

Air Cargo Tariff

Air Cargo Tariff means tariff containing rates, charges or provisions governing the application of such rates or charges, or the conditions of service, applicable to the scheduled transportation of cargo in foreign air transportation. Airfreight rates cover transportation from the airport of loading to the airport of discharge. Airlines that are members of the IATA comply with Tariff rules issued by IATA. From 11th September 2002, Air Freight Rates are negotiable to extreme level.

Tariff doesn't mean it is the actual price. Rate on Air Way Bills are mentioned based on the actual weights, Date of shipment and Commodity basis.

Following Charges are covered in Air Cargo Tariff

Air Freight Rate

Fuel Surcharge

Insurance Surcharge or War Risk Surcharge

Security or Scanning or Screening Surcharge

Air Way Bill Surcharges or Miscellaneous Charges

Dangerous Goods Surcharge

Express Rate Surcharge

Following Charges do not covered

Pick-up of goods from factory/door

Delivery of goods to consignees door

Terminal handling charges in both origin and destination airport

Storage charges or demurrage charges in both origin and destination airport

Customs clearance in both the country of origin and destination

Any duties and taxes that may have to be paid

Marine Insurance

Weight Criteria

Gross Weight: This weight is declared by the Shipper and verified by the Agent and Airline.

Volume Weight: This weight is calculated as per the dimension of each package. A formula is applied to calculate the Volume Weight.

Chargeable Weight: As per the rule of IATA, the higher weight will be taken as Chargeable Weight. Some time it can be Gross Weight itself. Some other case, Volume weight can be chargeable weight if higher than Gross Weight.

Volume calculation method

Measurement in Centimeters(cm)

Measure the Carton/Pallet along the greatest length, width and height and

For example; 68 cm (L) X 42 cm (W) X 22 cm (H) = 62832 cm³.

Now divide 62832 cm³ by 6000 = 10.472. This result is in Kilograms and for 1 Carton/Pallet/Parcel.

Multiply the result in Kilograms with Total Number of Cartons to get the total volume weight.

Comparison of Weights

Check what is the Gross Weight declared by Shipper or verified self.

Now compare the gross weight to the volume weight. If any weight is higher by 0.250 gram, that weight will be taken as Chargeable weight.

Chargeable Weight

In some case, even though the Volume weight is higher than Gross weight or Gross Weight is higher than Volume Weight, the next available slab weight is taken as chargeable weight. This is as per IATA rule of whichever is lower on rate and whichever is higher on Weight. In order to establish the chargeable weight, it is calculated as 1 metric ton = 6 cubic meters.

Rate Slabs

Freight rates are based on the following Slabs or break points:

M - Minimum Rate up to certain Weight or per shipment

N - Normal Weight or below 45 Kgs

+45 - Above 45 Kilogram.

+100 - Above 100 Kilogram.

+250 - Above 250 Kilogram.

+300 - Above 300 Kilogram.

+500 - Above 500 Kilogram.

+1000 - Above 1000 Kilogram.

+2000 - Above 2000 Kilogram.

+5000 - Above 5000 kilogram.

All rates are per kilogram except Minimum.

Rate Classification

Rates are classified preliminary as General Cargo Rates (GCR) and Special Commodity Rates (SCR) as per the airline provisions

General Cargo Rates

Tariff given for the General Commodity shipments. This is further divided based on the transit period of Normal, Express and Time Definite.

Normal: Under this Rate class, the airline can take transit time up to 20 days.

Express: Goods transported to destination within 48 hours under Express Mode and a higher price is charged than Normal rate.

Time Definite: The Delivery of goods will be within a certain time frame. Tariff will be higher than Express rate.

Express and Time Definite goods are accepted only on the On-line destinations where an airline use own aircraft.

Special Commodity Rate

Airline offers special rates for specific commodities which are lower than general cargo rates. This rates apply to certain goods with specific descriptions. However, nowadays

most of the airlines are stopped this special commodity rates except Perishable and Dangerous goods for which separate rates are filed.
Dangerous goods and Perishable goods rates are offered for On-Line destinations only.

NET-NET RATES

Rate offered without a commission is referred as Net-Net rates.

SPOT RATES OR AD-HOC RATES

Rates offered on a specific shipment and a specific flight is referred as Spot Rate or Ad-hoc rates. To get this deal, a customer must have cargo ready to ship.

ALL-IN RATE

Rate offered which includes surcharges are called All-in Rate. This also offered for specific flight or period only.

Unit Load Device (ULD) Rate

ULDs are used for the storage of cargo on the aircraft and are divided into two types; Pallets and Containers.

Cargo on the Pallets are secured to its rim by a net and made according to the loadability into the allotted aircraft type.

Various types of Containers are providing by the Airline based of the aircraft used to serve a location. Cargo is secured either by the container doors closed or a door net being secured to the rims of the container walls and floor.

The rates are charged as per ULD Maximum Weight e.g. LD3: Chargeable Weight 700 Kgs.