

Introduction

The role of freight forwarders in the execution of export , where they are often seen as “ Architect of Transport” , are they in danger of being bypassed, or disinter mediated , due to organizational and/or technological reasons. First , a need for an integrated approach to logistic chain has been already recognized in theory and practice. Multinational firms in the industry or retail sector i.e . show an increasing demand for complex transport and logistics service like world-wide door-to-door delivery or one-stop shopping.

Second , the employment of new technologies in connection with the Internet causes a deep change in the relationships along the logistic chain due to a change in intermediation . This will be reflected by developing a theoretical framework based on Caisson’s theory of entrepreneurial networks in international business to provide some insight in the complex relationships between shippers , freight forwarders and other intermediaries or service providers along the international logistic chain .

The points of interest are : Freight forwarder; history of freight forwarder; international freight forwarder functions of freight forwarder any others.

Role of freight forwarder

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Freight Forwarder

A freight forwarder is an intermediary who acts on behalf of importers , exporters or other companies or persons , organizing the safe , efficient and cost-effective transportation of goods.

Taking into account the type of goods and the customers' delivery requirements , freight forwarders arrange the best means of transport , using the services of shipping lines , airlines , road and rail freight operators. In some cases , the freight forwarding company itself provides the service .

Companies vary in size and type , from those operating on a national and international basis to smaller , more specialized firms , who deal with particular types of goods or operate within particular geographical.

Freight forwarders typically arrange cargo movement to regional , or international destinations. Also referred to as international freight forwarders , if shipment are to int'l destinations they have the expertise that allows them to prepare and process the documentation and perform related activities pertaining to international shipments . Some of typical handled information commercial invoice , shipper's export declaration , bill of lading and other documents required by the carrier or country of export , import , or transshipment . Much of this information is now processed in a paperless environment.

FIATA short-hand description of the freight forwarder as the “ Architect of transport “ illustrates clearly the commercial position of the forwarder relative to his client . In Europe there are forwarders that specialize in “ niche “ areas such as Rail freight and collection and deliveries around a large port . The latter are called Hafen (port) Spediteur (Port Forwarders) . A forwarder in some countries may sometimes deal only with domestic traffic and never handle international traffic.

The original function of the forwarder , or spediteur , was to arrange for the carriage of his customers' goods by contracting with various carriers . His responsibilities included advice on all documentation and customs requirements in the country of destination. His international correspondent agent , any looks after his customers' interests and keeps him informed about matters that would affect movement of goods . In modern times the forwarder still carries out those same responsibilities for his client. He still operates either with a corresponding agent overseas or with his own company branch-office . In many instances , the freight forwarder also acts as a carrier for part of a movement it can happen that in a single transaction the forwarder may be acting either as a carrier (principal) or as an agent for his customer.

History of Freight Forwarders

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Freight Forwarder typical Work and Activities

Freight forwarders process orders for the import and export of freight , compile documentation for clearance by customers , produce invoices , process stock transfers , check the contents compile and check documents of freight goods .They also tally and record consignments and destination details of articles , containers , and make freight and transport bookings and related arrangements.

- Researching and planning the most appropriate route for a shipment (taking account of the perishable or hazardous nature of goods , cost , transit time and security).
- Arranging appropriate packing (taking account of climate , terrain , weight , nature of goods and cost) , delivery and warehousing of goods at their final destination;
- Negotiating contracts , transportation and handling costs.
- Obtaining , checking and preparing documentation to meet customs and insurance requirements packing specifications , and compliance with overseas countries' regulations and fiscal regimes;
- Offering consolidation services by air , sea and road-ensuring cost-effective and secure solutions to small shippers with insufficient cargo to utilize their own dedicated units;
- Liaising with third parties to move goods(by road , rail , air or sea) in accordance with customer requirements;
- Arranging insurance and assisting the client in the event of a claim;
- Offering tailored IT solutions and electronic data interchange (EDI) connections;
- Arranging payment of freight and other charges , or collection of payment on behalf of the client;
- Utilizing e-commerce , internet technology and satellite systems to enable real-time tracking and tracing of goods;
- Arranging air transport for urgent and high-value freight and managing the risk door to door;
- Arranging charters for large volume , out-of-gauge or project movements by air and sea;
- Acting as broker in customs negotiations worldwide to guide the freight efficiently through complex procedures;
- Dealing with special arrangements for transporting delicate cargoes , such as livestock , food medical supplies and other fragile goods;
- Arranging courier and specialist hand-carry services;
- Working closely with customers , colleagues and third parties to ensure smooth operations to deadlines;
- Maintaining visibility and control through all phases of the journey , including the production of management reports and statistical and unit cost analysis;
- Acting as consultant in customs matters;
- Maintaining current knowledge of relevant legislation , political situations and other factors that could affect the movement of freight;

At more senior levels , the role may also involve managing staff and overseeing activities within a department or specializing in a particular area , such as sea freight or air freight.

Responsibility Of Freight Forwarders

Although freight forwarders have acted as respected professionals since the last century , the legal nature of their activities has only recently attracted real attention . This is because freight forwarders have become prominent links in modern transportation systems , due to the importance of containers , and multimodal transport .

In times of excess vessel capacity , freight forwarders may have increased authority because , it is they who are able to provide cargoes , thereby becoming influential participants in a buyer's market . It is for this reason that on occasion freight forwarders have voyage chartered and even time chartered ships .

The legal responsibility of freight forwarders often seems mysterious because freight forwarders have assumed two different legal roles – agents and principal contractors . Nor are the activities of freight forwarders directly regulated by any international convention , although their acts naturally bridge national borders . The result is that various national laws control their actions , giving rise to conflicts of law.

In the light of the forgoing – the emerging importance of freight forwarders , the often puzzling national laws , and the lack of international uniformity – it is apparent that an international convention is necessary . The Multimodal Transport Convention 1980 is just such a convention . Its adoption would give certainty to the law and protection to both the public and to freight forwarders themselves.

The Multimodal transport Convention 1980 has the advantage of clarity and simplicity and is not encumbered with other maritime , albeit important matters such as freight , liens and electronic commerce which make the Convention less likely to be enacted . (refer to attached table of contents of convention 1980 , where there is no mention for freight forwarder(s) , except for a person having authority from ... or a person acting on his behalf (client).

Freight Forwarder fundamental Role

1. The freight forwarder ensures that your goods receive the priority it requires; your documentation is appropriately filled and your goods reach its destination in the specified time.
2. The increasing specialization on transportation of goods and decimations operations means that the exporter of products would prefer to leave these formalities to “ freight forwarder “ in order to concentrate on his own business.
3. An efficient “ freight forwarder “ can offer advice , n the special requirements of different countries as well as to offer a number (sea , air , rail etc.) of quotations for a particular consignment being sent from point A to B.
4. The “ freight forwarder” role is often underestimated as one of the most important elements in shipping.
5. The “ freight forwarder “ is there to ensure that your goods receive the priority it requires ; that your documentation is appropriately filled and most importantly , your goods reach its destination in order and in the specified time .
6. The next most important and effective function of the “ forwarder “ is to be an adviser and agent for the shipper , and that , is the “ forwarder’s “ prime consideration.
7. The transportation of goods from one place to another over short or long distances , is a fundamental activity in materials handling with many complexities in international cross border transportation I.e. large number of documents are required to document the movement goods.
8. The basic activities of a “ freight forwarder “ include booking cargo space on ship , airplane train or any other form of goods/cargo transportation , route planning , various documentation , export packing , insurance , warehouse , collection and delivery consignment.
9. And to provide service which involves establishing various inland depots and clearing offices so that customs clearance at the port of entry is done by the “ forwarder “ as well as delivery to consignee’s doorstep , without actually involving the consignee.

Freight Forwarder – Dual Role

The freight forwarder traditionally acts as an agent who arranges for the shipment of goods belonging to his client/the shipper . The freight forwarder as agent typically arranges for transportation , pays freight charges , insurance , packing , customs duties , etc... , and then charges a fee , usually a percentage of the total expenses. All the costs are (or should be) disclosed to the client . The specific scope of the forwarding agent's duties , however , is determined primarily by its agreement (see attached copy) with the customer (ordinarily the shipper) who retains its services . At times , the freight forwarder has acted as principal contractor arranging the carriage in his own name . His fee , payable by the shipper , is a straight freight charge . He then arranges to pay lower freight rates to the carrier and obtains his profit from the difference between the two . Very often , the freight forwarder consolidates the cargoes of a number of clients into a single container , resulting in savings which benefit the freight forwarder and the clients . The forwarding carrier may also provide other services , such as packing , warehousing , cartage , lighter age and or insurance . On these occasions the freight forwarders responsibility to the shipper is often that of a carrier .

Whether acting as agent or principal , the freight forwarder (as is normal in commerce) usually attempts to contract out of as much responsibility as possible . This has often resulted in very confusing standard trading conditions , where the two contradictory roles and kinds of responsibility – of the agent and of the principal – are set out .

The responsibility of the freight forwarder , as agent and as principal contractor , will be described in the light of the civil law , the common law and certain national laws , or international laws.

Freight Forwarder Roles In Different Countries

USA- In the U.S , a freight forwarder involved with international ocean shipping is licensed by the Federal Maritime Commission as an Ocean Transportation Intermediary . Similarly , freight forwarders that handle air freight will frequently be accredited with the International Air Transport Association (IATA) as a cargo agent .

UK- In the U.K , freight forwarder are not licensed , but many are members of the British International Freight Association (BIFA) . Freight forwarders in the UK consolidate various goods from different consignors into one full load for road transport to Europe , This is often known as group age . Some freight forwarders offer additional related services like export packing and case making . The regulations regarding exporting untreated timber pallets and cases has got increasingly more strict and many for countries an exporter will be expected to provide a photo sanitary certificate or risk the expense of having their cargo fumigated .

AUSTRALIA – In Australia most licensed Customs Clearance Agents (now more commonly referred to as Customs Brokers), operate under a freight forwarder.

IRELAND- Even in smaller markets , such as Ireland , the role of freight forwarders is strategically important . International merchandise trade is worth € 148 billion to the Irish economy 82% of manufactured products are exported , further highlighting the importance of the freight forwarders to a nation's economy . Associations like the Irish International Freight Association and FIATA help maintain the professionalism of this industry through educational and representative roles . The FIATA Diploma in Freight Forwarding is an example of how this can be achieved.

NIGERIA – Nigeria is a very large market dealing with import and export . Freight – Forwarding in Nigeria has been in place since the exporting of groundnut as a cash crop since 1914 , through not initially as freight forwarding but as the means of transportation of both goods and services from one country to another . Following the methodology of their British forebears ,agents were used to facilitate the transport of goods and services .

LEBANON – A Freight Forwarder is licensed by Ministry of Public Works & Transport.

Freight Forwarder Plays Integral Part Of Transportation Process .

The freight forwarder plays an integral part in the transportation process . Freight forwarders act on behalf of the exporter in arranging ocean or air transport services . They are familiar with the import rules and regulations of foreign countries , methods of shipping , and documents connected with foreign trade.

Freight forwarders can provide a number of services . During the initial planning phases , they can help choose the carrier and the most economical shipment size . At the beginning of the sale , the freight forwarder can provide an exporter with quotations on a number of costs . This information can be used in preparing an accurate price quotation to foreign customers .

At the shipper's request , the freight forwarder can make the actual arrangements and provide the necessary services for expediting the shipment to its overseas destination.

This would clearly appear in the following:

1. Providing advice on foreign import regulations,
2. Arranging for inland transportation,
3. Booking space with the ocean or air carrier,
4. Completing export documentation,
5. Arranging for cargo insurance,
6. Providing guidance on packaging , marking and labeling,
7. Arranging for products to be packed and containerized,
8. Freight consolidation , but this not a standard service.

Freight forwarders operate on a fee basis paid by the exporter . The fees consist of an agreed-upon amount , plus documentation charges . The cost for the services should be figured into the price charged to the customer . Freight forwarders also collect a percentage of the freight costs from the carrier .

There are several criteria to consider when selecting a freight forwarder:

- 1) Is the freight forwarder licensed or approved by the appropriate entities?
Ocean freight forwarders must be licensed by the proper Maritime Commission to handle ocean cargo . Although not legally required , the International Air Transport Association (IATA) registers freight forwarders to deal with international air cargo shipments.
- 2) Is the freight forwarders company big enough to handle your business when the forwarder is away from the office?
Just because the forwarder is on a vacation , your export efforts shouldn't come to a halt because there is no one to answer questions or handle shipping instructions for your product.

3) Is the freight forwarding firm stable?

Has the company “ been around “ very long? . Does it have financial stability ?

Commercial banks and trade references can help with checking these criteria.

4) Can the freight forwarder handle whatever product you want to ship , whichever way you want to ship it (air or sea)?

The freight forwarder should be an import broker to handle the customs angle for you in case you need to import something or have goods returned from overseas.

5) Does the freight forwarder have a good network of agents overseas , particularly in your target market ? What do these agents handle?

A good network of overseas agents ensures a smooth path for your product with a minimum of delay . This is important for perishable products or ones that need special handling . A container of wine on a dock in warm weather can pose a real hazard to your product’s reputation.

6) Can the freight forwarder communicate with you as a novice?

Is the freight forwarder willing to take the time to explain the terms and procedures in a way you can understand?

7) What is the freight forwarders document turnaround time?

Is the freight forwarder located near the airport , steamship offices and banks? A strategic location cuts document turnaround time and ensures you get paid quickly via the banks.

8) Does the freight forwarder have some knowledge of your product?

If possible , choose a freight forwarder who has some knowledge of the special needs of your product . If the freight forwarder usually handles only furniture , will the company be attuned to the needs for shipping wine or fresh produce?

9) Have you checked the freight forwarder’s references?

It is crucial to check references for any company that will be handling your business . Also check customer satisfaction.

10) Does the freight forwarder have errors and omissions insurance?

Even the most conscientious freight forwarder can make a mistake . A minor error on documents can delay your product , hurt sales and small your receiving payment for the goods. Make sure your freight forwarder has “ errors and omissions insurance” to provide for just this eventuality.

What is an International Freight Forwarder?

“ Once upon a time , people through of customs brokers and freight forwarders as simply agents somehow linked to the shipping industry . Now , at last , these go-betweens are being given their due as crucial middlemen in making life easier for importers and exporters, Simply put , the freight forwarder is the cargo expediter . As intermodal transportation becomes more complex , the job of freight forwarder becomes more essential and difficult . He must coordinate the complexity of financial transport and other service activities . For example , he will:

- Arrange to receive export shipment for a client at any point of origin in the required country.
- Arrange consolidators of less – than – container load lost.
- Arrange forwarding to seaboard of the cargo loaded aboard ship.
- Arrange for insurance coverage
- If necessary , arrange free domicile delivery abroad.

Here are five ways international freight forwarders can really bring out the best in your company:

1. Clearance through customs : Customs paperwork is a tricky and sordid maze , especially if all you know about are the business – to – business commerce aspects of trade . Customs authorization is a complex area that will only further tax your understanding and clog your ability to take care of customers , vendors , and marketing . International freight forwarders , in addition to knowing all the ins and outs of proper shipping procedures , offer customs clearance services to aid you in simplifying your business.
2. Any and all issues arising with documentation: In order to receive your payment from a bank there are many documents that may be required to satisfy the involved bank or financial institution . One such document is the bill of lading . A proper bill of lading will facilitate fast payment , so you can keep your business moving along with your freight.
3. Insurance: Not only do many freight forwarders provide insurance options for your shipments they know what is best for the needs of your business , and can quickly determine the most protective and cost efficient way that you can complete each transaction.
4. Inventory management: Who better to help you with inventory management than the service that handles your freight? Freight forwarders and international freight forwarders can help ensure your product , which means you will always have a clear handle on your company’s assets.
5. Logistics and supply-chain management: Logistics is , of course , the management of the flow of goods and resources between the point of origin and the point of consumption. Careful planning is a necessity of successful freight flow , and freight forwarders are professionals at accomplishing this task.

The obligations of a Freight Forwarder

1. The freight Forwarder shall be obliged to execute his activity with a professional care and to see a qualitative , economical and careful satisfaction of Client's interest . In the scope of these activities the Freight Forwarder:
 - a. Shall properly care for goods entrusted to him by the client and for the goods obtained for the Client,
 - b. Shall deposit for the Client's needs for an adequate or agreed period documents obtained in the course of performing the Contract of Forwarding,
 - c. Shall draw the Client's attention to any apparent incorrectness of his instructions; in case the Client insists on his instructions , the freight Forwarder shall not be liable . The Freight Forwarder in further entitled to ask for a completion of Client's orders if insufficient instructions have been given by the Client,
 - d. In case of threatening imminent danger due to delay he shall provide the transport in manner' complying to the utmost with the Client's interests known to the Freight Forwarder,
 - e. Shall provide for the insurance of the consignment if agreed with the Client . The Freight Forwarder is not entitled to consider a mere price indication for the goods as an order to arrange the insurance. Should the insurance be agreed , the Freight Forwarder arranges insurance in compliance with the insurance conditions customary at the place of fulfillment. If the insured event occurs , the freight Forwarder shall fulfill his obligations by assigning his claims against the insurer to the Client upon his request . This does not affect the Freight Forwarder's decision concerning his own liability insurance,
 - f. Shall inform the Client of any imminent damage threatening the consignment or already arisen there on , as soon as the Freight Forwarder has learned there of , such advise shall be given without any unnecessary delay,
2. In the course of fulfillment of his engagement the Freight Forwarder is bound to provide , with the professional care , for the mode and conditions of transport that suit best to the Client's interests as they follow from the contract and his instructions or are the otherwise known to the Freight Forwarder.
3. The Freight Forwarder shall be liable for a damage on the consignment taken over which has arisen in the course of providing for the transport unless he could prevent it either by exercising a professional care or its extent could be minimized.
4. If a danger of delay arises he shall proceed in the interest of the protection of the consignment even without Client's instruction in order to protect a such as possible the interests of the Client in accordance with the up-to date information known to the Freight Forwarder.
5. He shall ascertain the weight of goods only when agreed with the Client . In case of doubts the certificate issued by the Freight Forwarder is valid as far as the indication of kind , contents , price , weight and (if need be) packing is concerned . The Freight Forwarder is obliged to advise without delay the Client of any new facts,
6. He shall examine the authorization of the person representing Client who proves such authorization.
7. Unless anything else has been agreed in writing he shall study and look for a more suitable procedure in transportation of goods within the scope of the commercial custom.
8. He shall follow the Client's instruction relating to the customs clearance. In case it cannot be performed in accordance with the Client's instructions , it is necessary to inform the Client there of immediately. In such a case the Freight Forwarder is not responsible for the delay.
9. The Freight forwarder is not , However, obliged to examine or complete the indications furnished by the Client unless it is custom of the trade.

The Freight Forwarder shall be entitled

1. To ask for the order for providing transport (forwarding order) to be given in writing unless the contract has a written form ,
2. To sell in a suitable way the consignment for the Client's account if a substantial and immediate damage threatens to the consignment and there is no time for asking Client's instructions or if the Client is in delay with passing such instructions and he himself does not take necessary measures,
3. To demand from the Client an adequate advance payment , covering the expenses connected with the fulfillment of the contract , namely before he has begun to fulfill it ,
4. To ask from the Client the agreed remuneration or if he has not been agreed , then a remuneration is to be paid according to the Freight Forwarder's tariff . In addition there to the Freight Forwarder has the right to be reimbursed by the Client for the necessary and useful expenses expended for the purpose of fulfillment of the contract of forwarding,
5. To ask from the Client the payment of a remuneration after he has concluded a contract with a carrier and handed over the forwarded goods to him,
6. To apply , upon request of the preceding forwarders , all their appropriate rights , in particular the lien on the goods in order to enable him to satisfy their claims unless the agreed remuneration includes all necessary and reasonable expenses,
7. To apply the statutory lien on the consignment as security for all his claims arisen from the forwarding relations , as long as the consignment is in the custody of someone , who holds it on the Freight Forwarder's behalf or as long as the Freight Forwarder has the documents entitling him to dispose of the consignment,
8. To consider the instruction relating to the goods for binding upon himself until has been withdrawn by the Client. The order for putting the goods at the disposal of a third person may not be withdrawn after the Freight Forwarder has received the instruction of the third person,
9. To act according to his own discretion , by observing the Client's interests , in particular as to the choice of the means and route of transportation , in case he has not received a sufficient or feasible instruction
10. If not contradictory to the contract or not prohibited by the Client prior to the commencement of the performance of the transport at the latest , the Freight Forwarder himself may effect the transport which he has to arrange,
11. If the Freight Forwarder makes use of a further freight forwarder (an intermediate forwarder) for arranging the transportation , he shall be liable as if he had provided for the transport himself,
12. To organize the transport including the choice of the mode of transport unless otherwise agreed.

What does a freight forwarder perform?

1. Preliminary advice to the exporter:

- Explaining exporter's responsibilities / obligations under Terms of sale (Inco terms) requested (refer to list).
- Assist in negotiating inland and ocean rates; provide ideas on optimal and most cost effective shipping alternatives.
- Assist in determining the best way to ship i.e – container vs. break bulk , consolidation vs . exclusive use , conference vs. non-conference , air vs. ocean.
- Packing / Marking recommendations.
- Explain port functions in connection with export.
- Advice as to what the exporter should accomplish and what the forwarder will accomplish for him.
- Review import licenses , where applicable.
- Recommendations regarding receiving payments for exports – explanation of methods of payment.
- Interpret and control letters of Credit (UCP 600).
- Advice as to possible problems may encounter : Improper packing , cheapest method of shipping not always the best , document discrepancies that can cause Estimate complete Export transportation and related costs for quotes (on Performa invoice) and L/C.
- Advise of drawback opportunities for previously imported cargo being exported.
- Can help exporter to get in touch with experts in the fields of trade financing , international marketing , government export requirements , international banking , and marine insurance.
- Some forwarders have a “ library “ of information on overseas ports , which booking & exporters can use as guidance.

2. Freight Booking Shipping operations

- Provide custody and control of material in transit
- Expedite products export and delivery
- Coordination of positioning empty container to be delivered/returned (inland carrier) , where stuffing takes place
- Choosing shipping lines and airlines as may required
- Booking & shipping mechanism: special handling considerations , (ETA Estimated time of carrier) at destinations , required port of export , port of destination , direct vs. transshipment number/kind of packages , commodity precise description , size and type of container
- Handling freight or other moneys advanced by shippers , or remitting or advancing freight or other moneys or credit in connection with the dispatching of shipments.
- Provide NVOCC consolidation services to exporters for LCL and FCL modes.

3. Documentation for shipping:

- Certify and notarize invoices , as per clients' instructions
- Normally prepare dock receipt , bill of lading ; warehouse receipt , insurance certificate FIATA FCR , certificate of origin , special customs invoices , inspection certificate.
- May prepare or assist in preparing with exporter: commercial invoice , packing list , draft transmittal letters , consular invoices , export license , drawback forms , and shipper's for export declaration , etc

4. Notifications

- Notification normally made to exporter/shipper , consignee , and consignee's broker.
- Notification made for insurance , L/C , contract , payment , and advice purposes.
- While shipment is underway , forwarder may trace as necessary , assist in filing claim when necessary and correct learned after the fact.

5. Negotiable documents distribution for collections:

- Forwarder documents to Bank , exporter's foreign sales representative , consignee or consignee's broker.

The Client shall be obliged

1. To place to the Freight Forwarder in writing and order providing for the transportation (Forwarding order) , in case the contract is not in a written form and if Freight Forwarder has Asked for it,
2. In case of an imminent and substantial danger threatening to the consignment , upon invitation of the Freight Forwarder , to transmit to him further constructions immediately , otherwise the Freight Forwarder has the right to sell the consignment in compliance with the point 2 (F. Forwarder's entitlement).
3. To pay to the Freight Forwarder the agreed remuneration , after the latter has concluded a contract with a carrier , or if appropriate , to grant him an adequate advance-payment,
4. To remit to the Freight Forwarder the agreed remuneration , or if this has not been agreed , to pay the remuneration according to the Freight Forwarder's tariff,
5. To withdraw always the order if such order providing for the transportation has not been accepted without undue delay 9 unless otherwise agreed between the Freight Forwarder and Client),
6. To put at the Freight Forwarder's disposal the correct particulars regarding the contents and nature of the consignment as well as other facts required for concluding a contract of carriage such as e.g , weight , kind , number of pieces , dimensions and weight of individual pieces , marks and numbers , kind of packing and information whether the goods are dangerous in the sense of the Convention ADR , RID etc. The relevant consequences of incorrect and incomplete particulars are for Client's account,

7. To call in time the Freight Forwarder's attention , in a customary way , to the obligations under public law or customs law connected with the transportation of goods unless these obligations are known to the Freight Forwarder . The Client is responsible to the Freight Forwarder for all consequences of such failure,
8. To grant to the Freight Forwarder in case of cancelling the order to provide for the transportation the agreed remuneration after deducting the expenses saved . If the Client proves that he has cancelled the order owing to justified reasons for which the Freight Forwarder is responsible , the Freight Forwarder has the right to claim the compensation of his expenses only ,
9. To grant to the Freight Forwarder , besides the agreed remuneration , a compensation for necessary and reasonable expenditures as well as a compensation for the expended costs which the Freight Forwarder has reasonably expended when fulfilling his engagement,
10. To pay to the Freight Forwarder a compensation for expenses and adequate remuneration for the return transport of goods , in the same amount as for the transport to the consignee if the consignee refuses to take over the delivered consignment . It is also necessary to pay a remuneration to the Freight Forwarder in such a case if the order for a collect delivery or other mode of reimbursement has been additionally withdrawn or the amount has not been paid,
11. To pay to the Freight Forwarder the outstanding amounts for freight , customs charges duties and other charges settled by the Freight Forwarder , in particular if being authorized to disposer , or as a possessor , of another's good unless the Freight Forwarder is responsible for them.

How freight forwarders can help you to export?

They can provide advice on the permits , licenses , inspections, and other documents and proceedings that are required according to the import laws in the country of destination . And they help with customs clearance in the country of destination, working with a customs broker.

Product Preparation

Freight forwarders understand the different types of packaging and containers best suited for your shipment. They know the proper markings and labels the products need in order to get through customs and be able to enter the country of destination and to meet the requirements of the different international free trade agreements , in order to take advantage of duty-free treatment as applicable.

When the shipment is relatively large, made of different packages it will be transported in a container by ship , where it is possible to share space with other exporters. The freight forwarder knows how to secure the cargo against changes in temperature , vibrations , and impacts that result when the cargo is loaded and unloaded. In the majority of cases , insurance does not cover damages that are due to inadequate packing, and it is therefore important to count on the experience of professional packing.

Freight

Freight Forwarder have a thorough knowledge of ocean freight companies and their relative strengths and weaknesses . There are hundreds of ocean freight companies and it could be that there are only a few that are in the best conditions to carry your specific product from your origin to its destination , within the timeframe required and at an advantageous cost. The advice of a freight forwarder will be very valuable in making that determination . Many freight forwarders have ample knowledge and experience with air , ocean , and land freight companies , such as airlines , trucking companies , and railroads , so they can offer a complete service , from your place of production or sale to the customer abroad.

In many cases , an exporter has to choose between air , ocean , and land freight , or a combination. The mode of transportation will depend on the type of product being shipped , the timeframe for delivery , and the cost . Ocean freight would be less costly than air freight , but one has to consider the amount of time it will take for the [product to reach the customer . When payment conditions depend on the date of delivery the time factor can affect the exporter's cash flow . A freight forwarder can help the exporter evaluate the pros and cons of the different modes of transportation , providing an estimate of delivery times and costs.

Documentation

When goods are transported internationally , packaging and documentation are critical to the export process . One of the main differences between selling inside the country and exporting is required documentation.

Export documentation requirements are very specific . A missing document , or not correctly filled out , can delay the shipment in customs or in some other point of transit . freight forwarders are familiar with the documentation requirements and can advise the exporter , and even prepare the documents that are required , in order to ensure shipment expedition.

When the order ready to be shipped the freight forwarder can review the letter of credit , the commercial invoice , and the packing list to ensure everything is in order , and can prepare the bill of lading and other special documentation that may be required , depending on the product being shipped. And after the shipment , the freight forwarder can send all the documentation directly to the customer , or the customer's bank for settlement.

Cost

A freight forwarder can provide the exporter with cost estimate involved in the exporting process . This estimate is very important when the exporter quotes a price to a customer abroad , because the price must be sufficient to cover all the costs related to the delivery of the product to its destination.

Hence , it may be advantageous to consult a freight forwarder before negotiating the price , in order to get a quote for the freight costs , port costs , insurance costs , customs fees , charges for special documentation , and the freight forwarder's fees.

Freight forwarders work on the basis of a fee they charge the exporter , which normally consist of an agreed-upon amount plus charges for documentation . Freight forwarders also collect a percentage of the freight from transportation companies.

Once you have an estimate of all the costs involved in delivering your product to the customer abroad , you are in a position to quote a final price to the customer , and if your quote is accepted and the customer sends you an order , you can prepare the pro forma invoice , with a complete breakdown of all the components of the amount billed.

How to find a freight forwarder?

There are numerous freight forwarders in the export field and transportation services markets . A good way to look for a forwarder would be to ask other exporters , especially companies similar to yours in terms of size of the company , point of origin , target market , and your line of business or the product you are exporting . By consulting directly with another exporting company , you can obtain their personal perspective regarding the freight forwarder , and their overall experience , such as the services provided , the results achieved , and any particular advantage or problem they encountered , & if possible to know the number of referrals a forward have had before contracting.

Considerations in selecting a Freight Forwarder

Exporters each have their own needs to consider when selecting a freight forwarder , and the following are presented as suggestions regarding factors to be taken into account.

General

It's important to look for a freight forwarder that is accredited . They must have a license from Maritime Commission or Transport Ministry as may be in order to handle ocean freight. Freight forwarders that handle air freight must be registered with the International Air Transport Association (IATA) , in addition to Ministry Of Transport Licensing . You should determine whether the freight forwarder is financially stable . You can request credit references and confirm them . You could also consult freight companies to see whether the freight forwarder has a good payment record . If the freight forwarder is a large company , you could see whether it is internationally listed or has a stock Exchange in the market , plus requesting a copy of their annual report.

You could ask the freight forwarder's Syndicate for references & from its customers , and then call those customers to ask about their satisfaction with the service provided . You could ask the freight forwarder directly , or its customers , if the forwarder has knowledge and experience with your company's product , your preferred mode of transportation and the destination country.

You should find out whether the forwarder is large enough to meet your company's exporting needs. Do they have an agent or office required market destination . Do they have a network of agents abroad? . Do their offices and agents have the ability to communicate on line? . Do they have warehouse facilities , in case you need that service? . Do they have sufficient staff to manage the volume needs of your exporting company?. Do they have insurance against errors and omissions?. Are they willing to take the necessary time to explain the terms and procedures in a way that you can clearly understand?

You should inquire about the cost of using the freight forwarder's services. How do they charge for their services? . Do they charge the exporter a fixed fee plus reimbursable expenses? . Do they charge the freight company a percentage of the cost of freight?. How much do they charge for packing and documentation?.

Packaging

Depending on the type of product you are shipping , you may need a freight forwarder who can advise you and help with packaging . The freight forwarder should be able to explain the different types of packaging that can be used to export your product , any special packaging and labeling requirements for your product according to your destination market , and the type of packing that will best protect your products while in transit.

Modes of Transportation

The freight forwarder should be able to evaluate the relative advantages of transportation by air , ocean freight , truck or rail, and make recommendations regarding the best mode of transportation based on your product and the timeframe for delivery. You should find out how the freight forwarder determines how long a shipment will take to reach its destination , what are the stops on route , and what changes have to be made from one mode of transportation to another. Freight Forwarders should explain the factors they take into account in order to avoid problems with the shipment.

Freight Cost Quotation

The cost of freight can be a significant component of the overall cost of exporting , so the freight forwarder should be able to explain how they get freight quotes from shipping companies; whether freight rates are quoted based on volume, weight , type of product , or some other criteria ; the formula used to calculate the cost of freight , the factors that affect the cost of freight ; how long a freight quote is valid ; and the trends the freight forwarder sees in the cost of freight , and its projection for changes in freight costs in the future.

Insurance

The freight forwarder should be able to explain the different types of insurance available , what events are covered by insurance , the cost of insurance , the process for presenting a claim for lost or damaged cargo who is responsible for preparing the loss report and presenting the claim , how the claim is processed and the timeframe in which a reimbursement is expected.

Customs

You should be able to understand from the freight forwarder how your products will clear customs in the destination country, whether the freight forwarder works with a customs broker, how much the customs broker charges and who pays that cost , who pays the duties and customs fees , and who processes duty drawbacks when applicable.

Documentation

You should determine whether the freight forwarder is familiar with the export documentation required, which documents are prepared by the freight forwarder and which you must prepare as the exporter , how much the forwarder charges for preparing the documentation the process for reviewing export documentation , and whether documents can be transmitted electronically . If you are exporting using a letter of credit , you should determine how the freight forwarder ensures that all documents are in accordance with the terms of the letter of credit , and the responsibilities and the relationship between the exporter , the freight forwarder , and the bank regarding the presentation of the documentation required according to the letter of credit (UCP 600).

General provisions to be considered

1. Place of fulfillment

The place of fulfillment for all participants is the place of the Freight Forwarder's place of business to which the order has been addressed or instructions transmitted.

2. Time bar

The claim arisen due to a damage on the transported goods and due to a delayed delivery of goods shall be time-barred against the Freight Forwarder after 1 year elapses.

The term of time bar as regards arisen from an entire destruction or loss of the consignment shall commence as from the day on which the consignment should have been delivered to the consignee , as regards other right it shall commence from the day of the delivery of the consignment. The time bar of 4 years is valid for a damage caused intentionally . The claims against a carrier shall be time-barred according to the provisions valid for the contract of carriage.

3. Terms of fulfillment for a contract of forwarding

Except for a special agreement in writing concluded before the transportation has started , the Freight Forwarder is not responsible for time limits of loading and discharging and for a particular turn in which the goods are dispatched by the same mode of transport. The marking such as “ exhibition goods” does not qualify for a priority expedition unless such priority expedition has been explicitly ordered.

4. Forwarder's Liability

4.1. If the Forwarder is liable under the Forwarding Contract , the Forwarder's obligation to compensate for damage shall not exceed:

- a. In all instances , an amount equivalent to SDR 20.000 per event or multiple events having the same cause of damage; and/or
- b. In case of loss or destruction of , or damage to , the consignment during the provision for the transport and/or the consignment taken over by the Forwarder for the transport or related action's , an amount equal to SDR 8.33 per one kilogram of the gross weight of the lost , destroyed or damaged consignment ; and / or
- c. In case of damage resulted from delayed delivery , an amount equal to the remuneration (payment) as defined in Article 3 & 4 of the General Forwarding Terms and Conditions.

4.2. Indirect damage and loss of profit shall not be compensated for

4.3. The Forwarder shall not be entitled to refer to limited liability as defined in Para 1 and/or 2 above in case of damage by the Forwarder deliberately (such as willfully or knowing that damage may occur).

4.4. Liability under the Contract of carriage

The Freight Forwarder shall not be responsible for the carrier and he raises the claims , if any , in his own name and for the Client's account.

When such claims against the carrier are being raised the Client shall be obliged to cooperate , in particular in order to provide documents relating to the consignment , its value , etc. as a basis for raising claims against the carrier.

5. Restraints

Such an obstacle shall be considered as a circumstance excluding the responsibility which occurred regardless of the will of the liable party and which prevents it from the fulfillment of the obligation if it cannot be reasonably presumed that the liable party would be prevented of overcome such an obstacle or its effects , and further that this party would have anticipated such an obstacle at the time when the obligation has arisen. In such cases the Freight Forwarder shall be entitled but not obliged to withdraw from the contract even if the order has been partly performed. However , the Freight Forwarder's obligation to care about the Client's interests shall continue . But , in such cases the Client has the same right if it is not justified to ask him to persist in the contract . If the Freight Forwarder or the Client withdraws from the contract according to the indicate provisions , the Freight Forwarder shall be entitled to get a compensation for the expenses expend and to receive an adequate remuneration . The freight Forwarder shall be obliged to check up and to advise the client whether there are some legal or official obstacles for the transportation (e.g. import or export – restriction0 , in case they are known to him .

6. Warehousing

If the Freight Forwarder performs the warehousing of goods in the scope of his activities , such activity shall be governed by the terms and conditions of a contract of warehousing.

7. Lien and retention

The Freight Forwarder has a statutory lien on the consignment as a security for his claims against the client as long as the consignment is in the Freight Forwarder's custody , or in the custody of someone holding it on the Freight Forwarder's behalf ; or as long as the Freight Forwarder has in his possession the documents entitling him to dispose of the consignment.

8. Interest overdue payments

The delay in payment occurs 15 days after the delivery of the Freight Forwarder's invoices without the necessity of a dunning letter.

In case of delay in payment the Freight Forwarder shall be entitled to charge the greed interest rate and , if not agreed , the interest by 1 % higher than interest rate determined according to the Commercial Code.

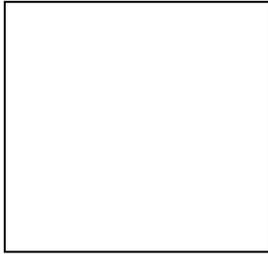
9. The form of orders to the Freight Forwarder

An order to the Freight Forwarder is being given in writing and , if given in a different way , it is necessary to confirm it in writing . The acceptance of an order can also be confirmed in another way than in writing , and it is possible , as the case may be , to deduce the acceptance of an order tacitly if the order has not been returned by the Freight Forwarder to the Client within a certain time or without undue delay.

Freight Forwarders

Our Mission offer excellent Cargo Services , commitment to our role as international freight forwarders as appeared in this article

Air Freight



- Consolidation Services
- Import and Export
- Door – to Door
- Express Services

Ocean Freight



- Full Container Load (FCL)
- Less than Container Load (LCL)
- Cargo Consolidation Service
- Oversized and Project Cargo
- Import & Export
- Cross Trades

Trans-border Truck Freight



- Import export business
- Full truck Load (FTL)
- Less Than Truck Load (LTL)etc....

Customized Global transportation solutions

- Dangerous goods handling
- Inter modal Truck/Rail/Ocean

Through our partnerships with established international and freight forwarders & forwarding agents , we are able to negotiate competitive import and export pricing for ocean (FCL and LCL) , truck (FTL and LTL) and air shipments while consistently providing reliable and efficient services.

Conclusion

The freight forwarder plays an important role in the execution of export as they are those who act on behalf of the exporter in arranging ocean or air transport services . They are familiar with the import rules and regulations off foreign countries , methods of shipping , and documents connected with foreign trade.

When one decides to export the products of his small business , or considering the possibility of exporting in addition to marketing and financial aspects , another consideration is logistics : how you are going to deliver your products to your customers abroad . Logistics includes various aspects , such as the packaging of your products , the mode of transportation , and the export documentation that has to be prepared , i.e. the complete operation of transport & freight forwarders act as the exporters agents and perform various functions involved in foreign trade.

Freight forwarders can give advice on how the goods should be packaged and the marks and labels that are required , and can make arrangements to have the goods packaged and placed in containers for export . They contract space with ocean , air , and land freight companies on the exporters' behalf , to transport the goods to their destination abroad . They can arrange for storage in a warehouse if necessary , while the goods are in transit , and contract insurance to protect the cargo while in transit .

Freight forwarders can obtain credit from the different service providers involved in the export process and then collect money from exporters to pay those service providers on behalf of the exporter.

Freight Forwarders can advise exporters regarding letters of credit (LC) or any other banking documents for collection of dues for any export operation.

