



GLOSSARY OF LOGISTICS & TRANSPORTATION TERMS

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.
BAF	Abbreviation for "Bunker Adjustment Factor." Used to compensate steamship lines for fluctuating fuel costs. Sometimes called "Fuel Adjustment Factor" or FAF.
Bill of Lading (BOL)	A document issued by an entity providing transportation services that serves three purposes: 1) serves as 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.
Break Bulk (B/B)	In shipping, break bulk cargo or general cargo is a term that covers a great variety of 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 often called general cargo ships.
Commercial Invoice	This represents a complete record of the transaction between exporter and importer with regard to the goods sold. The Commercial Invoice also reports the content of the shipment and serves as the basis for all other documents about the shipment. It is an official document which is used to indicate, among other things, the name and address of the buyer and seller, the product(s) being shipped, and their value for customs, insurance, or other purposes.
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. To consign means to send and therefore consignment means sending goods to another person.
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	Consolidation is 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. Consolidation can also be called an assembly service, cargo consolidation, or freight consolidation.
Container	A shipping container is a container with strength suitable to withstand shipment, storage, and handling. Shipping containers range from large reusable steel boxes used for intermodal shipments to the ubiquitous corrugated boxes
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 be despatched within 24 hours of receipt.
Delivery Order	A document electronically issued by the 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. For example, a container is discharged off a ship on the 2nd July and the consignee approaches the shipping line to take delivery of the cargo around

12th July. Working off a standard 7 free days from date of discharge, the line free days (different to port free days) expires on the 8th July. The line will then charge the consignee demurrage for 4 days from 9th to 12th July at the rate fixed by the line.

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. For example, after the full container has been picked up by the client, another 7 days elapse before the empty container is returned, then detention charges will be applied at the rate fixed by the line.
Devanning	The unloading of a container or cargo van. The unloading of cargo from a container or other piece of equipment.
Dimensional weight	Formula used to determine freight charges when the minimum weight to volume ratio has not been met. Actual weight and dimensional weight are compared, and the larger weight is used for the freight calculation.
Door-to-Door	The through-transport of goods from consignor to consignee from pick-up point to final destination.
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.
EDI (Electronic Data Interchange)	The paperless exchange of standard business transactions or information by electronic computer-to-computer transfer, generally requiring little or no human intervention. EDI enables companies to access the information systems of suppliers.
ERP - Enterprise resource planning	Describes software systems designed to manage most or all aspects of a manufacturing or distribution enterprise (an expanded version of MRP systems). ERP systems are usually broken down into modules such as Financials, Sales, Purchasing, Inventory Management, Manufacturing, MRP, DRP. The modules are designed to work seamlessly with the rest of the system and should provide a consistent user interface between them.
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 used

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
IATA (International Air Transport Association)	Established in 1945, IATA is a trade association serving airlines, passengers, shippers, travel agents, and governments. The association promotes safety, standardization in forms (baggage checks, tickets, weigh bills), and aids in establishing international airfares. IATA headquarter is in Geneva, Switzerland.
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.
Inland Haulage	Inland Haulage Charges means the transportation charges from inland container freight station to sea port of loading or vice versa. ... Normally, most of cargo in such locations is moved by rail.
I.S.O. (International Standards Organisation)	Organisation that deals in standards ranging from documentation to equipment packaging and labelling.
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 thought of as 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.
Logistics	The process of planning, implementing and controlling procedures for the efficient and effective transportation and storage of goods including services, the related information and knowledge from the point of origin to the point of end customer fulfilment. This includes all inbound, outbound, internal and external movements and transactions.
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.
Pallet	A pallet is the structural foundation of a unit load which allows handling and storage efficiencies. Goods or shipping containers are often placed on a pallet secured with strapping, stretch wrap or shrink wrap and shipped. A pallet, unlike a skid, has both a top and bottom deck.
PSS (Peak season surcharge)	Surcharge added to the freight rate in effect for the duration of a typical peak season. As a guide Imports: From 1st Oct to 31st Dec; Exports: From 1st Jan to 31st May .

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 despatched by the consignor.
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.
Pro-Forma Invoice	An invoice provided by a supplier prior to the shipment of merchandise, informing the buyer of the kinds and quantities of goods to be sent, their value, and important specifications (weight, size, and similar characteristics). When an importer applies for Letter of Credit as the means of payment, a Pro Forma Invoice from the beneficiary of such Letter of Credit, usually the exporter, is required by the L/C issuing bank.
Q/D (Quarantine Declaration)	Required for FCL's (Full container loads) – 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.
Reefer	The term for a shipping container with a self-contained refrigeration unit that is generally used for the transportation of perishable cargo.
Reverse Logistics	The process of collecting, handling and transporting used, damaged, unwanted and end-of-life (EOL) goods and/or packaging for the purpose of their disposal, recycling or recovery. Also refers to the return of re-usable transit equipment - for example pallets and containers to a point further up the supply chain (upstream).
RFID (Radio Frequency Identification)	Refers to devices attached to an object (goods or cartons) that transmit data to an RFID receiver. These devices can be large pieces of hardware or the size of a small book. RFID has advantages over barcodes including increased data capacity, the ability to change the stored data as processing occurs, transmission without line-of-site transfer increasing speed and accuracy, and is very effective in harsh environments where bar code labels won't work.
RO/RO (Roll on Roll Off)	A shortening of the term, "Roll On/Roll Off." A method of ocean cargo service using a vessel with ramps which allows wheeled vehicles to be loaded and discharged without cranes
Side Loader (Side Lifter)	A lift truck fitted with lifting attachments operating to one side for handling containers
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. Though not technically correct, the terms Skid and Pallet are often used interchangeably.
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.
Slotting	The activities associated with optimising product placement in pick locations in a warehouse. Slotting software will generally use item velocity (times picked), cube usage, and minimum pick face dimensions to determine best location.
SSCC Label	An eighteen-character identification code used mainly for non-standard product mix

(Serial Shipping Container Code)	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.
Stevedore	Individual or firm that employs longshoremen and who contracts to load or unload the ship.
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. The use of a tail lift can negate the need to use machinery such as a forklift to load heavy items on to a vehicle.
Terminal Handling Charge (THC) / Destination Delivery Charge (DDC)	Terminal handling charges (THC) are essentially charges collected by shipping lines to recover from the shippers the cost of paying the container terminals or mid stream operators for the loading or unloading of the containers, and other related costs borne by the shipping lines at the port of shipment or destination. Destination delivery charge (DDC) covers the handling of shipments at the destination port.
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.
3PL (3rd Party Logistics)	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.
4PL (4th Party Logistics)	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 who chooses not to invest in bricks and mortar or capital projects but rather remain independent and manage other service providers.



OcOO Speedlink

St. Manas 101/1, 4th floor,
Office 518, 720033, Bishkek,
Republic of Kyrgyzstan

Speedlink FZE

SM-Office-B1-405 G,
Ajman Free Zone,
U.A.E.

info@speedlinkinternational.com
www.speedlinkinternational.com