

Report Title

Freight forwarding- connecting the dots of International trade: A case study on EXPO Freight Limited

By
Sumona Akter
18164071

A case study submitted to the BRAC Business School in partial fulfillment of the requirements for
the degree of
Master in Business Administration (MBA)

BRAC Business School
BRAC University
Spring 2020



2020 BRAC University
All rights reserved.

Declaration

It is hereby declared that,

1. The internship report submitted is my original work while completing degree at BRAC University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain any material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

Sumona Akter
18164071

Supervisor's Full Name & Signature:

Dr. Salehuddin Ahmed
Professor, BRAC Business School
BRAC University

ACKNOWLEDGEMENT

I have prepared my case study on Freight forwarding- connecting the dots of International trade. A case study on EXPO Freight Limited

It was really a knowledgeable experience for me to do the report on above topic. While preparing the report various sources of information and ardent help of some people had given me the spirit of completing my task more effectively.

Firstly I would like to thank Almighty Allah that he given me the strength to complete the paper successfully. My special thanks go to my supervisor Dr. Salehuddin Ahmed; Professor, BRAC Business School to give me the opportunity to prepare this report. His guidance and support really helped and encouraged me a lot to make it successful.

Special thanks, to my parents, for their overall steadfast and loyal support during the preparation of this report.

My cordial thanks and respect goes to two special persons. MD. Shafiq Raihan; Export specialist of EXPO Freight Limited and MD. Rabby; Export specialist of MGH Group. Their support and help was beyond expectation. And again, my gratitude along with thanks goes to The Allah for keeping everything on right track.

Executive summary

Globalization is all about cutting the geographical distance and creating a close global village throughout technological advancement. An organization whether it's international or multi-national; to share mutual benefit; it would have gone beyond its national border. The business nowadays is not a single country based. Here freight forwarder plays an important role in helping export-import. In this case study I have chosen EFL.

All the business procedure is clearly presented here with prior analysis and recommendation. From the introduction to conclusion all the information plotted here is authentic. I have collected most of the information from the internal source and some from internet. The objective of the study was to know the freight forwarding business broadly and come out with an analysis and recommendation that might help future researcher. In the reference part links are given and in the appendix part my framed question is attached.

Letter of Transmittal

September 25, 2020

Dr. Salehuddin Ahmed
Professor, BRAC Business School
BRAC University
66 Mohakhali, Dhaka-1212

Subject: Submission of a report on case study.

Dear Sir:

With due respect, I would like to thank you that you gave me the opportunity to work on this case study and to submit a report on **“Freight forwarding- connecting the dots of International trade: A case study on EXPO Freight Limited”**.

It has been excellent experience for me undertaking such an interesting and knowledgeable task. I have tried my best to satisfy my academic requirements as well as the other part for which I was assigned.

Yours Sincerely,

.....
Sumona Akter
ID: 18164071
MBA, Finance
BRAC University

Table of contents

<u>Particulars</u>	<u>Page no</u>
Chapter-1: Introduction	8
1.1:Introduction	9
1.2: Objective of the study	10
1.3:Scope of the study	10
1.4:Limitations of the study	10
1.5:Contribution of the study	10
1.6:Organization of the study	11
Chapter-2: Literature Review	12
2.1:Literature Review	13
Chapter-3: Overview of EXPO Freight Limited	14
3.1:Freight-Forwarding	15
3.2:Why should a business use Freight-Forwarder	16
3.3:Expo Freight Limited	16
3.4:Air Freight Solution	17
3.4.1:Types of Air Cargo	18
3.4.2:Advantages of Air Freight shipping	18
3.4.3:Types of Cargo facility	19
3.4.4:Air carrier service Type	19
3.4.5:Prime Carriers in Bangladesh	20
3.4.6:Air Freight Service Area	20
3.4.7:Air Freight Operations Process of EFL	21-24
3.4.8:Planning Team activities of EFL	24
3.4.9:Major documents of Air Freight	24
3.4.10:Major purpose	24-26
3.4.11:Air Freight Rate/ Pricing Mechanism	26
3.4.12:INCOTERMS	27
3.5.1:Ocean Freight Service	28
3.5.2:Advantages of ocean freight	28
3.5.3:Containers in Ocean freight	29
3.5.4:Types of port	29
3.5.5:Importer's security filing (ISF)	29
3.5.6:Sales types	30
	31
Chapter-4: Research Methodology	
4.1:Research method	32
4.2:Data collection procedure	32
Chapter-5: Comparative Analysis and overview	33
5.1:Comparative analysis	34

5.2:Expo Freight Limited (EFL	34
5.3:MGH Group	34-35
5.4:Export-Import and Real GDP of Bangladesh	36-37
Chapter-6: Recommendation and Conclusion	38
6.1:Findings	39
6.2:Recommendation	39
6.3:Conclusion	39
Reference	40
Appendix	41

Chapter-1: Introduction

1.1: Introduction

Globalization is all about cutting the geographical distance and creating a close global village throughout technological advancement. An organization whether it's international or multi-national; to share mutual benefit; it would have gone beyond its national border. This is called cross-border trade. For instance; if we talk about the garments industry of Bangladesh we would see that it gets order from USA, UK; collects most of its raw materials from neighbor country China (though China and Vietnam; both are direct competitors of Bangladesh garments industry); runs production with local people and exports. Here the carrier we use to collect raw materials and sending final goods is termed as "Freight Forwarding". In our country there is about 837 freight forwarding company which have been registered under Bangladesh Freight Forwarders Association (BAFFA). Where mostly renowned logistics service provider companies like EFL, MGH, DHL and so on. They mainly work as third party logistics service providers. Basically a freight forwarder works as an agent for the importer/exporter in moving cargo to the desired destination. Here agents are always familiar with the import & export rules & regulations of those foreign countries and also careful about the methods & documents of foreign trade.

Here I am going to analyze the case on Freight Forwarding of EFL and make a comparative analysis with MGH.

Mode of international freight transportation:

- Air freight
- Sea/ocean freight
- Sea-air
- Air-sea
- Road shipment

1.2: Objective of the study

In this global market there are several business modes like international, multinational, global, transnational, and regional. Besides licensing, franchising, joint venture these practice are growing up day by day. Nowadays business is not only regional based or not even bounded by geographical area. Here export-import playing a vital role and freight forwarders are working as an agent who helps to forward goods to the desired destination through logistic support provider like airline and shipping line companies. I have a big fascination on this freight forwarding system and wanted to know in detail about this service sector. And I choose to work on the topic- “Freight forwarding-connecting the dots of International trade”.

The main objectives includes-

- Knowing freight-forwarding service in detail
- Export-import impact on country’s real GDP
- Knowing the reasons behind their successful surveillance
- Business model of freight-forwarding
- Strategy of business growth
- Customer relationship maintenance strategy

1.3:Scope of the study

In our country there is about 837; freight forwarding company; which have been registered under Bangladesh Freight Forwarders Association (BAFFA). I have chosen EFL and MGH to analyze my study material. To do this I have studied so many cases and numerous articles. Besides I have directly communicated few employees of EFL and MGH; their insight and information was really helpful for my analysis. This helped me to come up with a prior and effective conclusion. And I do believe that my analysis will help future researcher to take in measure also those who have interest to know this freight forwarding in dept.

1.4:Limitations of the study

It was really interesting to work on this freight-forwarding topic. I have discovered this business sector in a new way and also revealed my analysis and suggestions on this. But there were some limitations also. Like-

- Because of this COVID-19 situation; I couldn’t visit their place physically
- Time limitation
- There are some confidential information which cannot be revealed
- I have chosen only two company; other might have different viewpoint

1.5:Contribution of the study

The study was really effective and I tried my best to present all the effective and necessary measures broadly. Though online website has different cases and articles but I do believe that my paper is going to help next learner. Besides I have arranged all the information in a comfortable way step by step with huge internal information. And this is going to help others to realize the internal matters and standards these companies follow.

1.6:Organization of the study

Expo Freight (EFL) is a leading provider of freight forwarding and supply chain management solutions across the globe. With over three decades of experience in airfreight, sea freight, brokerage, multimodal & warehousing services, EFL is well recognized for its flexible and personalized service. EFL now covers over 20 countries and provides end to end solutions for all cargo and shipments.

EFL stands with the motive to help its customer in saving their time and money and to grow their business through providing Freight support with the most innovative technology and digitalization. Its prior concern is to maintain good relationship with its stakeholders and to ensure sustainability in the existing market as well.

Chapter-2: Literature Review

2.1:Literature Review

Global trade is the most powerful force which is triggering the growth of both regional and world economy as well. The business nowadays is not a single country based. The business plan is made depending on so many determinants. We have to look for quality, service, pricing, branding, employees' salary, geographical location of production house, marketing policy, customers need-want-demand, and modifying business strategy or if needed transforming few strategy to ensure sustainability in this highly competitive business market. There are few companies who outsource part of its business to another country; maybe because of better quality or for low cost preference. But quality is must. For instance: A car company of USA can assign its assembling part to Japan and collecting its part from other country and finally selling at USA. If we look at our country Bangladesh; we can see the sheeny prove of our RMG sector. We can say that our garments sector is mostly export oriented. So here the issue comes how to send the manufactured product. Yes; here freight forwarder plays the role to forward these goods to the desired destination. Basically freight forwarder acts like an agent which source the logistics service with close communication with shipping line and airline companies.

There are so many concepts on this freight forwarding. Brooks (1985) elicited on service quality attribution of linear shipping industry which includes transit time, frequency of sailing, carriers reputation for reliability, directions on sailing and next ship leaving. Lai and Cheng (2004) explained freight forwarding is all about the study about demographic profile, service performance, capabilities of providing different type of logistics services, and the perceived prospect in Hong Kong. Here they figured out that there are so many freight forwarders which have plenty of capacity in freight forwarding but sometimes they are less concerned about value-added service. Lu and Dinwoodie (2002) broadly explored the international network development of regional forwarders. Prompt collaboration between competing forwarders might create preferable condition and network sharing for each other. Shang (2009) had made a broad study on organizational learning capabilities in third-party logistics providers in Taiwan and explained that it's all about maintaining positive relationship between integration capability organizational learning capability and service performance. Lu and Yang (2010) had a broad study on the crucial logistics service capabilities and firm performance of international distribution center operators in Taiwan. Where they come up with three specific key capabilities and those are customer response capability, innovation capability, and flexible operation capability.

Chapter-3: Overview on EXPO Freight Limited

3.1:Freight-Forwarding

Freight Forwarding is the media or process of sending goods from one station to another station around the world on behalf of importers and exporters. Here basically freight forwarder doesn't involve itself physically where it act like an intermediary between the client and the various transportation service. It can be like -

- Seller to customer end
- One warehouse to another warehouse
- Shipping site to port site
- Port to receiver end
- One port to another port

To send any goods; freight forwarding party have to collect all the necessary documents such as NOC; checking LC; receiving BOL with appropriate rate, address, pick-up and delivery date, reference number, trailer number, any preferred mentioned route, product code, size, weight, pallet, pieces, type, durability, and if any danger cautiousness needed. So the forwarding party must have to check all these required information very carefully that drivers never make mistake or become puzzled. It uses different type of transportation services such as –

- Air Freight
- Ocean Freight
- Rail Freight
- Trucking company

It selects its best possible economical route on the basis of the price and the product type it carries including time frame and this is the most important factor to keep in mind.

Freight Forwarding Services: There are some general services freight forwarder perform like-

- International Freight Forwarding
- Freight consulting
- Insurance
- Air & Ocean services
- Storage and warehouse
- Air & Sea freight charters
- Import & Export
- Distribution
- Documentation
- Tracking report
- Inventory management
- Custom clearance
- Packing-in terms of consolidation of goods
- Customer clearance ocean/Air combination services

3.2: Why should a business use Freight-Forwarder

Transportation and distribution is one of a major part of a business. Cause without a smooth and efficient transportation channel it's hardly possible for a company to reach their customer in mass level and to meet their satisfaction as well. Moreover it's mostly a burdensome for a production company to care for the transportation and distribution channel. And that is why they choose the authentic and trustworthy distributor or freight forwarder who will send the product to its customer. So; basically the reasons a business should use freight forwarder are-

- **Cost effectiveness:** Here freight forwarding team collects product from their clients and shipment them in their cargo in a consolidation mode. It minimizes the cost as it carries multiple clients' product in a single trip; where for a company they would have to pay more if they tried to shipment by themself.
- **Timeliness:** Based on the delivery time frame; freight forwarder choose the shipment way whether Air/Ocean/road shipment. Generally when the delivery product is urgent good then it's sent by Air freight (fastest freight). On the other hand Ocean freight takes comparatively much more time. Air freight fastest and at the same time it costs high.
- **Reliability:** Transparent & frequent communication system such as tracking information regarding location update and product condition update on timely basis makes it more reliable to both shipper and receiver party to rely on the freight forwarding team.
- **Safety – security:** Freight forwarding team maintains insurance paperwork for their freight and shipment.
- **Regulatory compliance:** Freight forwarder ensures that the cargo is sending with proper regulatory compliance both from shipper and receiver party.
- **Proper assistance:** From Shipping to warehouse and then to customer. In every sphere the freight forwarding team maintains proper and secured assistance that goods are good in condition and delivered successfully.
- **Excellent service:** Freight forwarders have ample knowledge about supply chain and excellent networking system with dedicated team. They provide instant update to their customers and help to solve their freight forwarding issues with a smart hand and gives proper assurance.

3.3: Expo Freight Limited

Expo Freight (EFL) is a leading provider of freight forwarding and supply chain management solutions across the globe. With over three decades of experience in airfreight, sea freight, brokerage, multimodal & warehousing services, EFL is well recognized for its flexible and personalized service. EFL now covers over 20 countries and provides end to end solutions for all cargo and shipments.

EFL was created by founder Hanif Yusoof and we began operations in Sri Lanka. The first office was located on Milepost Avenue. In 1981 it has started its journey in Bangladesh as an International logistic support provider. It is a recognized leader in freight forwarding across many verticals, including agriculture, apparel, pharmaceuticals, technology, automotive and more. Moreover it has diversified itself into some more segments such as Tour & Travels, Aviation, Infrastructure Development, Manufacturing, Archiving Management, Information Technology, International Express and Courier Service, and Warehousing.

EFL stands with the motive to help its customer in saving their time and money and to grow their business through providing Freight support with the most innovative technology and digitalization. Its prior concern is to maintain good relationship with its stakeholders and to ensure sustainability in the existing market as well.

EXPO Freight Limited is offering –

- Air Freight
- Ocean Freight
- Rail Freight
- Trucking company

3.4:Air Freight Solution

The fastest way of delivery channel is Air Freight. Generally it's costlier and takes less time than Ocean and road or rail. Such shipments travels out of commercial and passenger aviation gateways to anywhere air craft can fly and land. Generally perishable goods and high valued goods are sent though air freight. On the other hand biochemical products, lithium batteries, flammable substances, firearms, explosives, power banks and UN classified illegal goods are fully forbidden to carry over air freight.



3.4.1:Types of Air Cargo

There are two specific air cargos-

- **General cargo:** In this type of cargo generally high value goods such as pharmaceuticals, jewelry, and electronic goods are meant to deliver. Besides perishable goods such as fruits, flowers, vegetables are always sent to other countries through this air freight to maintain the freshness and timeliness. Though it's costlier but at the same time safe and takes less time which is the main attraction of point.
- **Special cargo:** Special facility is the temperature control system. Here medicine and high valued perishable goods are sent. It has special type of protected casing system with required air condition facility.

3.4.2:Advantages of Air Freight shipping

- **Time:** The most attractive part is it takes lowest time for shipment
- **Temperature control system:** Perishable goods and high valued goods are transferred easily.
- **On-time-delivery (OTD) –** In case of air freight here it flies and drops with no delay. It ensures on time delivery to the customer end.
- **Low insurance premium:** As it takes less time so that it doesn't require high valued insurance and can easily cope up with low insurance premium.

- **Reliable:** Cooperatively air freight is mostly reliable as it need not to stop or any route problem is absent in here thus we can easily rely on it more.
- **Secured:** Goods are secured in case of storage and delivery with high quality maintenance system.
- **Less warehousing requirements:** It takes less time in air freight shipment and less stock to unload cargo ships which makes customer clearance faster thus warehousing is less needed in such air freight shipment.

3.4.3:Types of Cargo facility

There are various types of carriers operating in Bangladesh for carrying cargo.

- Online carrier
- Off line carrier
- Charter
- Freighter

Online carrier: Carriers who are operating direct flight from Dhaka to other destination through their hub are called online carrier. Ex: Emirates, Qatar, Etihad, Cathay Pacific etc.

Offline carrier: offline carrier does not have direct flight from Dhaka. They carry cargo through other carrier up to their hub and forward that to destination through their own flight. Ex: British Airways, KLM, American airlines etc.

Charter flight: forwarder sometimes rent a full aircraft to carry big volume of cargo for a certain destination. It is little costly but it helps to move large volume of cargo at a time.

Freighter: Many airlines operate flight from Dhaka that carry only cargo. Full Aircraft are using for cargo shipment. Ex: Saudi Arabian airlines, Emirates, Cathay pacific etc.

3.4.4:Air carrier service Type

Airlines offer different types of service based on rate.

- Differed service
- Regular Service
- Premium Service
- Express (Guaranteed)

Differed service: This is normal service with bit longer transit time. Usual transit time is 7-8 days for USA and Europe. Rate is little lower so carrier will not take any responsibility for transit time.

Regular Service: Transit time is little shorter than deferred service. Usual transit time is 5-6 days for USA and Europe. Cost is little higher. Most of the shipment goes under this service

Premium Service: Sometime this is called standard service. Transit time is little lower than Differed service. Usual transit time is 4-5 days for USA and Europe. carrier will not take any responsibility for transit time

Express service: This is guaranteed service provided by airline. They give committed transit time. Usual transit time is 2-3 days. Airline return money if they failed to meet he agreed TT. Rate is much higher for this service.



3.4.5: Prime Carriers in Bangladesh

- Biman Bangladesh Airlines
- Emirates Airways
- Etihad Airways
- Qatar Airways
- Cathay Pacific Cargo
- Thai Airways
- Singapore Airways
- British Airways
- Saudi Arabian Airways
- Pakistan Int. airlines
- Silkway airways
- Air India

3.4.6: Air Freight Service Area

Air freight is mostly famous for the excellent service and timeliness it provides. Though it costs high than any other freight forwarding way but thereafter people choose it just only because of the attractive attributes it follows in their air shipment. It covers several service areas like-

- Consolidation: Forwarder consolidates cargo from different shippers and combines them under one shipment to reduce cost.
- Ex-Work: Forwarder picks up the cargo from shipper's yard and delivers to destination airport completing all regulatory requirements at origin.
- Airport to Airport: Forwarder receives the cargo, from the shipper, at the airport and delivers the cargo at destination airport.
- Airport to Door: Forwarder receives the cargo, from the shipper, at the airport; clears the cargo at the destination airport and delivers the cargo directly at delivery point assigned by the consignee.
- Door to Door: Forwarder picks up the cargo from the shipper's yard, ship the cargo from origin airport, clears the cargo at the destination airport and delivers the cargo directly at delivery point assigned by the consignee.

- Charter flight: Forwarder arranges a charter flight (out of regular scheduled) to ship cargo that the forwarder was unable to ship either due to congestion in the airport or lack of space in regular flights.
- Transshipment (Air-Air, Air- Sea, and Sea-Air): Forwarder can use multimodal transport for cost efficiency.
- Warehousing & Distribution: Forwarder provides warehousing, packing and distribution facilities.

3.4.7: Air Freight Operations Process of EFL

Operation process starts from the order placement and ends at the delivery point or at customer end. In the entire process there are some other stages freight forwarders have to go through. The whole process presents like-

1. Receive booking from customer: Here the customer can be shipper/ consignee or agent. At first customer place the order with a booking number through mail which also includes an invoice packing list.
2. Documentation: Based on the given information of the customer documentation team makes a document and send it to the customer (Shipper/consignee/agent) for EPB (Export Processing Bureau) purpose.
3. When the documentation is done then the paper document is forwarded to the agent or to the customer with the fly and drop time.
4. Agent then checks all the information and checks whether goods are ready to go or is there any problem regarding that or not.
5. Then after prior confirmation; agent send it back to the freight forwarding team to start their process as collect or pre-paid basis with the transit time.

If shipment is approved as collect-

- If shipment approved as collect CRM will give cost to agent and ask for selling rate.
- Sometime destination agent can ask cost before approval given.
- Agent adds some profit with our given cost and quote to consignee.
- Agent can select particular airline as per buyer requirement and we need to provide cost accordingly.
- Agent provide us selling rate with including EFL profit share.
- Some customer have fixed selling rate for particular time period. In this case we have to maintain same selling rate for all of their shipments and no need to ask selling rate for each shipment.

If shipment is approved as pre-paid-

- If shipment approved on pre-paid basis we have to give rate to shipper and ask for confirmation.
- We need to add profit with airline and internal cost and quote to shipper.
- After shippers confirmation we need to submit credit approval.
- After receive cargo we need to take weight confirmation from shipper.

- We need to take payment or postdated cheque from shipper
 - Only after credit approval/PDC receives we can go for planning of the shipment.
6. Once we receive approval then CRM will advise to the shipper and will ask to hand over the goods to our warehouse with address. CRM also issues shipping order.
 7. Planning team then makes a tentative booking to carrier to block the space.
 8. Follow up with vendor and amend the booking
 - CRM will follow up with shipper regarding shipment hand over and documents preparation.
 - If shipper revise the booking CRM will amend it and provide shipper revised dummy HAWB copy and SO
 - CRM will confirm planning team regarding cargo hand over and final quantity. Planning team will confirm booking with Carrier and fix the space.
 9. Cargo handover to warehouse: Shipper will hand over goods to our warehouse with SO, dummy HAWB and invoice packing list.



Figure: Warehousing-loading-checking all goods.

Cargo handover procedure at CCL

Every vendor must comply with below points

1. Must provide Commercial Invoice, Packing list, Dummy copy & Shipping Order with cargo.
2. Load cargo according to invoice.
3. Goods need to carry on Covered Van with PAD LOCK

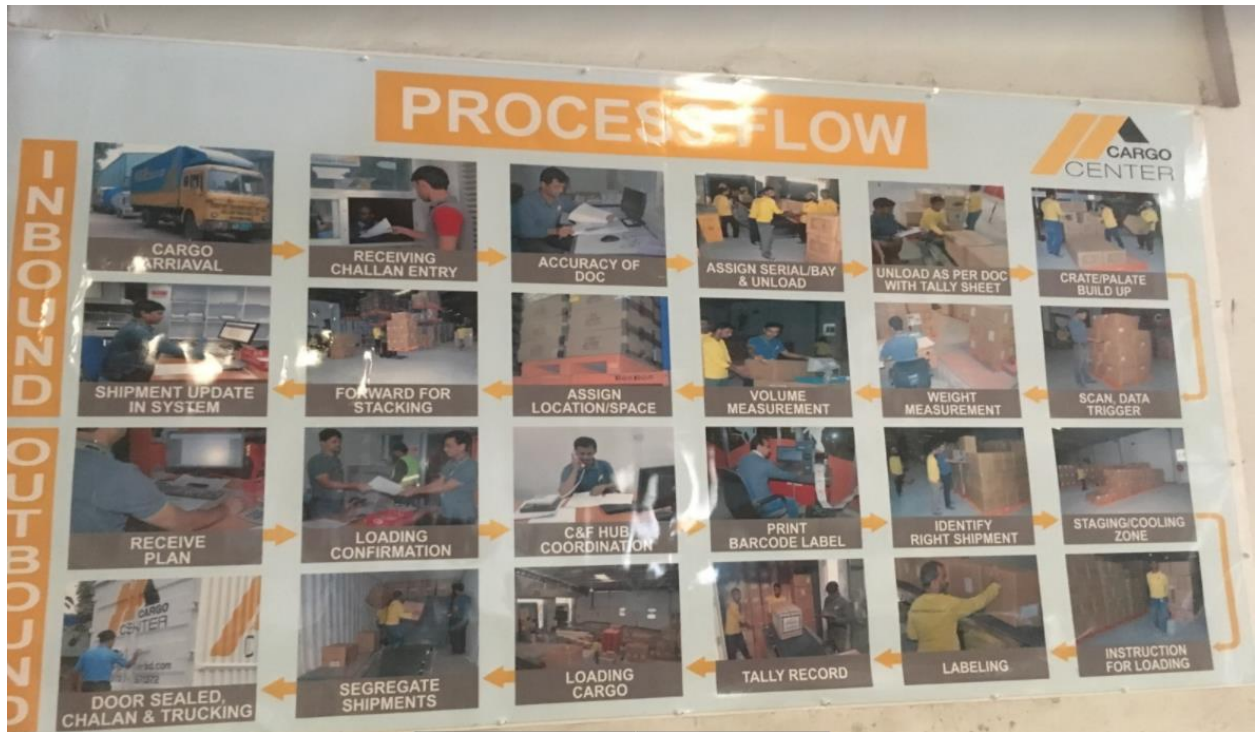


Figure: Process flow of CCL

4. Every truck needs to submit challan and get the token from warehouse people to unload the cargo sequentially.
5. Issue challan correctly (factory name/carton/pcs/order) & most important @ name of Expo Freight Ltd.
10. After successful CCL process products gets ready for shipment. At this point CRM does the most important task and that is pre-alert about the way shipments are moving from origin to destination.
 - After the departure of the flight pre-alert is sent to the agent with all necessary documents and information.
 - Usually pre-alert need to send within the 24 hours of the flight departure.
 - Sometime Pre-alert also needs to send to consignee directly.
 - If required we have to complete the EDI with all necessary information after the pre-alert.
11. Flight details to vendor and HAWB release: After the pre-alert CRM need to send complete flight details to shipper/Buying House. We also need to send debit note to shipper with local charge. In case of pre-paid shipment EFL team send debit note as soon as we receive the cargo once shipper confirm the weight and rate. EFL need to release the original HAWB to their accounts. And shipper will collect it from accounts after paying the local invoice value.
12. Cargo tracking and follow-up: After cargo departure follow up team track the shipment through web tracking and get the status. Customer relationship department asks for the arrival status or POD to agent after arrival of cargo.

13. Costing and file closing: At last stage Costing team will input all the necessary cost relevant with shipment in SOL(Ship-owner's liability) and find the loss or profit in the file. Costing is one of the most important tasks. After costing finance department makes some valuable report from system (SOL).

3.4.8:Planning Team activities of EFL

Booking Space with airline/booking information: No of carton, Gross weight, Carton measurement, Cubic meter (CBM), Cargo ready date, MAWB (Master air waybill no.), Flight No & date, Destination, Agreed rate, estimated arrival date (ETA).

- Rate negotiating with carrier to maximize company profitability,
- Chalk out better routing & carrier considering buyer requirement for better service,
- Pricing support both sales & product,
- Raising Clam & settlement as and when required,
- Day to day basis planning,
- Pre booking for secure space,
- Carrier visit,
- Maintain strengthen relation with carrier personnel,
- Prepare sales report fortnight basis each & every carrier,
- Maintain liaison with CCL.

3.4.9:Major documents of Air Freight

For better solution and cleanliness here proper documentation is must. EFL maintains some documentation criteria which includes-

HAWB (Negotiable docs for payment): Declared as below...

- Receipt of goods
- Freight Terms Declaration (air pp/cc)
- Shipper's invoice value's guarantee/assurance through Bank details.

3.4.10:Major purpose

- AMS HAWB-used for airlines purpose
- C&F HAWB-used for EXP re-submit banking purpose.
- Consignee HAWB-used for destination purpose
- Shipper HAAWB: used for banking purpose.
- Dummy HAWB (Non-negotiable): Used for EPB (Export permission Bureau), Customs docs & consignee's required original docs (GSP/CO)

MAWB: This document is a proof of goods receipt from forwarder on behalf of shipper issued by air carrier. MAWB Number Prefix is always 3 digit; Like, 160(Cathay pacific),176(Emirates Airways)

GSP Certificate: (Generalized System of Preference): Issued by EPB. With this documents buyer get tax rabet from destination country with whom Bangladesh Government have GSP agreement.

CO (Certificate of Origin): Issued by EPB or Dhaka chamber or Chittagong Chamber of commerce. This doc's certify the origin of goods.

Commercial Invoice: Shipper's main export documents with cargo description and value of the goods. It also contain buyers name, bank name delivery address.

Packing list: it contains cargo packing details such as number of pcs per carton, weight and dimension.

Cargo Manifest: Airline need cargo manifest from forwarder which contain shipment details such as HAWB no. MAWB NO. Destination agent, Carton quantity etc.

Containers (ULD)

Containers – Carrier use different types of ULD (Unit Load devise) for cargo shipment. Some widely use ULD's are Pallet, LD3 & LD9 etc.

LD3 Container AKE/AVE



Base Dimension Outside	156 x 153 cms
Height Outside	163 cms
Usable Volume	3.80 cbm
Inside Dimensions	146 x 144 x 160 cms
Accepted for	A340, A310, A310F
Tare Weight	85kg
Max Gross Weight	1588KGs

LD9/AAP container



ULD dimensions and weight measurements are subject to the conditions of the individual airline company.

Base dimensions
 Cm: (L) 317.5 x (W) 223.5
 Inches: (L) 125 x (W) 88

Height dimensions
 Cm: 162.6
 Inches: 64
 Tare weight: 270 kg

Max. gross weight
 Lower deck: 1,587 kg
 Main deck: 6,000 kg

Figure: LD3 & LD9 (GOH)

LD 3: This is a small container used for GOH or carton.

LD9: LD9 mostly use for GOH shipments. GOH means Garments on hanger. In this container garments are kept with hanger. Usually expensive garments item are exported.

Pallet

Using pallets to load cartons & arrange wrapping with plastic sheet & do lasing for tighten.

 <p>P7, PGA Pallet</p>	<p>Base: 96" x 238.5" Height: 96" (Q6 Contour), 118" (Q7 Contour) Weight Limitation Inc. ULD Tare Weight: 11,340 kg Tare Weight: 480 kg Loadable Aircraft Type: 747F</p>
 <p>PMC, PQP, P6P Pallet</p>	<p>Base: 96" x 125" Height: 64" (Passenger flight), 96" (Q6 Contour), 118" (Q7 Contour) Weight Limitation Inc. ULD Tare Weight: 11,340 kg Tare Weight: 480 kg Loadable Aircraft Type: 747F</p>
 <p>PEB Pallet</p>	<p>Base: 53" x 88" Height: 84" Weight Limitation Inc. ULD Tare Weight: 1,800 kg (B-HIH – 1,300 kg) Tare Weight: 55 kg Loadable Aircraft Type: 747F</p>

Figure: Types of pallets

3.4.11: Air Freight Rate/ Pricing Mechanism

Air freight must be applicable on Chargeable weight.

From gross and volume weight which one is higher is called chargeable weight

Calculation of volume weight:

Volume weight = L x W x H x Total number of Container /6000

1 CBM = 166.67 kg

CBM = Volume weight x 0.006

Cargo Scanning & Aircraft Loading

The final task is Cargo scanning. Before handover cargo to airline Biman Security/ Custom require to scanning all exportable cargo.

Incoterms 2010 (Int'l commercial Terms)

The Incoterms rules are the series of pre-defined commercial terms published by the International Chamber of Commerce (ICC). These are widely used in International commercial transactions or procurement processes. Basically states the responsibilities of buyers and sellers for the delivery goods and services in accordance to the sales contract.

There are 11 incoterms and the series C D E F
For collect used E & F and for prepaid used C & D

- C- CFR, CIF, CPT, CIP
- D- DAT, DAP, DDP
- E- Ex works
- F- FCA, FAS, FOB

3.4.12:INCOTERMS

- EXW Seller pays for: Packing suitable for air transport, others will pay Buyer.
- FCA (Free carrier) Seller pays for: Packing suitable for air transport, Loading charges at Sellers warehouse, Customs clearance for export, Export taxes and duties & (Sometimes Delivery to terminal); others will pay Buyer.
- FOB (Free on Board) Seller pays for: Packing suitable for air transport, loading charges at Sellers warehouse, Customs clearance for export, Export taxes and duties.
- CPT (Carriage paid to) Seller pays for: FCA + Freight charges - Sometimes (Terminal charges airport arrival Delivery to final destination); others will pay Buyer.
- CIP (Carriage and Insurance paid to): FCA + Freight charges - Sometimes (Terminal charges airport arrival Delivery to final destination) + Insurance; others will pay Buyer.
- DAT (Delivered at Airport terminal): CPT + Terminal charges unloading, Insurance until terminal destination; others will pay Buyer.
- DAP (Delivered at Place to): CPT + Insurance until terminal destination – Sometimes (Delivery to final destination + Insurance).
- DDP (Delivered duty paid to): FCA + Freight charges + Terminal charges airport arrival Delivery to final destination + Insurance.

3.5.1: Ocean Freight Service

In the world of logistic support business the most commonly used freight forwarding form is Ocean Freight. This Non Vessel Owning Common Carrier (NVOCC) connects the dots of different countries port and creates a strong network worldwide.



Figure: Ocean Freight Shipment

3.5.2: Advantages of ocean freight

Ocean freight is the most common freight forwarding system throughout the world. Importer-exporter finds it very effective and reliable that they prefer ocean freight much. Basically it has some features of attraction. Such as-

- **Cost effective:** The main reason is cost effectiveness. It charges less than air freight.
- **Capacity:** Ocean has huge capacity than air. As it's container based and flat space so that it can easily place plenty of trailer one above one in a constant basis with no internal damage.
- **Reliable:** Ocean freight is fully reliable. Pick-up to drop; in every sphere it maintains proper invigilation and security system which makes it more reliable to their customer end.
- **Environmental impact:** It omits less carbon dioxide than air freight. Besides ocean freight forwarding committee is planning to minimize the wastage on ocean and finding the way to ensure environment friendly freight forwarding system. It omits less fuel which is also great news to know.

- **Variety of goods:** It doesn't have any kind of restriction like air freight. It carries any kind of legal product which can fit into trailer.

3.5.3: Containers in Ocean freight

Dry freight container: Mostly used for garment products (20', 40')

- High cube dry container: garment products (40', 45') same type picture.
- High cube dry container: garment products (40', 45')
- Reefer container & High cube reefer: Used for perishable goods
- Open top container: For heavy machinery things which need to be pulled using cranes.
- Flat rack and collapsible flat rack container: Used for transporting goods of special dimension. Like: Truck, vehicle, boats etc.

3.5.4: Types of port

- Sea ports/base ports: These are most common type of ports, used for commercial shipping activities. These are built on a sea location and can accommodate small and large vessels.
- Inland ports: These are built on rivers or lakes. These ports create access to sea but can't allow deep draft ship traffic
- Warm water ports: These are built on warm waters, so they don't freeze. They can be used without temporary shut down during freezing season.
- Dry ports: These are inland terminals interconnected with seaport via road or rail. They are usually used as centers of multimodal logistics in order to avoid congestion.

3.5.5: Importer's security filing (ISF)

- Importer's security filing is done for USA.
- It is 10+2 data and is submitted to US customs brokerage. From the 2 datas, we submit container stuffing location + consolidator name/address and vessel schedule and container details. The rest is filled up by shipper. It is sent to U.S customs brokerage and must be filled 72 hours before transshipment. ISF for advanced customs declaration. Otherwise in other countries, after container has reached final destination, customs declaration is done. AMS and MBL number is must here. ISF and AMS must be filled within feeder vessel sets sail. Cause they are supposed to match 48 hours before mother vessel berthing.
- AMS- Advanced manifest system: Over here, we give details of shipment, like shipper name, consignee name, hbl number, mbl number, information about the weight of the cargo and cbm, container details and vessel schedule, destination. It needs to be filled within feeder vessel sails. It's important for transshipment. For FCL shipment, we do it

against hbl and carrier would do it against mbl. We do it from our Indian office team or from Colombo office online system. If carrier would have done AMS against hbl, they would have charged a lot. Instead we do it and take it through invoice from our agent.

- AFR- Advance filing rules: For FCL, we do it against hbl and carrier does it against mbl
- ACI- Advanced commercial information: Destination agent does it against hbl and carrier does it for mbl.
- ENS- Entry Summary declaration.

3.5.6:Sales types

- Pure nomination: When we acquire business from our agent. We follow our agents as they are giving us the business. Mostly FOB.
- Direct sales: When we acquire business by ourselves. Like, through our sales person. If I acquire sales from our origin, then the shipment is mostly prepaid.

Chapter-4: Research Methodology

4.1:Research method

The study was about “Freight forwarding- connecting the dots of International trade”. Here I have chosen EFL for the broad study. I have collected most of the information from few employees of EFL and some other information from online data source. As the case is about descriptive analysis so I tried to reflect all the information in detail and also analyzed every point in an easy way that it becomes easy to get for all the people.

4.2:Data collection procedure

Most of the data are collected from few employees of both EFL and MGH and some are from online data source. I have go through several cases and articles to know the previous researchers viewpoint on freight forwarding, their suggestions, problem they faced doing this and their limitations; these all worked like pre-caution when I started to conduct my case study. I was very much careful and tried to fill the gap between previous research and my case study paper.

- Primary data- All the primary data been collected from few employees of both EFL and MGH. Mostly over phone and email communication.
- Secondary data- Other information like previous researches paper and export-import related information was taken from online data source.

Chapter-5:

Comparative Analysis and overview

5.1:Comparative analysis

When framing this case study I have selected few determinants to take in measure to conduct my case study analysis. These are-

Research questions

1. What are the major issues to enhance sales growth
2. How they maintain good customer relationship
3. How much benefit their warehouse providing
4. How they build customer loyalty and holding it as well
5. How they set pricing model
6. What do they do to be a market leader
7. How they choose shipping line
8. How they surviving in this pandemic
9. How they ensuring their business growth
10. How they working to meet their long term goal

Hypothesis

I have started this work with a hypothesis that they have formed a significant and dynamic way to hold their business growth in this pandemic.

I have communicated with few employees and asked all these questions. They all gave me many interesting information; which I could never find in any online website for sure. Here I am going to reveal all those facts and information-

5.2:Expo Freight Limited (EFL)

EFL believe in customer relationship. In this time EFL has high frequency of sales volume in a sense of receiving orders. EFL follows excellent customer relationship strategy and they believe and also experiencing that warm relationship between customer and logistic support providers will enhance their business growth. Besides they are ensuring warehouse facility and taking full responsibility to send the product at final destination. They set their pricing model on the basis of the weight and space it might require. They choose shipping line or airline on the basis of customers' requirement and sometimes on the basis of the transit time it has in their hand. Basically airline prices high but takes less transit time. Where shipping line (Ocean); charge lower but takes comparatively high time. Though the order volume fall around more than 50% but thereafter in this pandemic situation they did not offered any new customer and worked only with those customers they are working for long days. But now the situation has changed and order volume is getting higher than last few months though it's not up to mark but they are trying to reach their target and practicing their strategy they believe is building good customer relationship. Sometimes it happens that they take loss project to please a customer and try to build the trust that EFL can provide excellent service that in next they choose EFL for their delivery issue.

5.3:MGH Group

MGH believe that having a great capacity can ensure large sales volume. The similar thing both of them follow is maintaining a good customer relationship. MGH group spends a lot for the purpose of building and maintaining a strong customer relationship. They also follow the strategy of taking loss project to grab a new customer and building a good relationship. The pricing model is same for both and choosing shipping line or airline is same as EFL. Basically

these are all same for all the freight forwarder. Because there is a standard; which is generally fix for all. Though it changes based on the shipping season. Like in September-October the order volume is high so in that time the price range rises. Where from March-August the price is like average. In this pandemic situation MGH has passes a really bad days. Their volume came like 0-5% when lockdown started but now it has covered like now its 70% and trying to reach 100%.

So; with my hypothesis I can say that yes; freight forwarder has set a role that they might not be able to make huge profit but maintained continuously good relation with their customer that they comes in their mind when the situation will become flexible.

5.4:Export-Import and Real GDP of Bangladesh

Year	Total Export	Total Import	GDP
1981	1303.13	3522.18	20853.06
1982	1245.07	3853.42	21348.63
1983	1360.06	3693.61	22206.01
1984	1347.22	3454.69	23356.43
1985	1453.63	3704.88	24109.27
1986	1436.92	3550.81	25133.57
1987	1464.23	3753.27	26071.62
1988	1620.60	4034.49	26634.56
1989	1764.86	4641.57	27330.35
1990	2078.76	5073.82	28954.13
1991	2014.50	4311.87	29921.01
1992	2454.58	3932.82	31428.77
1993	2856.95	5404.44	32866.44
1994	2962.04	5074.17	34208.94
1995	3872.10	7529.89	35893.75
1996	4184.79	8592.32	37552.74
1997	4876.50	8443.23	39575.92
1998	5474.39	8820.71	41644.76
1999	5597.74	9023.94	43672.54
2000	6403.56	9947.75	46268.66
2001	7358.22	11063.52	48708.87
2002	7188.91	9822.26	50859.57
2003	7682.77	10549.46	53532.75
2004	8645.94	11667.72	56889.52
2005	9994.81	13891.43	60277.56
2006	12575.57	16418.00	64273.56
2007	14208.00	19043.46	68404.97
2008	15207.92	18651.86	72639.53
2009	15211.62	18166.60	76809.88
2010	15354.83	18290.74	81471.73
2011	19859.95	23623.79	86936.94
2012	23264.61	28064.17	92429.55

Source: World Development Indicators, World Bank, various issues.

Here from the above table we can see that from the year 1981 to 2012 the export volume has increased in a progressive way. Where in case of import; there frequent ups and downs is clearly visible. So in relation with export-import the impact on GDP growth has been increasing constantly and comparatively the positive impact of export is remarkable. This export is forwarded through third party logistic support provider or we can say freight forwarding team. So the impact of this freight forwarder is commendable as a role of connecting the dots of international trade.

Chapter-6: Recommendation and Conclusion

6.1: Findings

Throughout doing this case study I have found some measurable points-

- Freight forwarding has a great impact in export-import business
- It reduce the time and cost effective
- Mostly reliable
- Ease distribution factor of producer
- Customer relationship is the key to increase sales volume and revenue generation as well.

6.2: Recommendation

Basically all the freight forwarder doing the same thing but the only thing makes them unique is their customer relationship maintenance quality. Here my recommendation goes for-

- They can broaden their sector in several part
- Including more customer representative
- Experienced sales repetitive can put better output
- Spontaneous and extrovert people are required in this sector
- Long term vision should always keep in mind
- Patience is must
- Self-owned truck to pick the load from shipper could minimize the lead time
- Expanding warehouse facility

6.3: Conclusion

The business nowadays is not a single country based. The business plan is made depending on so many determinants. We have to look for quality, service, pricing, branding, employees' salary, geographical location of production house, marketing policy, customers need-want-demand, and modifying business strategy or if needed transforming few strategy to ensure sustainability in this highly competitive business market. Here basically a freight forwarder works as an agent for the importer/exporter in moving cargo to the desired destination. Here agents are always familiar with the import & export rules & regulations of those foreign countries and also careful about the methods & documents of foreign trade. In relation with export-import the impact on GDP growth has been increasing constantly and comparatively the positive impact of export is remarkable. This export is forwarded through third party logistic support provider or we can say freight forwarding team. So the impact of this freight forwarder is commendable as a role of connecting the dots of international trade.

Reference

- Internal source of EXPO Freight Limited
- Internal source of MGH Group
- [https://www.researchgate.net/publication/329277476 Impact of International Trade on Economic Growth in Bangladesh#:~:text=The%20study%20found%20that%20international,growth%20\(GDP\)%20in%20Bangladesh.&text=economic%20growth%20\(GDP\)%20in%20Bangladesh.,-Keywords%3A%20Bangladesh%2C%20Economic](https://www.researchgate.net/publication/329277476_Impact_of_International_Trade_on_Economic_Growth_in_Bangladesh#:~:text=The%20study%20found%20that%20international,growth%20(GDP)%20in%20Bangladesh.&text=economic%20growth%20(GDP)%20in%20Bangladesh.,-Keywords%3A%20Bangladesh%2C%20Economic)
- <http://bv-f.org/WV-09/06.%20WV%20Final.-9.pdf>
- <https://link.springer.com/article/10.1186/s41072-019-0053-6#Sec2>
- <https://journals.vgtu.lt/index.php/Transport/article/view/6965>
- <http://www.diva-portal.org/smash/get/diva2:727013/FULLTEXT02>
- [https://www.researchgate.net/publication/333172898 Freight Forwarding Industry Function Economic Role and Future Market in Bangladesh](https://www.researchgate.net/publication/333172898_Freight_Forwarding_Industry_Function_Economic_Role_and_Future_Market_in_Bangladesh)

Appendix

Research questions

1. What are the major issues to enhance sales growth
2. How they maintain good customer relationship
3. How much benefit their warehouse providing
4. How they build customer loyalty and holding it as well
5. How they set pricing model
6. What do they do to be a market leader
7. How they choose shipping line
8. How they surviving in this pandemic
9. How they ensuring their business growth
10. How they working to meet their long term goal