

THE ROLE OF FREIGHT FORWARDERS

Freight forwarders are independent companies that handle export shipments for a fee. They provide advisory, administrative and physical services to facilitate exports. Freight forwarders can arrange shipments for Canadian exporters using any mode of transportation. They offer a complete service package that can be especially valuable to the first-time exporter. They are an excellent source of information on regulations, documentation and shipping methods and can save the exporter money on transportation rates because of economies of scale.

The services provided by freight forwarders typically include the following:

- providing or arranging shipment handling, including packing and crating, marking, inspection and storage;
- preparing documents for shipping and customs, as well as translating, certifying and transmitting documents, and obtaining permits, licences and certificates;
- providing financial assistance such as negotiating letters of credit (L/Cs), arranging collections, placing insurance and filing insurance claims;
- prepaying and collecting freight charges;
- providing advice about foreign requirements, transportation, government regulations, customs procedures and project management; and
- assisting with transportation arrangements, including selecting routes and carriers, negotiating rates, booking transportation space, securing charters, consolidating shipments, arranging local delivery, tracing shipments and leasing equipment.

While individual transport companies can sometimes make similar arrangements, they are geared toward exporters with large frequent shipments and will not always offer the full range of services of a freight forwarder.

To take advantage of the services offered by freight forwarders, the exporter should ensure that the product is properly prepared, unitized or containerized. Otherwise, carriers may refuse to carry the goods and insurance companies may refuse to cover any damage or losses. There are a few simple rules for preparing a shipment:

- assess the total transportation route and pack for the toughest leg;
- determine the frequency of transshipment, and of unloading and reloading: prepare the goods for multiple handling;
- determine the packaging requirements that apply in the country of origin, for each carrier, at all ports of exit and entry, and in the country of destination;