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## Measures to augment safe, secure transportation of air cargo

### Overview

The rapid growth of international trade has created an environment where air transport assumes great importance in the transportation of goods. Air Transport is not only the fastest mode of transport, but it has better interior reach compared to ocean transport. It is widely used for transporting commodities with very limited shelf life, and high value cargo which requires extra security and immediate carriage. Shipping via air transport is any property carried or to be carried in an aircraft. Air cargo comprises air freight, air express and airmail.

We at Liberty Videocon General Insurance value the safe carriage of your cargo by air; and intend to suggest some useful measures to ensure safe and proper air cargo transportation. We sincerely hope that the measures suggested in this document will help in shipping goods by air in a safe and secure manner.



Source: [http://aviacharters.com/assets/images/slider\\_image/slide\\_bg\\_4.jpg](http://aviacharters.com/assets/images/slider_image/slide_bg_4.jpg)

### Types of Aircraft

Cargo can be transported by passenger, cargo or a combi aircraft:

- Passenger aircraft use the spare volume in the airplane's baggage hold (the 'belly') that is not being used for passenger luggage - a common practice used by passenger airlines, which additionally transport cargo on scheduled passenger flights. This practice is known as Belly Cargo.
- Cargo aircraft are dedicated for the job - they carry freight on the main deck and in the belly by means of nose-loading or side loading.
- Combi aircraft carry cargo on the main deck behind the passenger area with side loading and in the belly.

Cargo can also be transported in the passenger cabin as hand-carry by an 'on-board courier'.

### Types of Carriers

**Airlines:** Airlines which carry combination of passenger and cargo, market their freight transportation service (their airport-to-airport link) to freight forwarders.

**Cargo Carriers:** While there are specialised cargo carriers also called freight integrators, they market their logistics

solutions directly to shippers, offering integrated transportation chain with door-to-door service. Integrators thus act both as forwarders and as carriers. Major air freight integrators in the world today are - FedEx, UPS, TNT and DHL. They own and operate their own fleets of dedicated cargo aircraft.

### Unit Load Devices

To reduce ground times, it is common practice to load all suitable freight / cargo in Unit Load Devices (ULDs), which are typically either pallets or containers. Pallets are aluminum sheets with rims that allow nets to be affixed to hold loose packages in place. Containers are fully enclosed, portable aluminum compartments of various shapes and sizes. To fully utilise the capacity of the airplane, containers are shaped to fit the contours of an aircraft's doors and frame. For some shipments, highly specialised containers are used to maintain a specific temperature or absorb shock.

All ULDs are identified by their ULD number. A three-letter prefix identifies its type, followed by a 4 or 5 digit serial number (4 if prior to October 1, 1993; either 4 or 5 if after October 1, 1993) to uniquely identify it from others of the same type, and ending with a two character (alpha-numerical) suffix identifying the ULD's owner (if an airline, often the same as IATA designator codes). For example, AKN 12345 DL means that the ULD is a forkliftable LD3 with the unique number 12345 and its owner is Delta Air Lines.

## Tips for Safe Transportation of Cargo by Air

When shipping a product overseas by air, the exporter must be aware of IATA regulations, packing, labeling, documentation, and insurance requirements for that merchandise.

### Packing

Shipments must be properly packed to ensure damage-free transportation with ordinary care in handling. The proper packaging of goods for transportation requires a good understanding of the product and distribution environment along with knowledge of packaging materials.



### Labeling

All air freight packages must be properly labeled as per the terms and conditions of contract. Each piece must be durable marked with name and address including correct pin code. Handling labels should be highly visible and, with few exceptions, on all sides of the package. This can reduce the chances that a package is flipped, rolled or tumbled in search of shipping labels. It is recommended that both pictorial markings and text be used for each of the special handling requirements. Most freight forwarders and export packing specialists can supply the necessary information regarding specific regulations.



### Documentation

The number and kind of documents the exporter must deal with varies depending on the destination of the shipment, because each country has different import regulations. Hence the

exporter must be extremely careful to provide proper and all the required documentation. Air transports are handled by Air Way Bill which is a contract between the owner of goods and the carrier. Most exporters rely on freight forwarders to handle the formidable amount of documentation that exporting requires as forwarders are specialists in this process.



### Insurance

In the event of a fortuitous or misfortune event, damage to the cargo may cause a major financial loss to the buyer / seller. Hence, shipments are usually insured against loss or damage in transit by marine insurance governed by Institute Cargo Clauses, which is voluntarily adopted as standard terms by all international marine organisations / insurers. For cargo, arrangements for insurance may be made either by the seller or the buyer, in accordance with the terms of sale. Usually cargo insurance is covered for 110 percent of the CIF (cost, insurance and freight) component.



### Tariffs

For air cargo, determining capacity and tariff details of weight and volume is of prime importance. It is very important to consider the effects of tariffs, handling fees, and taxes when determining your product's final cost, as they can be high. These costs will influence how much the customer is willing to pay for the product.



## Trivia

- Air cargo transports goods worth in excess of \$ 6.8 trillion annually. This is approximately 35% of the world trade by value.
- Domestic Indian air cargo increased by 2.3% over 2012 to 3,71,000 tonnes. The expansion is projected to continue at a rate of 6.3% per year from 2013 to 2033, when it will reach 1.2 million tonnes flown per year.
- Air India Cargo was set up in 1954 and started its freighter operations, giving Air India the distinction of being the first Asian airline to operate freighters. With rising competition as well as financial issues, Air India Cargo ended freighter operations in early 2012.
- In India, the only national association representing the air cargo industry is the Air Cargo Agents Association of India (ACAAI). ACAAI's membership covers IATA approved air cargo agents, India's national carriers, foreign airlines and general sales agents.



Source: <http://nbmarineservices.com/portfolio-ibusiness/air-freight/>

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IRDA Registration No. 150  
CIN : U66000MH2010PLC209656

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