffs and conditions of carriage.

Road freight is the only mode of transport perfectly suited to provide door-to-door services that are the goods can be collected at the exporter's premises and delivered directly to the importer by the same trailer.

Today, **Rail transport** is one of the safest modes of transport. It can carry various consignments from small packages to containers. In terms of cargo capacity rail transport can compete with marine transport.

Carriage by multimodal transport is the continuous movement of goods by more than one means of transport (marine, land, etc.) under one and the same document and one contract of carriage.

Of all means of transport, **marine transport** carries the greatest volume of goods in international trade. Marine transport is practically the most cost-effective means of transporting large volumes of goods from one country to another. This unit examines the marine transport market and the key aspects of shipping lines and charters.

Although the **packaging of goods** might seem of little importance, it is one of the fundamental aspects of international trade. Good packaging should protect the goods during transport and prevent theft, it should be economical and achieve a balance between effectiveness and cost (both from the point of view of the material used and the time spent on packing the goods). Companies with little experience in international trade are recommended to work with an intermediary company who has experience in packaging for export.

This will be achieved by:

- Analysing the factors to consider when selecting a mode of transport.
- Learning about the logistics process and the different concepts involved in logistics.
- Examining the different logistical infrastructures.
- Analysing the factors to be considered when selecting a logistics company
- Examining the various transport and insurance documents that are required when importing and exporting.
- Learning about the parties involved in the Marine shipment process.
- Learning about the various types of transport involved in Marine shipment. Analysing the various forms of documentation required for Marine shipment. Examining the various costs associated with Marine transport. Examining the various insurance concepts associated with Marine transport.

Articles:

- THE USE OF TRANSPORT DOCUMENTS IN INTERNATIONAL TRADE
- Best-Practice Companies Redefine the Basics Of Freight Management
- Negotiating Better Ocean Contracts When Capacity is Tight
- Logistics Inside China: The Next Big Supply Chain Challenge
- Going Global? Here's How a Logistics Service Provider Can Help

- What's the Best Way to Measure A Supply Chain? At Lexmark, Cash Is King
- United Technologies: Supplier Insight for Better Business Performance
- Kraft Foods Builds Supplier Relationship Management Bridge
- HP Invents New Framework for Managing Supply Chain Risk
- Vastera Drives Trade Compliance for International Truck and Engine
- Global Apparel Manufacturer Takes on Corporate Silos
- Eastern Europe: Supply Chain Realities of this Manufacturing Mecca
- Flags of Convenience campaign
- MULTIMODAL TRANSPORT (UNCTAD)
- MULTIMODAL TRANSPORT: THE FEASIBILITY OF AN INTERNATIONAL LEGAL INSTRUMENT
- Transport & Logistics Challenges in Bulgaria's Apparel Industry

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Exercises

1. You are an Irish exporter and you have agreed a transaction under DDP (Cordoba, Argentina). The goods occupy a 20-foot container. For the purposes of this exercise use your own company's product or a hypothetical one.

Calculate all costs you will incur in this transaction. To do this exercise contact relevant companies and institutions to obtain up-to-date information.

2. You are the Export Manager of "Irish Tiles Ltd" and have concluded an export transaction under CIF (Bombay) with an Indian importer. As the Incoterm agreed is CIF, you must pay the insurance and freight from Dublin to Bombay.

The total weight of the tiles is 15.5 ton. The goods are shipped in a 20-foot container, occupying 90% of it. As only your goods will be shipped in the container, you are entitled to FCLA (Full Container Load Allowance). The port of shipment is Dublin; the port of destination is Bombay.

How much will it cost you to ship the container to India?

Contact various carriers, freight forwarders, etc. and solicit the required information. Summarise your results and present them to your tutor.

Glossary for B/L

| Abbreviation | Explanation |
|---------------------|---|
| A.F. | Advanced Freight |
| Ad.Val | Ad Valorem |
| BAF | Bunker Adjustment Factor |
| B/L | Bill of Lading |
| B/N | Booking Note |
| B.S. | Bunker Surcharge |
| b.t. | Berth Terms |
| C.A.D. | Cash Against Documents |
| C.A.F. | Currency Adjustment Factor |
| CBF | Cubic Feet |
| CBM | Cubic Meters |
| cld | Cleared |
| CI | Consular Invoice |
| CO | Certificat of Origin |
| C.O.B. | Cargo on Board |
| C.O.D. | Cash on Delivery |
| C.O.S. | Cash on Shipment |
| C.S. | Congestion Surcharge |
| CS | Collection Surcharge |
| C.T. | Combined Transport |
| CWE | Cleared Whitout Examination |
| dd | Delivered |
| d.f. | Dead freight |
| Dis. | Discount |
| D.O. | Delivered Order |
| D/P | Documents against payment |
| Dy. | Delivered |
| E.L.S. | Extra Lenght Surcharge |
| E.W.S. | Extra Weight Surcharge |
| FBL | FIATA Combined Transport Bill of Lading |
| FCL | Full Container Load |
| FILO | Free In Liner Out |
| Fr.t. | Freight |
| L/C | Letter of Credit |
| LCL | Less than Container Load |
| LIFO | Liner In Free Out |
| LT | Liner Terms |
| LT | Long Ton |
| M.R. | Mate's Receipt |
| m/s | Motor Ship |
| m/v | Motor Vessel |
| MT | Metric Ton |
| O/D | Over Deck |
| o/o | Order of |
| o/a | Overall |
| ppd | Prepaid |
| r.o.b. | Remaining on Board |
| SB | Short Bill Of Lading |
| STC | Said to Contain |

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