



Development of the Common Standard Curricula on International Transport and Logistics Basic Training for ASEAN Member States under Sustainable Human Resource Development in Logistics Services

Chapter 5

Calculation of Air Freight

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Summarized by FMFF/Wong Kim Chuan

Development of the Common Standard Curricula on International Transport and Logistics Basic Training for ASEAN Member States under Sustainable Human Resource Development in Logistics Services

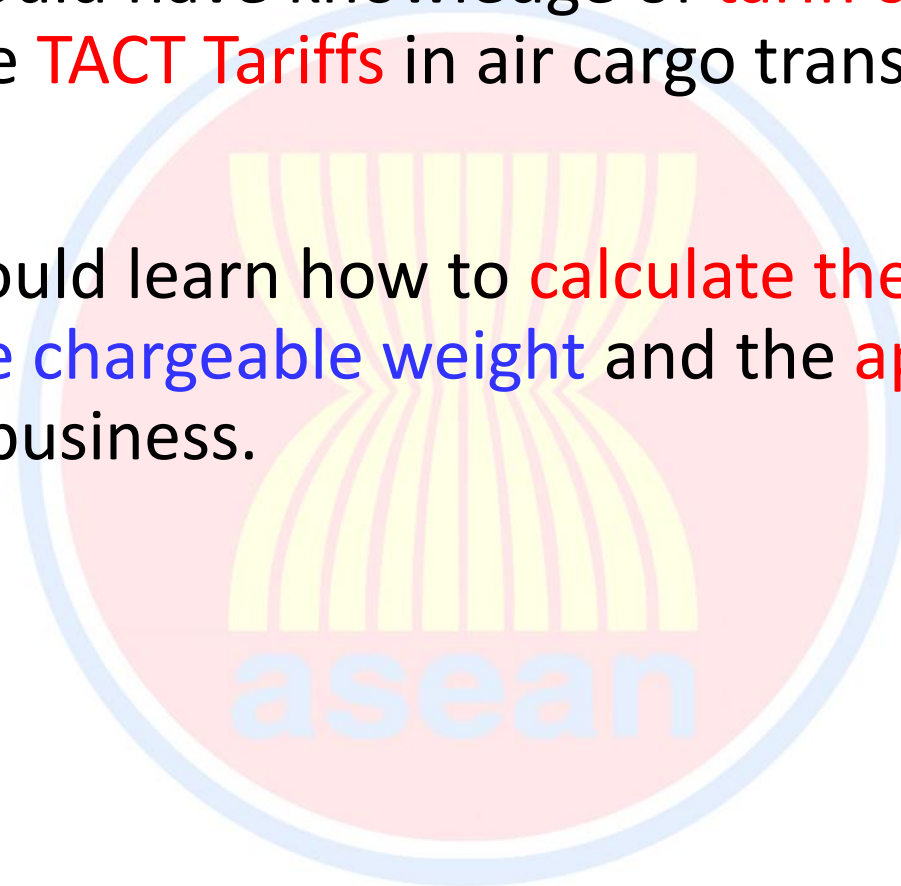
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Learning Objectives

- The student should have knowledge of **tariff structure** in general, and the **TACT Tariffs** in air cargo transport.
- The student should learn how to **calculate the air freight**, **determining the chargeable weight** and the **applicable rate and charges** in real business.



Introduction

- Air Freight

→ chargeable weight x applicable rate.

- Air freight cost is higher than ocean freight cost.
- High value, time sensitive, trendy goods are carried by air transport.
- The term for prices in air transport is tariffs.

Introduction

- Tariffs are the prices for the air carriage plus the conditions that apply to these prices. Eg. Only certain commodity applicable for certain sectors.
- Air cargo transport the technical term for price is “rate” (*in passenger carriage it is the “fare”*).
- Tariff rates for airfreight are in many areas seen as reference indicators only and therefore they are negotiable.
- Usually airlines offer selling rates to cargo agents instead of tariffs in TACT.

Airfreight Publications and International Rates



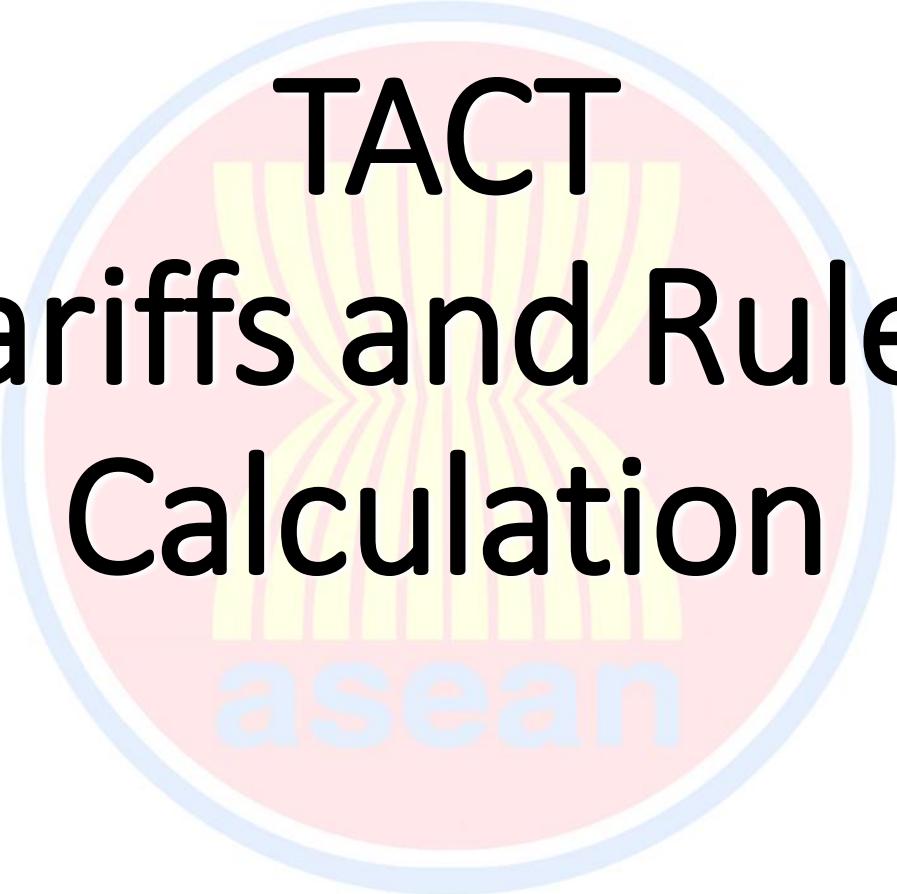
Objective

- The student should have knowledge about **how to read publications for airfreight.**



- Airlines publish airport (origin) to airport (destination) rates.
- The rates published in alphabetical order in from/to format.
- Rates quoted in
 - per pound (lb), or
 - per kilogram (kg) basis.
- Rates usually quoted in national/local currency unless otherwise specified. Eg.
 - From PEN, Malaysia in MYR. Local currency.
 - From Jakarta, Indonesia in USD instead local currency IDR (Indonesia Rupiah).

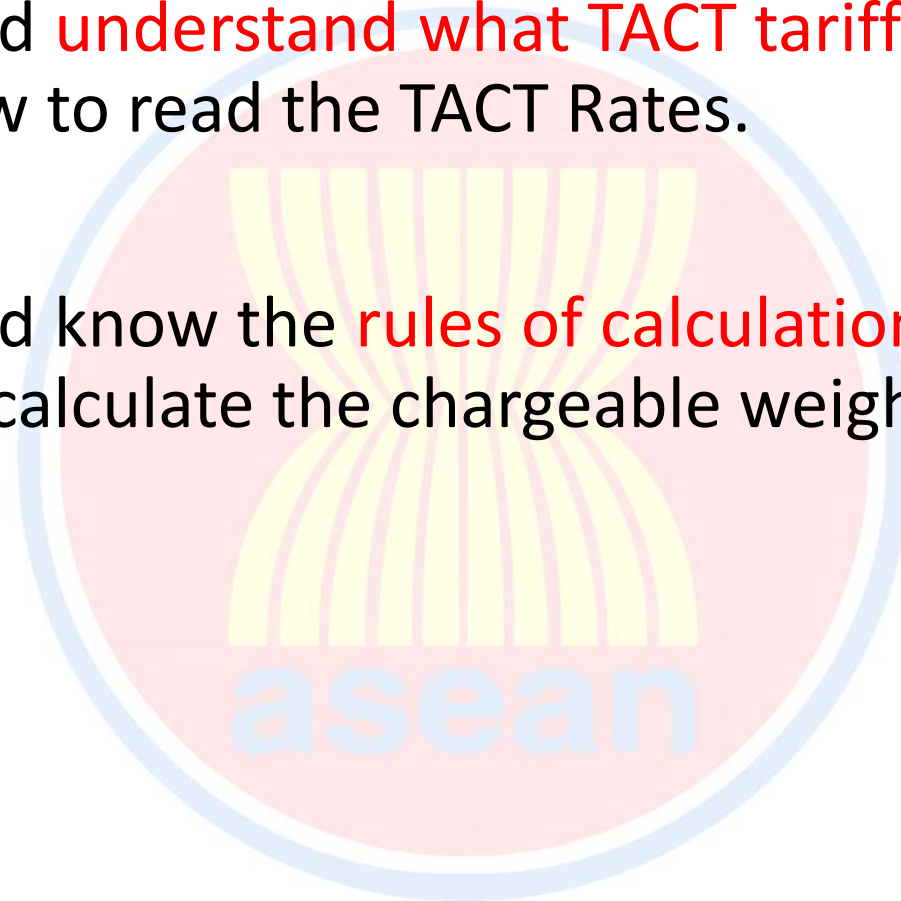
- Other charges excluded in airport to airport rates, such as
 - pickup
 - delivery
 - customs clearance
 - storage charges
 - ISS (Insurance surcharge)
 - FSC (Fuel surcharge)
 - Etc.
- International rates apply to air shipment crossing countries
→ international transportation.

The ASEAN logo is a circular emblem with a light blue outer ring. Inside, there is a red circle containing a yellow sunburst design with ten rays. Below the sunburst, the word "asean" is written in a light blue, lowercase, sans-serif font.

TACT Tariffs and Rules Calculation

Objectives

- The student should **understand what TACT tariffs** is, its **main structure**, and how to read the TACT Rates.
- The student should know the **rules of calculation** of TACT tariff, and learn how to calculate the chargeable weight in given conditions



- Same lane segment served by multiple airlines.
- Airlines are free to set own rates.
- Some airlines share same rates, and
- Some airlines set different/own rates.

SYD to PEN Rates

Carrier	Note	Item	ULD Class	ULD Charge	Weight (kg)	Rate [AUD]
AF					M	120.00
AF					N	6.20
AF					45	4.70
AF					100	3.25
AF					250	2.40
AF					500	2.15
AF					1000	2.00
CX					M	120.00
CX					N	6.20
CX					45	4.70
CX					100	3.25
CX					250	2.40
CX					500	2.15
CX					1000	2.00
Carrier	Note	Item	ULD Class	ULD Charge	Weight (kg)	Rate [AUD]
QF					M	150.00
QF					N	6.50
QF					45	5.00
QF					100	3.50
QF					500	2.50
SQ					M	124.00
SQ					N	6.40
SQ					45	4.85
SQ					100	3.35
SQ					250	2.50
SQ					500	2.25
SQ					1000	2.05

- Some **air carriage involve more than 1 carrier**, rates coordination is necessary.
- **Carriers often agree** on rates in **particular bilateral markets**.
- IATA and it's member airlines set a reasonable uniformity of rates and conditions.



The Air Cargo Tariff (TACT) Tariffs

- An internationally recognized **authoritative publication**.
- **Uniform reference source of rates, rules and regulations** to airlines, cargo agents and shippers.
- The tariffs at TACT are discussed and coordinated yearly in 3 traffic conference areas.



The Air Cargo Tariff (TACT) Manual

- TACT Issuance → 3 times a year, effective
 - February 1,
 - June 1 and
 - October 1.
- TACT contains 3 volumes:
 - Rules (Orange book)
 - General rules, regulations & procedures
 - Participating carriers' information
 - Information by countries.
 - Rates (2 volumes)
 - 2 volumes: North America (red) and Worldwide (green)
 - Various type of rates
 - ULD charges



Rates Validity

- **Valid** when the shipment accepted for carriage by airlines → **date on the AWB.**
- **Rates apply between 2 points** specifically designated regardless of routes UNLESS specified otherwise.
 - **Rating is rating.**
 - **Routing is routing.**
 - Eg: PEN/TPE and PEN/HKG/TPE apply same rates.
- An air shipment may consists of one or more pieces transport on 1 AWB, from 1 shipper to 1 consignee.

TACT Tariff Rules of Calculation

- Air Freight = chargeable weight x applicable rate,

OR

TACT Rules 3.4.1. Minimum Charge, General

- When the weight or volume charge for a consignment is lower than the minimum charge, the minimum charge shall apply. The minimum charge takes precedence over:
 - a) Any lower combination of minimum charges
 - b) Any lower charge resulting from applying charges contained in another rules (unless specifically provided in that rule.)

Computation of Weights

- A consignment may consist of
 - one kind of goods or
 - different commodities, articles or goods (mixed consignment), whether packed tied together or contained in separate packages.
- The **computation of charges** shall be made on
 - a **“per kilogram” basis**
 - EXCEPT that from **USA** the calculation of charges for all consignment **MAY BE** made on either a **“per kilogram” or “per pound”** basis.

Computation of Weights

- When the **FRACTION above a half kilogram** (0.51 – 0.99 kg) must be **ROUNDED UP** to the **NEXT HIGHER FULL kilogram**.
- If the Fraction is exactly 0.5 kg, it is not rounded off.
- A **smaller fraction** (0.1 – 0.4 kg) must be rounded up to the **next higher half kilogram** (0.5 kg)

<u>Gross / Volume weight</u>	→	<u>Chargeable weight</u>
25.665 kg	→	26.0 kg
36.5 kg	→	36.5 kg
88.358 kg	→	88.5 kg

Computation of Weights

FRACTION of a pound is **ROUND UP** to the **NEXT HIGHER FULL** pound (L or lb).

Gross / Volume weight

28.6 lb 5 ounces

123 lb 8 ounces



Chargeable weight



29 lb



124 lb



Q & A

1	3.1 kg	3.5 kg
2	23.5 kg	23.5 kg
3	24.51 kg	25.0 kg
4	8.7 kg	9.0 kg
5	6 ½ lb	7 lb
6	65 lb 1 ounce	66 lb
7	8 lb	8 lb
8	9 ⁷ / ₈ lb	10 lb

❑ **Net Weight :**

The weight of the goods, excluding all packing.

❑ **Gross Weight :**

The weight of the shipment including all packing, blocking, etc.. Also including weight of platform, special bracing, etc., if required.



IATA TACT 3.9.4. Volume Weight

The cubic volume of a consignment is established by applying **the greatest length, the greatest width and the greatest height** of the consignment or its packages. Consignments, the extreme dimensions of which result in an average of more than **6000 cubic centimetres / 366 cubic inches per kilogramme / 166 cubic inches per pound**), shall be charged on volume basis.

The volume weight shall be calculated up to **three decimal places** before rounding off.

Exceptions

1) For transportation

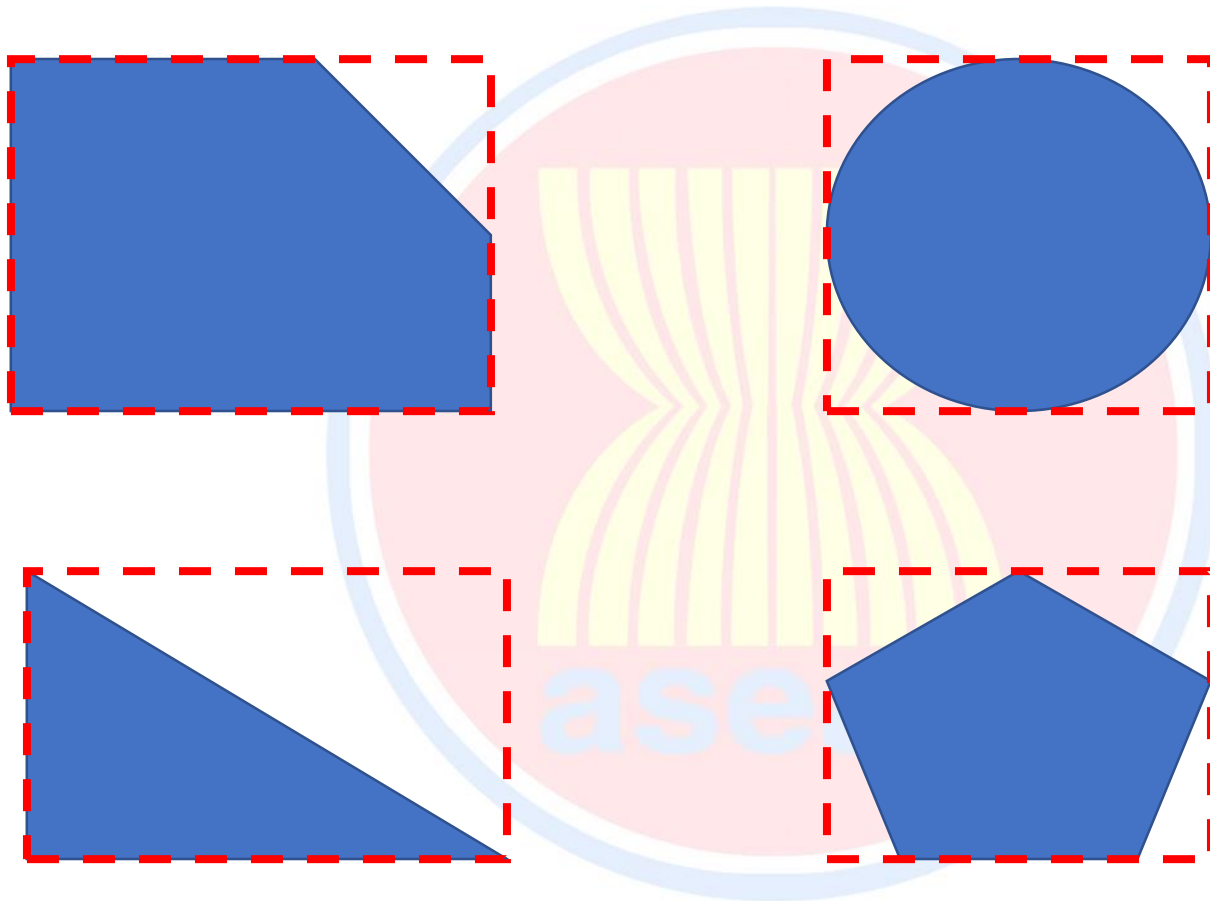
a. from India for cut flowers and live plants;

b. from Sri Lanka for SCR Items 1024 and 1401;

the formula **7000 cubic cms** equals 1 kg. applies.

Volume Weight

Greatest Length x **Greatest Width** x **Greatest Height**



Volume Weight – cm to kg

- Centimeter (cm) to Kilogram (kg)

The Greatest Length x The Greatest Width x The Greatest Height x Quantity

6,000

To obtain the cubic volume,

- ❑ a half or larger fraction (0.5, 0.6, 0.7, 0.8 & 0.9 cm) of a centimeter shall be ROUNDED UP to the NEXT HIGHER whole centimeter.

1.5, 1.6, 1.7, 1.8 & 1.9 → 2 cm.

- ❑ a smaller fraction (0.1, 0.2, 0.3 & 0.4 cm) to the NEXT LOWER whole centimeter.

1.1, 1.2, 1.3 and 1.4 → 1 cm.

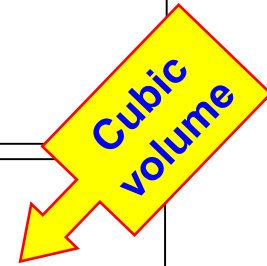
- ❑ Cubic volume divided by 6,000 = 1.0 kg.

Q & A

1	11.3 cm	11 cm
2	67.7 cm	68 cm
3	78.5 cm	79 cm
4	25 cm	25 cm
5	8.1 cm	8 cm

Volume Weight : cm - kg

Step 1 : $162.2 \times 155.6 \times 141.4 \text{ cm}$ round to	Step 2 : $162 \times 156 \times 141 \text{ cm}$
Step 3 : $\frac{162 \times 156 \times 141 \text{ cm}}{6,000}$	Step 4 : <u>$3,563,352 \text{ cm}^3$</u> 6,000
Step 5 : <div>$= 593.892 \text{ kg}$</div> Round up to the next higher half kg	Step 6 : Volume weight $= 594.0 \text{ kg}$



The volume weight shall be calculated up to 3 decimal places before rounding off.

Volume Weight – Inches to kg

- Inches to Kilograms :

The Greatest Length x The Greatest Width x The Greatest Height x Quantity

366

To obtain the cubic volume,

- ❑ a half or larger (eg. $\frac{1}{2}$, $\frac{3}{4}$) fraction of an inch shall be ROUNDED UP to the NEXT HIGHER whole inch.

$1 \frac{1}{2}$, $1 \frac{3}{4}$ → 2 inches

- ❑ a smaller fraction (eg. $\frac{1}{4}$) to the NEXT LOWER whole inch.

$1 \frac{1}{4}$ → 1 inch

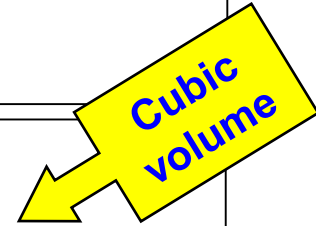
- ❑ Cubic volume divided by 366 = 1.0 kg.

Q & A

1	11 ½ inches	12 inches
2	67 7/8 inches	68 inches
3	78 ¼ inches	78 inches
4	25 inches	25 inches
5	9 3/8 inches	9 inches

Volume Weight – inches to kg

<p>Step 1 :</p> <p>$63 \frac{7}{8} \times 61 \frac{1}{4} \times 55 \frac{3}{8}$ in round to</p>	<p>Step 2 :</p> <p>$64 \times 61 \times 55$ in</p>
<p>Step 3 :</p> <p><u>$64 \times 61 \times 55$ in</u></p> <p>366</p>	<p>Step 4 :</p> <p><u>$214,720 \text{ in}^3$</u></p> <p>366</p>
<p>Step 5 :</p> <p><u>$= 586.666 \text{ kg}$</u></p> <p>Round up to the next higher half kg</p>	<p>Step 6 :</p> <p>Volume weight</p> <p>$= 587.0 \text{ kg}$</p>



The volume weight shall be calculated up to 3 decimal places before rounding off.

Volume Weight – inches to lb

- Inches – pounds

The Greatest Length x The Greatest Width x The Greatest Height x Quantity

166

- ☐ Having obtain the cubic volume as indicated in “Inches – pounds”,
- ☐ Cubic volume divided by 166 = 1 lb.

Volume Weight : ins - lb

Step 1 :

$$63^{7/8} \times 61^{1/4} \times 55^{3/8} \text{ ins}$$

round to

Step 2 :

$$64 \times 61 \times 55 \text{ ins}$$

Step 3 :

$$\frac{64 \times 61 \times 55 \text{ ins}}{166}$$

Step 4 :

$$\frac{214,720 \text{ ins}^3}{166}$$

Cubic
volume

Step 5 :

$$= 1,293.493 \text{ lb}$$

Round up to the next higher
full pound (lb)

Step 6 :

Volume weight
= 1,294.0 lb

The volume weight shall be calculated up to 3 decimal
places before rounding off.

Volume Weight with Multiple Pieces

123 x 122 x 110 cm x 2 skids

111 x 108 x 101 cm x 3 skids

Step 1: calculate the cubic volume.

123 x 122 x 110 cm x 2 skids = 3,301,320 cm³

111 x 108 x 101 cm x 3 skids = 3,632,364 cm³

Step 2: add up both cubic volume.

3,301,320 cm³ + 3,632,364 cm³ = 6,933,684 cm³

Step 3: divide cubic volume by 6,000.

$$\frac{6,933,684 \text{ cm}^3}{6000}$$

Volume weight = 1,155.614 kg = 1,156.0kg

• Shipment with Multiple Pieces

- 123 x 113 x 110 cm x 1 skid

- 89 x 99 x 109 cm x 1 skid

- (123 x 113 x 110 cm)

- = 1528890 cm³

- 6000

- = 254.815 kg = 255.0 kg

- (89 x 99 x 109 cm)

- = 960399 cm³

- 6000

- = 160.066 kg = 160.5 kg

- 255.0 kg + 160.5 kg = **415.5 kg**

Incorrect



Shipment with Multiple Pieces

123 x 113 x 110 cm x 1 skid

89 x 99 x 109 cm x 1 skid

(123 x 113 x 110 cm) + (89 x 99 x 109 cm)

= 1528890 cm³ + 960399 cm³

= 2489289 cm³

6000

= 414.881 kg

= **415.0 kg**

How to obtain M³ (cubic meter) of a consignment

Step 1 :

162.2 x 155.6 x 141.4 cm
round to

Step 2 :

162 x 156 x 141 cm

Step 3 :

162 x 156 x 141 cm
1,000,000

Step 4 :

3,563,352 cm³
1,000,000

Cubic
volume

Step 5 :

Meter cube = 3.56 M³

Chargeable Weight

- The chargeable weight is the **actual gross weight** or **volume weight**, whichever is higher.

No. of Pieces RCP	Gross Weight	kg	Rate Class	Commodity Item No.	Chargeable Weight	Rate / Charge	Total	Nature and Quantity of Goods (incl. Dimensions or Volume)
2	25.0	K	N		33.5	3.15	105.53	SHOES Dims : 40 x 50 x 50 cm x 2 V.W : 33.5 kg
	25.0						105.53	

**Gross weight higher?
Volume weight higher?**

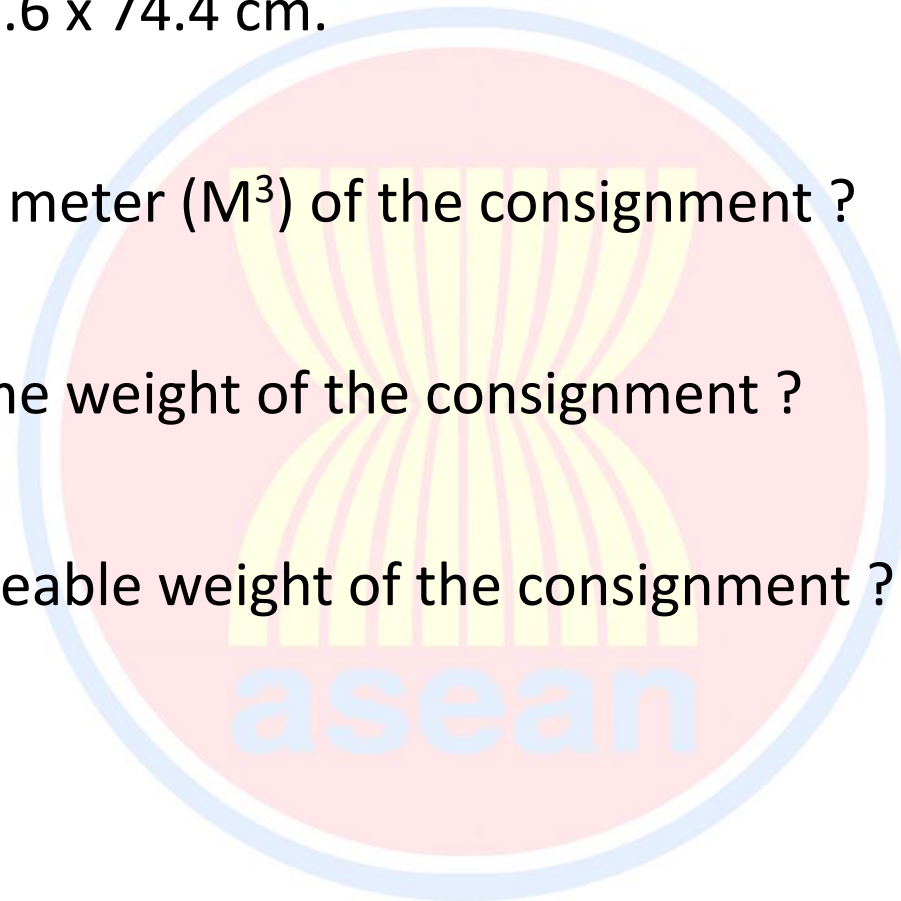
Q & A

A skid of consignment weighing 165.0 kg,
dimensions 168.5 x 68.6 x 74.4 cm.

Q1 : What is the cubic meter (M^3) of the consignment ?

Q2 : What is the volume weight of the consignment ?

Q3 : What is the chargeable weight of the consignment ?



Q1 : What is the cubic metres (M³) of the consignment ?

Step 1 : 168.5 x 68.6 x 74.4 cm round to	Step 2 : 169 x 69 x 74 cm	
Step 3 : <u>169 x 69 x 74 cm</u> 1,000,000	Step 4 : <u>862914 cm³</u> 1,000,000	← Cubic volume
Step 5 : Meter cube = 0.86 M³		

Q2 : What is the volume weight of the consignment ?

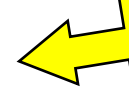
Step 1 :
 $168.5 \times 68.6 \times 74.4$ cm round
to

Step 2 :
 $169 \times 69 \times 74$ cm

Step 3 :
 $169 \times 69 \times 74$ cm
6,000

Step 4 :
 862914 cm³
6,000

**Cubic
volume**

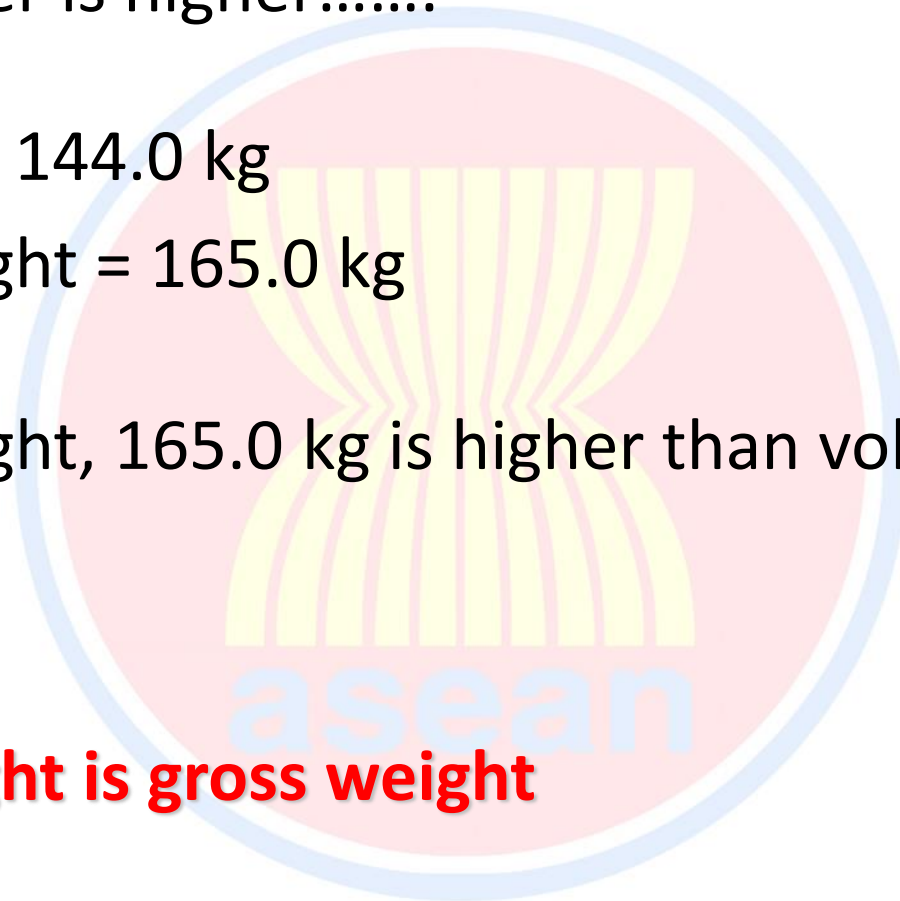


Step 5 :
= 143.819 kg
Round up to the next
higher half kg

Step 6 :
Volume weight
= 144.0 kg

Q3 : What is the chargeable weight of the consignment ?

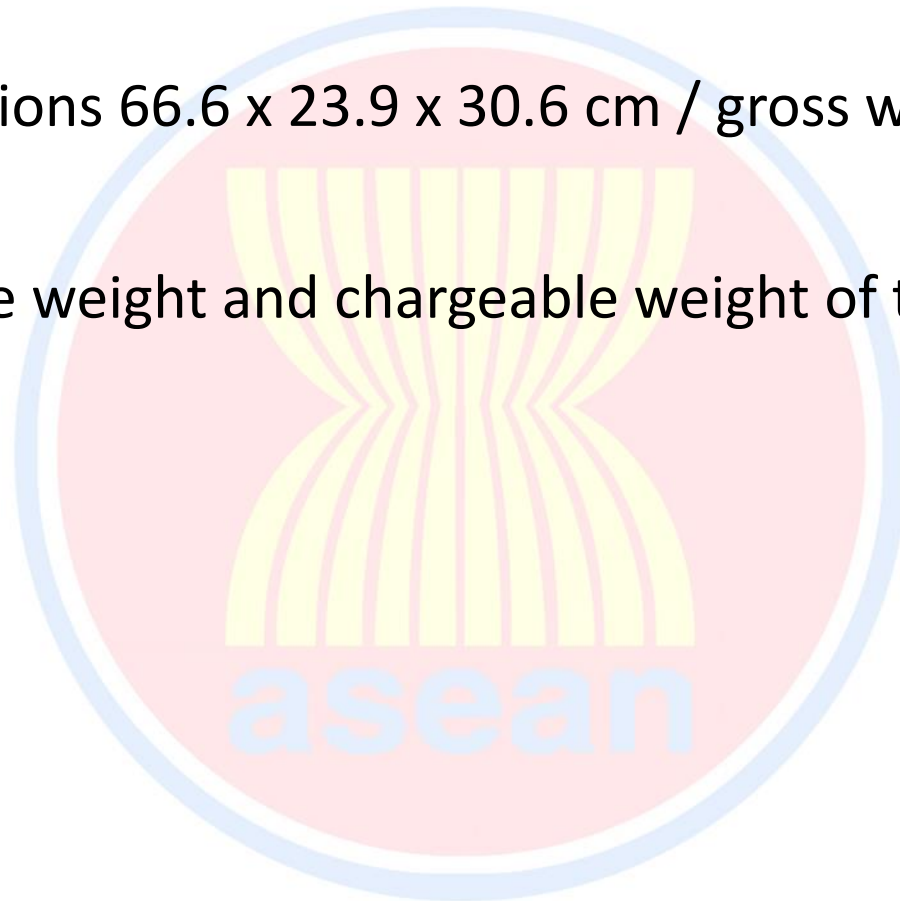
- The chargeable weight is the actual gross weight or volume weight, whichever is higher.....
- Volume weight = 144.0 kg
- Actual gross weight = 165.0 kg
- Actual gross weight, 165.0 kg is higher than volume weight, 144.0 kg.
- **Chargeable weight is gross weight**
→ 165.0 kg.



Q & A

- Package A: dimensions 48.6 x 68.3 x 79.5 cm / gross weight 25.5 kg.
- Package B: dimensions 66.6 x 23.9 x 30.6 cm / gross weight 25.0 kg.

Q1: What is the volume weight and chargeable weight of the consignment ?



- Total gross weight of 2 packages

$$\rightarrow 25.5 \text{ kg} + 25 \text{ kg} = 50.5 \text{ kg}$$

- Total volume weight

$$\rightarrow (49 \times 68 \times 80) + (67 \times 24 \times 31)$$

$$= 266,560 \text{ cm}^3 + 49,848 \text{ cm}^3$$

$$= 316,408 \text{ cm}^3$$

$$= \underline{316,408} \text{ cm}^3$$

$$6,000$$

$$= 52.734 \text{ round up to } 53.0 \text{ kg.}$$

- The chargeable weight \rightarrow total volume weight \rightarrow 53.0 kg.

Q & A

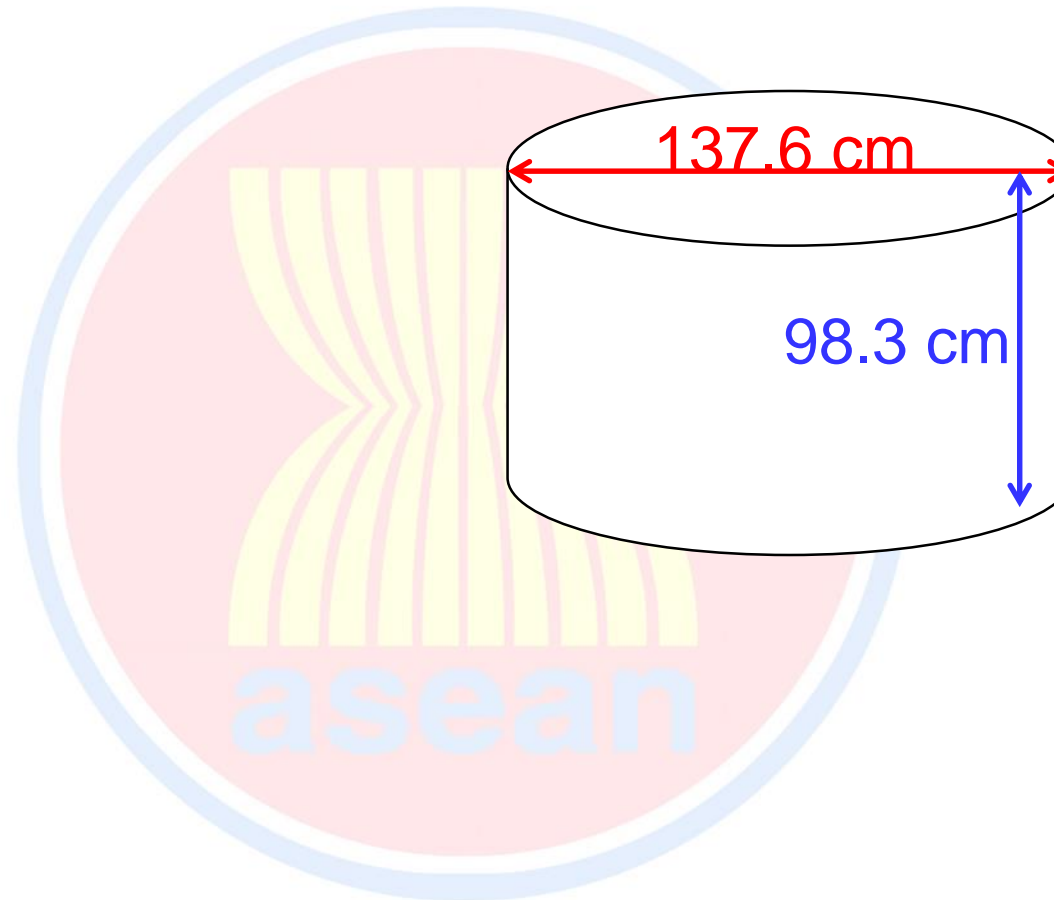
- A drum with diameter 137.6 cm and height 98.3 cm. Calculate the volume weight.

$$138 \times 138 \times 98 \text{ cm}$$

$$= \frac{1.866,312 \text{ cm}^3}{6000}$$

$$= 311.052 \text{ kg}$$

$$= 311.5 \text{ kg}$$



Q & A

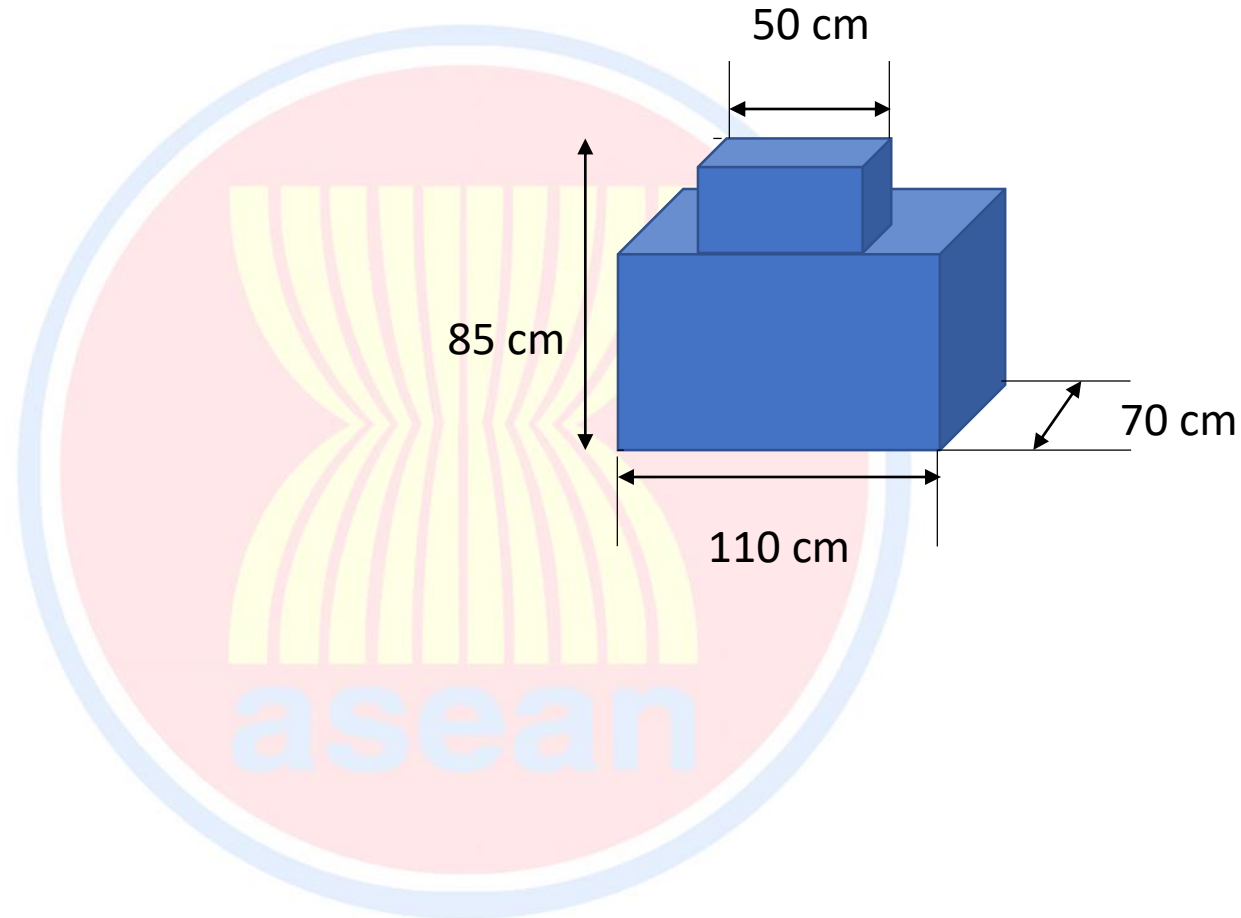
- A pallet with dimensions as below. Calculate the volume weight.

$$110 \times 70 \times 85 \text{ cm}$$

$$= \frac{654500 \text{ cm}^3}{6000}$$

$$= 109.083 \text{ kg}$$

$$= 109.5 \text{ kg}$$

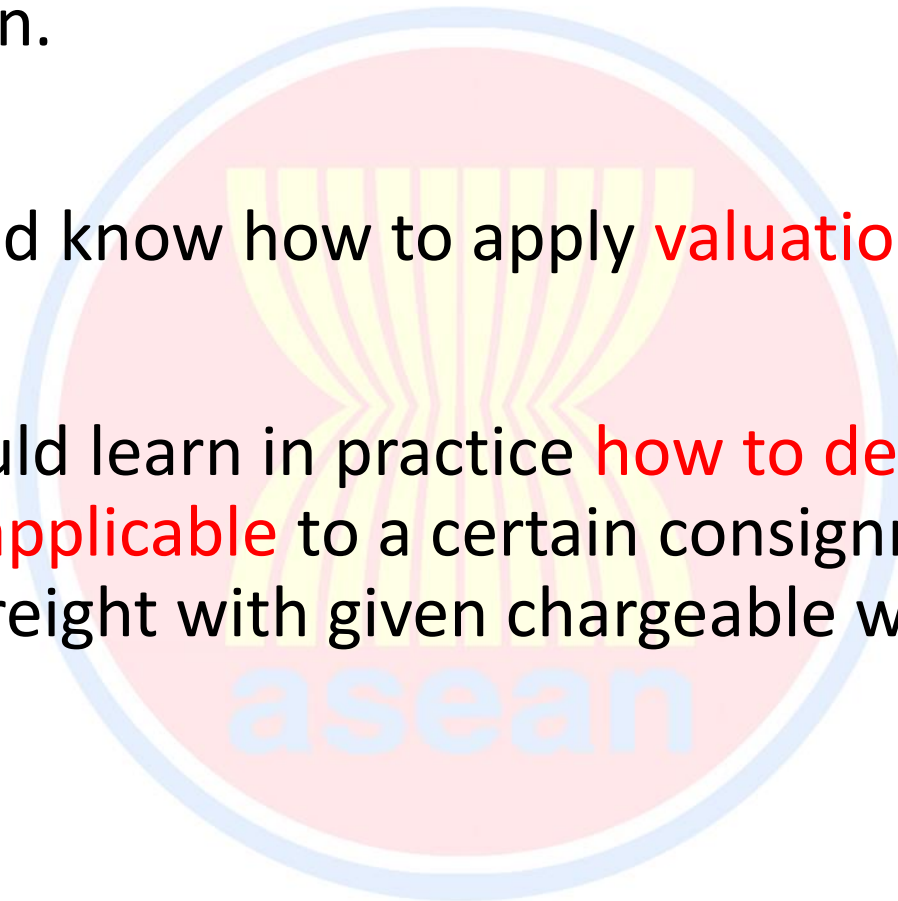


Applicable Rates and Charges

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Objectives

- The students should understand the **different types of air cargo rates**, the differences among them, and the **precedence of the rates** in application.
- The student should know how to apply **valuation charges**.
- The students should learn in practice **how to decide the appropriate rate applicable** to a certain consignment and to calculate the air freight with given chargeable weight.



IATA TACT 3.3.

Precedence of rates and charges

- As a rule the following order of precedence applies to the published through rates:
 - **SCR → Class Rates → GCR**
 - a. Specific commodity rates take precedence over Class rates and General cargo rates.
 - b. Class rates take precedence over General cargo rates.

IATA TACT 3.3.

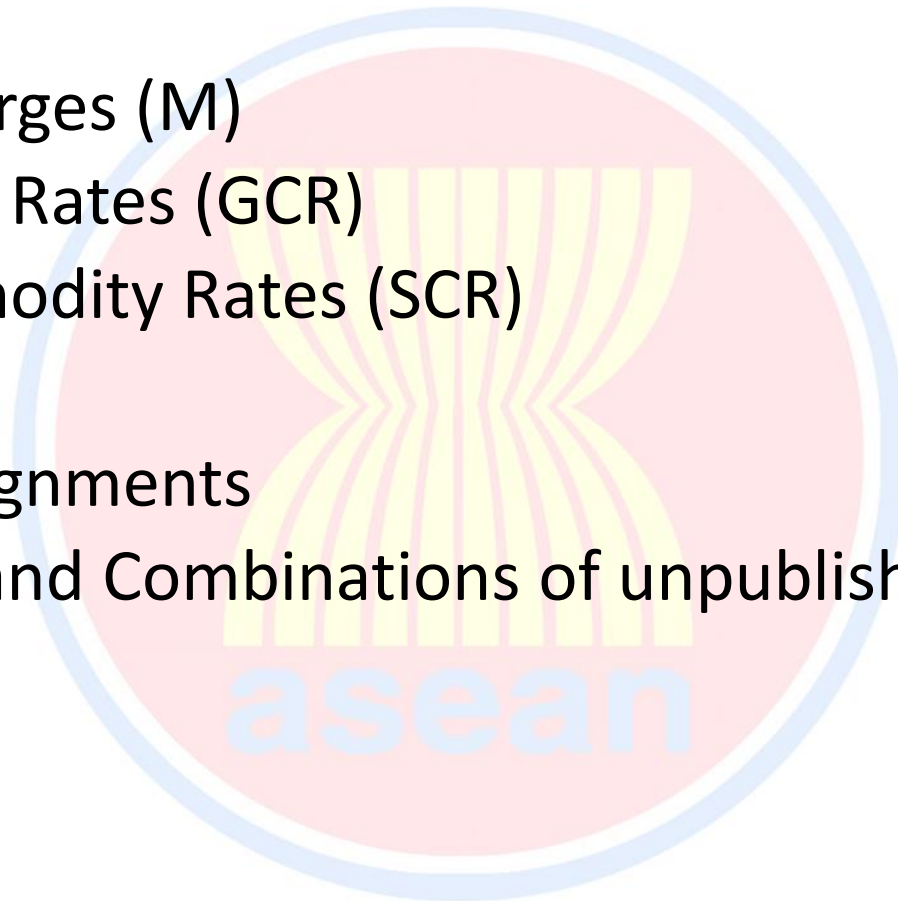
Precedence of rates and charges

- **SCR → Class Rates → GCR**

c. When the **General cargo rate** applicable to the consignment is **lower than** the **Specific commodity rate**, such lower rate can be applied **except** where the Specific commodity rate has been established for items covered by a **Class rate**.

d. Where the General cargo rate applicable to a consignment of newspapers, magazines, periodicals, books, catalogues, braille type equipment, talking books for the blind and/or baggage shipped as cargo is lower than the Class rate, such lower rate can be applied.

- Air Freight = chargeable weight x applicable rate.
- Types of rates:
 - Minimum Charges (M)
 - General Cargo Rates (GCR)
 - Specific Commodity Rates (SCR)
 - Class Rates
 - Unitised consignments
 - Construction and Combinations of unpublished Rates





IATA TACT 3.4.

**Minimum
Charges (M)**

Minimum Charges (M)

- In no event shall the charge for any consignment be less than the minimum charges shown in the Rates books or in **Rule 3.4.2. (Charges per Country). TACT CD Rom.**
- Minimum charges apply on a per consignment basis.

<i>from MALAYSIA to</i>		<i>MYR</i>
1		165
2		150
3	except South East Asia	113
3	South East Asia, except Brunei, Singapore	75
3	Brunei, Singapore	45

Exceptions:

Not applicable to and from Australia.

Minimum Charges (M)

- When the weight or volume charge for a consignment is lower than the minimum charge, the minimum charge shall apply. The minimum charge takes precedence over:
 - a) Any lower combination of minimum charges
 - b) Any lower charge resulting from applying charges contained in another rules (unless specifically provided in that rule.)

How to use CD-Rom TACT Rates

Search Rates				
From	City code	<input type="text" value="AAA"/>	Or use city name	<input type="text" value="ANAA"/>
To	City code	<input type="text" value="AAA"/>	Or use city name	<input type="text" value="ANAA"/>
			Carrier (optional)	<input type="text"/>
				<input type="button" value="Search"/>

- 1.Type point of origin (From column) 3-letter code or select from dropdown.
Eg. SYD.
- 2.Type point of destination (To column) 3-letter code or select from dropdown. Eg. HKG.
 - Or use city full name for step 1 and 2.
 - Selection of carrier is optional.
- 3.Click “Search”...[Link to TACT Rates CD-Rom](#)

How to use CD-Rom TACT Rates

From	City code	SYD	Or use city name	SYDNEY NS	Country Code:	AU
To	City code	HKG	Or use city name	HONG KONG	Country Code:	HK
	Carrier (optional)			Search	Currency:	AUD

Carrier	Note	Item
CX		
CX		
CX		
CX		
CX		
CX		
CX		

- Point of Origin: SYD (City code → Sydney)
- NS (State/provinces code) → New South Wales
- AU (Country code) → Australia
- Currency: AUD = Australian Dollar.

How to use CD-Rom TACT Rates

From	City code	<input type="text" value="SYD"/>	Or use city name	<input type="text" value="SYDNEY NS"/>	Country Code: AU
To	City code	<input type="text" value="HKG"/>	Or use city name	<input type="text" value="HONG KONG"/>	Country Code: HK
	Carrier(optional)	<input type="text"/>	<input type="button" value="Search"/>	Currency: AUD	

Carrier	Note	Item
CX		
CX		
CX		
CX		
CX		
CX		
CX		

- Point of Destination: HKG (City code → Hong Kong)
- HK (Country code) → Hong Kong (SAR = Special Administrative Region of China)

1000 1.85

How to use CD-Rom TACT Rates

From	City code	<input type="text" value="SYD"/>	Or use city name	<input type="text" value="SYDNEY NS"/>	Country Code: AU
To	City code	<input type="text" value="HKG"/>	Or use city name	<input type="text" value="HONG KONG"/>	Country Code: HK
		Carrier (optional)	<input type="text"/>	<input type="button" value="Search"/>	Currency: AUD

Carrier	Note	Item	ULD Class	ULD Charge	Weight (kg)	Rate [AUD]	Exp
CX	▪ Weight breaks in kg.				M	120.00	
CX					N	6.70	
CX					45	5.05	
CX					100	3.35	
CX					250	2.35	
CX					500	2.10	
CX					1000	1.85	

- Rate charge.
- Minimum charge per shipment basis..
- Others per kg basis.

How to use CD-Rom TACT Rates

From	City code	<input type="text" value="SYD"/>	Or use city name	<input type="text" value="SYDNEY NS"/>	Country Code: AU
To	City code	<input type="text" value="HKG"/>	Or use city name	<input type="text" value="HONG KONG"/>	Country Code: HK
	Carrier(optional)	<input type="text"/>	<input type="button" value="Search"/>		Currency: AUD

Carrier	Note	Item	ULD Class	ULD Charge	Weight (kg)	Rate [AUD]	Expiry Date
CX					M	120.00	
CX					N	6.70	
CX					45	5.05	
CX					100	3.35	
CX					250	2.35	
CX					500	2.10	
CX					1000	1.85	

**M = Minimum Charge
AUD120.00
Per shipment**

Minimum Charges (M)

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

1. A shipment weighs 16.0 kg.

2. $16.0 \text{ kg} \times \text{AUD}6.70 = \text{AUD}107.20$ which is lower than minimum charge AUD120.00.

3. Therefore, minimum charge shall apply \rightarrow AUD120.00 for the shipment.

A large, faint watermark of the ASEAN logo is centered in the background. It features a circular emblem with a yellow sunburst design and the word 'asean' in blue lowercase letters at the bottom.

IATA TACT 3.5.

General Cargo Rates (GCR)

General Cargo Rates (GCR)

b. General Cargo Rates (GCR)

General cargo rates apply for the carriage of commodities which have not been allocated a specific commodity rate as described in c. below.

The Normal General Cargo Rates published apply to consignments up to 45 kg., or where no 1 kg. rate exists, to consignments up to 100 kg. Lower general cargo rates for various weight breakpoints are available for larger shipments in many areas of the world.

- ❑ ...as describe in c. below = Specific Commodity Rates (SCR).

How to use CD-Rom TACT Rates

From	City code	<input type="text" value="SYD"/>	Or use city name	<input type="text" value="SYDNEY NS"/>	Country Code: AU
To	City code	<input type="text" value="HKG"/>	Or use city name	<input type="text" value="HONG KONG"/>	Country Code: HK
	Carrier (optional)	<input type="text"/>	<input type="button" value="» Search"/>	Currency: AUD	

Carrier	Note	Item	ULD Class	ULD Charge	Weight (kg)	Rate [AUD]
CX					M	120.00
CX					N	6.70
CX					45	5.05
CX					100	3.85

GCR N
Normal
General Cargo Rates
AUD6.70/kg

- ❑ The normal general cargo rate is the 1 kg. rate.
- ❑ Normal GCR is specific general cargo rate without any quantity discount.

Normal General Cargo Rates (GCR N)

- For most countries, the Normal general cargo rate is applicable to consignments of less than 45 kg.

Carrie	Note	Item	ULD Class	ULD Charge	Weight (kg)	Rate [HKD]
					M	468.00
					N	89.40
					45	68.37
					100	60.30
					300	47.85
					500	41.90

- For some countries, however, the normal general cargo rate will apply to consignments of up to 100 kg.

Carrie	Note	Item	ULD Class	ULD Charge	Weight (kg)	Rate [GBP]
					M	60.00
					N	8.88
					100	3.47
					300	3.31
					500	3.05

Normal General Cargo Rates (GCR N)

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

1. A shipment weigh 20.0 kg.

2. $20.0 \text{ kg} \times \text{AUD}6.70 = \text{AUD}134.00$
which is higher than minimum
charge AUD120.00.

3. Therefore, GCR N AUD6.70/kg applies for the shipment.
Total freight charge → AUD134.00 for the shipment.

Quantity General Cargo Rates (GCR Q)

- The weight meet certain weight break, a lower rate than normal rate often offer.

- The GCR Q usually are published with their applicable minimum weight shown alongside.

- Example: Q45, Q100, Q250, Q500 and Q1000.

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

- ❑ For some country the over 45 kg GCR (Q45 kg) have been abolished, therefore the next rate with higher minimum weight but lower rate applies → Q100 kg.

How to use CD-Rom TACT Rates

From	City code	<input type="text" value="SYD"/>	Or use city name	<input type="text" value="SYDNEY"/>
To	City code	<input type="text" value="HKG"/>	Or use city name	<input type="text" value="HONG KONG"/>
	Carrier(optional)		<input type="text"/>	

Carrier	Note	Item	ULD Class	ULD Charge	Weight (kg)	Rate [AUD]
CX					M	120.00
CX					N	6.70
CX					45	5.05
CX					100	3.35
CX					250	2.35
CX					500	2.10
CX					1000	1.85

- GCR Q = Quantity General Cargo Rates.
- Q45 kg rate = AUD5.05/kg.
- Q100 kg rate = AUD3.35/kg.
- The higher the weight break, the lower the per kg rate charge.

Quantity General Cargo Rates (GCR Q)

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

1. A shipment weigh 150.0 kg.

2. Above 100.0 kg, below 250.0 kg.

3. Therefore GCR Q100 rate AUD3.35/kg applies.

4. Freight charge $\rightarrow 150.0 \text{ kg} \times \text{AUD}3.35$
 $= \text{AUD}502.50$.

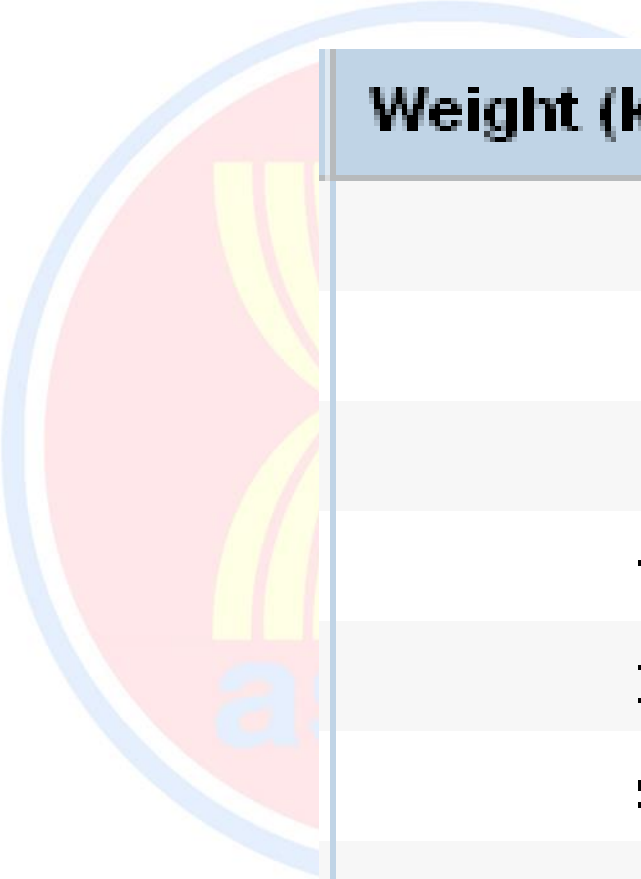
Q & A

- ❑ Refer to the rates provided below, calculate the freight charges of the following weights.

1.48 kg

2.12 kg

3.995 kg



Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

1. 48 kg

$$48 \text{ kg} \times \text{AUD } 5.05 = \text{AUD}242.40$$

2. 12 kg

Minimum charge or GCR N?

$12 \text{ kg} \times \text{AUD}6.70 = \text{AUD}80.40$
= less than minimum,
= Minimum charge AUD120.00 applies.

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

3. 995 kg

Apply Q500 at AUD2.10/kg?

995 kg x AUD2.10=AUD2089.50?

or

1000 kg x AUD1.85 = AUD1850? Pay lower freight charge?

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

Break Back Point !!
Chargeable Weight -
Continue.

Lower Charge in Higher Weight Chargeable Weight – Cont.

3.9.3. CHARGEABLE WEIGHT

The chargeable weight is the actual gross weight or volume weight, whichever is higher, provided that where a lower charge for a higher minimum weight applies, the latter shall be retained as chargeable weight.

AUD1850 or AUD2089.50?

3. 995 kg

Q500 at AUD2.10/kg

995 kg x AUD2.10 = AUD2089.50?

Q1000 at AUD1.85/kg

1000 kg x AUD1.85 = AUD1850.00

Answer: Q1000 kg x AUD1.85 = AUD1850.00.

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

Lower Charge in Higher Weight Chargeable Weight – cont.

3.9.3. CHARGEABLE WEIGHT

The chargeable weight is the actual gross weight or volume weight, whichever is higher, provided that where a lower charge for a higher minimum weight applies the latter shall be retained as chargeable weight.

- ❑ Lower charge = AUD1.85
- ❑ Higher minimum weight = 1000 kg
- ❑ Chargeable weight = 1000 kg.
- ❑ $1000 \text{ kg} \times \text{AUD}1.85 = \text{AUD}1850$

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

Break Back Point

- ❑ How to find break back point between 2 weight breaks?

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

Higher weight x Lower Rate

Higher Rate

- ❑ Example: Break back point between Q250 & Q500.

$$\frac{500 \text{ kg} \times \text{AUD}2.10}{\text{AUD}2.35} \rightarrow \frac{1,050.00}{2.35}$$

= 446.809 kg, round up to the next higher half kg

= Break back point 447.0 kg

Q & A

- ❑ Find break back point between Q100 & Q250

Higher weight x Lower Rate

Higher Rate

250 X 2.35

3.35

= 175.373 kg

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

Rounding off = 175.5 kg

Q & A

- Find break back point between M & N

Higher weight x Lower Rate

Higher Rate

120.00

6.70

= 17.910 kg

Weight (kg)	Rate [AUD]
M	120.00
N	6.70
45	5.05
100	3.35
250	2.35
500	2.10
1000	1.85

Rounding off = 18.0 kg

IATA TACT 3.6.



Specific Commodity Rates (SCR)

Specific Commodity Rates (SCR)

IATA TACT Rules 3.1. General

c. Specific Commodity Rates (SCR)

Specific commodity rates are usually lower than general cargo rates and are published for particular commodities from a specified point of origin to a specified destination point. They are subject to a minimum weight and may implement special conditions relating to minimum charges and density requirements.

Specific Commodity Rates (SCR)

- To stimulate regular transportation of large shipments.
- Can be established by IATA airlines.
- Special rates for specific goods **between specific points** or for certain routes.
- Lower than GCR.
- Minimum weight breaks applies.
- Specific commodities divided into ten (10) main groups, further sub-divided into 100 subgroups.

Specific Commodity Rates (SCR)

Carrier	Note	Item	ULD Cla	ULD Ch	Weight	Rate [AUD]
CX					M	120.00
CX					N	6.70
CX					45	5.05
CX					100	3.35
CX					250	2.35
CX					500	2.10
CX					1000	1.85
CX		0006			250	1.85
CX		0314			100	3.90
CX		0315			100	3.50
CX		0320			250	1.95
CX		0324			100	3.00
CX		0600			100	1.85
CX		1021			100	3.70
CX		1024			45	2.95
CX		1420			45	2.50

SYD to HKG

GCR

VS.

SCR

**GCR Q250
AUD2.35/kg**

**SCR for item 0006
foodstuffs, spices,
beverages Q250
AUD1.85/kg.**

**AUD0.50/kg lower
than GCR.**

Specific Commodity Rates (SCR)

10 Commodity Group (TACT Rates 2.3.)

ARTICLE	COMMODITY GROUP
0001 - 0999	Edible animal and vegetable products
1000 - 1999	Live animals and inedible animal and vegetable products
2000 - 2999	Textiles - Fibres and Manufactures
3000 - 3999	Metals and manufactures, excluding machinery, vehicles and electrical equipment
4000 - 4999	Machinery, vehicles and electrical equipment
5000 - 5999	Non-metallic minerals and manufactures
6000 - 6999	Chemicals and related products
7000 - 7999	Paper, reed, rubber and wood manufactures
8000 - 8999	Scientific, professional and precision instruments, apparatus and Supplies
9000 - 9999	Miscellaneous

Subgroups (TACT Rates 2.4)

0001 - 0999	Edible animal and vegetable products
0001 - 0099	Foodstuff, spices, beverages
0100 - 0199	Beverages, coffee, tea
0200 - 0299	Dairy products, Eggs, Ice Cream
0300 - 0399	Fish and Seafood, Frogs
0400 - 0499	Fruits, berries, melons (fresh, dried, candied, canned), jams, jellies
0500 - 0599	Grains and grain preparations, cereal foods
0600 - 0699	Meat, slaughtered poultry and game, sausages, meat pies
0700 - 0799	Roots and spices, flavouring powder
0800 - 0899	Vegetables, salad dressing, sauces, relishes, vinegar, yeast
0900 - 0999	Miscellaneous edible animal and vegetable products which could not be classified between 0001 and 0899

How to use CD-Rom TACT Rates

From	City code	<input type="text" value="SYD"/>	Or use city name	<input type="text" value="SYDNEY"/> NS
To	City code	<input type="text" value="HKG"/>	Or use city name	<input type="text" value="HONG KONG"/>
	Carrier (optional)		<input type="text"/>	<input type="button" value="»"/>

Carrier	Note
CX	
CX	
CX	
CX	0320
CX	0324
CX	0600
CX	1021
CX	1024

- Carrier who published the rates.
- In certain routes, this is optional.

How to use CD-Rom TACT Rates

From	City code	<input type="text" value="SYD"/>	Or use city name	<input type="text" value="SYDNEY"/> <input type="text" value="NS"/>
To	City code	<input type="text" value="HKG"/>	Or use city name	<input type="text" value="HONG KONG"/>
	Carrier (optional)		<input type="text"/>	<input type="button" value="»"/>

Carrier	Note	Item	ULD
CX		0006	
CX		0314	
CX		0315	
CX		0320	
CX		0324	
CX		0600	
CX		1021	
CX		1024	

- Item: The item number details can be found in TACT Rates 2.4. General List of Description. [Link to TACT](#)

			100	1.85
			100	3.70
			45	2.95

How to use CD-Rom TACT Rates

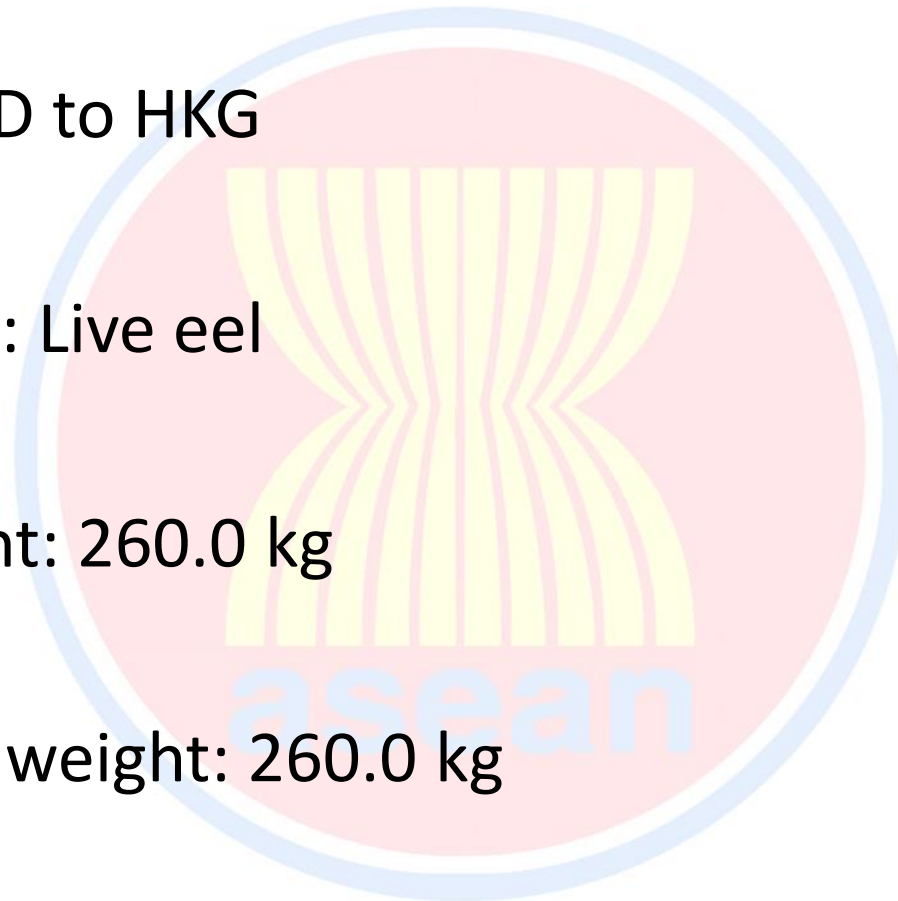
From	City code	<input type="text" value="SYD"/>	Or use city name	<input type="text" value="SYDNEY"/> <input type="text" value="NS"/>
To	City code	<input type="text" value="HKG"/>	Or use city name	<input type="text" value="HONG KONG"/>
			Carrier (optional)	<input type="text"/> <input type="button" value="➤"/>

Carrier	Note	Item	ULD Class	ULD Charge	Weight (kg)	Rate [AUD]	Expiry D
CX		0006			250	1.85	
					100	3.90	
					100	3.50	
					250	1.95	
					100	3.00	
					100	1.85	
					100	3.70	
					45	2.95	

- Weight (kg): The minimum chargeable weight to be applied for the item number or commodity.
- Eg: Item 0006, on CX service, minimum chargeable weight 250 kg x AUD1.85.

How to Apply SCR

- Example
 - Routing: SYD to HKG
 - Commodity: Live eel
 - Gross weight: 260.0 kg
 - Chargeable weight: 260.0 kg



How to Apply SCR – **Step 1**

1. Refer to TACT Rates 2.3. Master Item Numbering and Description System.
2. Locate the main group and sub-group in which the goods/commodity can be classified. Eg. **Live eel is a type of fish → Edible animal.**

Main Group

Sub Group

2.3 MASTER ITEM NUMBERING AND DESCRIPTION SYSTEM	
The Master Item Numbering and Description System is adopted for use in establishing all IATA Specific Commodity Rates.	
0001-0999	Edible animal and vegetable products
0001-0099	Foodstuff, spices, beverages
0100-0199	Beverages, coffee, tea
0200-0299	Dairy products, eggs, ice cream
0300-0399	Fish and seafood, frogs
0400-0499	Fruits, berries, melons
0500-0599	Grains and grain preparations, cereal foods
0600-0699	Meat, slaughtered poultry and game, sausages, meat pies
0700-0799	Roots and spices
0800-0899	Vegetables, soup, yeast
0900-0999	Miscellaneous edible animal and vegetable products which could not be classified between 0001-0899

How to Apply SCR – **Step 2**

1. Refer to the rates SYD to HKG.
2. Check whether SCR 0300 – 0399 are published for the sub group.

Carrier	Note	Item	ULD Class	ULD Charge	Weight (kg)	Rate [AUD]
CX		0006			250	1.85
CX		0314			100	3.90
CX		0315			100	3.50
CX		0320			250	1.95
CX		0324			100	3.00
CX		0600			100	1.85
CX		1021			100	3.70
CX		1024			45	2.95
CX		1420			45	2.50

3. The item numbers found in this sub group are 0314, 0315, 0320 and 0324.

How to Apply SCR – **Step 3**

1. Refer TACT Rates 2.4. General List of Descriptions which matches the description (**Live eel**).
2. If the goods can be classified and shipped under **different descriptions**, use the **most specific description**.
3. Always read the entire description very carefully. The punctuation (full stop, commas) must be observed when reading the SCR description.

How to Apply SCR – **Step 3**

0314	ABALONE
0315	CRABS, CRAWFISH, LOBSTERS
0320	EEL
0324	FISH (EDIBLE/EXCLUDING LOBSTERS, SCALLOPS)

- **Commodity: Live eel, consider live animals?**
→ **Not considered as live animals. Refer TACT Rates**
- ### 2.2. Description Guidelines

CRABS, CRAYFISH, EELS, LOBSTERS, SOFT SHELL TURTLES, SNAILS, TROUT, when shipped live, need not be considered as subject to the live animal rate and may be classified under the appropriate foodstuffs or seafood item.

- ☐ 0320 Eel corresponds to the shipment of Eel.

How to Apply SCR – **Step 4**

1. Apply the corresponding SCR at the appropriate chargeable weight of the shipment.

Item	UL	UL	Weight (kg)	Rate [AUD]	0320	EEL
0320			250	1.95		

- ☐ Applicable rate: SCR 0320 minimum weight 250 kg at AUD1.95/kg
- ☐ Gross weight: 260.0 kg
- ☐ Chargeable weight: 260.0 kg

☐ **Weight charge:**
= 260 kg x AUD1.95 = **AUD507.00**

Precedence of SCR

3.6.2. PRECEDENCE OF SPECIFIC COMMODITY RATES

(Not applicable between countries in the ECAA, to/from Australia and between the USA and the ECAA)

When a commodity can be classified and rated under more than one description, the most specific description shall prevail, even if this means a higher charge. However, a less specific description applicable to both a lower minimum weightbreak and a higher rate may be used, until the more specific description at the higher minimum weightbreak and a lower rate becomes applicable.

- In most instances, the more specific description will provide a lower rate than the less specific description.
- 1st part of the applicable rule.

Precedence of SCR – **1st part of the rule**

- Example for the 1st part of the rule.

Routing: TPE to TYO

Commodity: **Live eel**

Gross weight: 1,900.0 kg



Precedence of SCR – 1st part of the rule

- **Step 1: Select grouping** → **Live eel**

2.3 MASTER ITEM NUMBERING AND DESCRIPTION SYSTEM

The Master Item Numbering and Description System is adopted for use in establishing all IATA Specific Commodity Rates.

0001-0999	Edible animal and vegetable products
0001-0099	Foodstuff, spices, beverages
0100-0199	Beverages, coffee, tea
0200-0299	Dairy products, eggs, ice cream
0300-0399	Fish and seafood, frogs
0400-0499	Fruits, berries, melons
0500-0599	Grains and grain preparations, cereal foods
0600-0699	Meat, slaughtered poultry and game, sausages, meat pies
0700-0799	Roots and spices
0800-0899	Vegetables, soup, yeast
0900-0999	Miscellaneous edible animal and vegetable products which could not be classified between 0001-0899

Precedence of SCR – 1st part of the rule

- **Step 2: Select rates** → **TPE to TYO**

From	City code	TPE	Or use city name	TAIPEI
To	City code	TYO	Or use city name	TOKYO
		Carrier (optional)		

Carrier	Note	Item	UL	UL	Weight (kg)	Rate [TWD]	Expiry Date
					M	1281	
					N	102	
					45	77	
		0300			250	50	
		0320			2000	41	
		0800			250	50	
		1403			100	50	
		2199			250	45	
		4417			250	50	
		7629			100	66	
		9989			45	51	

Precedence of SCR – 1st part of the rule

- **Step 3: Refer to TACT Rates 2.4. General List of Description.** → **Live eel**

Less specific

0300 | FISH (EDIBLE), SEAFOOD

More specific

0320 | EEL

- ❑ The More specific description must apply.
 - SCR 0320 Eel
 - Minimum weight 2,000.0 kg
 - Rate TWD41/kg.

Precedence of SCR – 1st part of the rule

- **Step 4: Apply the corresponding SCR at the appropriate chargeable weight of the shipment**

- ❑ Gross weight: 1,900 kg
- ❑ Applicable rate: SCR 0320,
Minimum weight 2000 kg at
TWD41/kg
- ❑ Chargeable weight:
→ 2,000 kg
- ❑ **Weight charge:**
= 2,000 kg x TWD41
= **TWD82,000**

Item	UL	UL	Weight (kg)	Rate [TWD]
0300			250	50
0320			2000	41

Precedence of SCR

2nd Part of The Rule

3.6.2. PRECEDENCE OF SPECIFIC COMMODITY RATES

(Not applicable between countries in the ECAA, to/from Australia and between the USA and the ECAA)

When a commodity can be classified and rated under more than one description, the most specific description shall prevail, even if this means a higher charge. However, a less specific description applicable to both a lower minimum weightbreak and a higher rate may be used, until the more specific description at the higher minimum weightbreak and a lower rate becomes applicable.

- Allows **less specific description** provided **both**
 1. Lower minimum weight, with
 2. Higher Rate

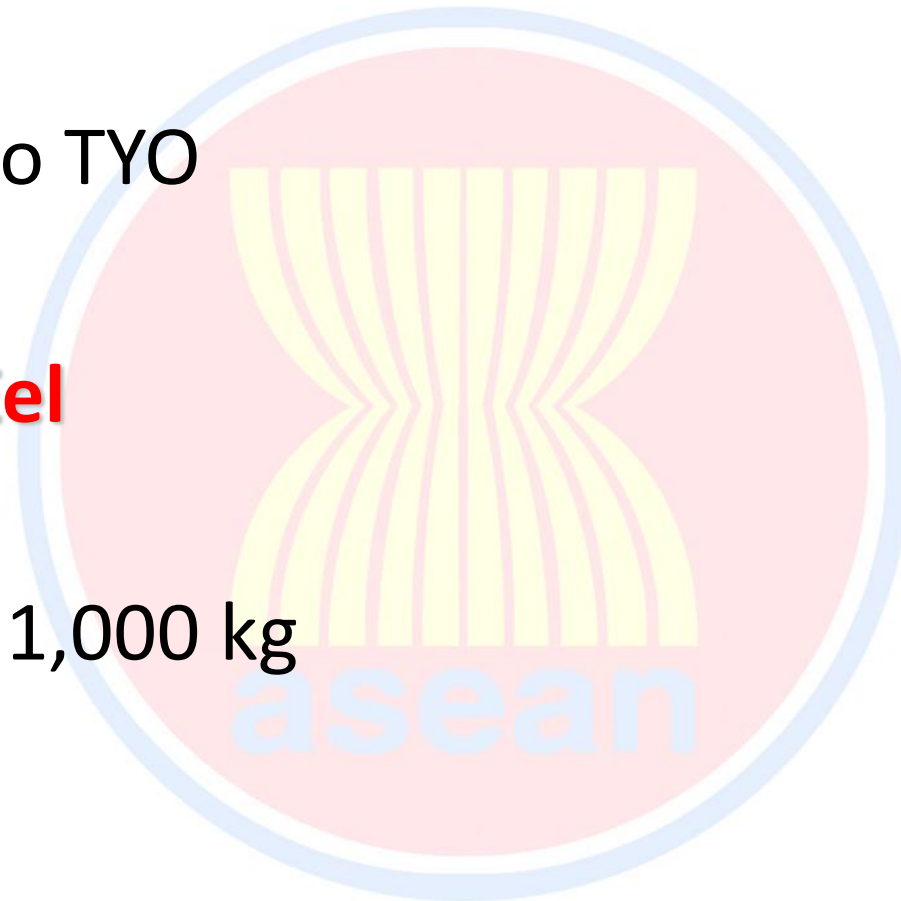
Precedence of SCR – 2nd part of the rule

- Example for the 2nd part of the rule.

Routing: TPE to TYO

Commodity: **Eel**

Gross weight: 1,000 kg



Precedence of SCR – 2nd part of the rule

- **Step 1: Select grouping** → **Live eel**

2.3 MASTER ITEM NUMBERING AND DESCRIPTION SYSTEM

The Master Item Numbering and Description System is adopted for use in establishing all IATA Specific Commodity Rates.

0001-0999	Edible animal and vegetable products
0001-0099	Foodstuff, spices, beverages
0100-0199	Beverages, coffee, tea
0200-0299	Dairy products, eggs, ice cream
0300-0399	Fish and seafood, frogs
0400-0499	Fruits, berries, melons
0500-0599	Grains and grain preparations, cereal foods
0600-0699	Meat, slaughtered poultry and game, sausages, meat pies
0700-0799	Roots and spices
0800-0899	Vegetables, soup, yeast
0900-0999	Miscellaneous edible animal and vegetable products which could not be classified between 0001-0899

Precedence of SCR – 2nd part of the rule

- **Step 2: Select rates → TPE to TYO**

From	City code	TPE	Or use city name	TAIPEI
To	City code	TYO	Or use city name	TOKYO
		Carrier (optional)		

Carrier	Note	Item	UL	UL	Weight (kg)	Rate [TWD]	Expiry Date
					M	1281	
					N	102	
					45	77	
		0300			250	50	
		0320			2000	41	
		0800			250	50	
		1403			100	50	
		2199			250	45	
		4417			250	50	
		7629			100	66	
		9989			45	51	

Precedence of SCR – 2nd part of the rule

- **Step 3: Refer to TACT Rates 2.4. General List of Description. → Eel**

Less specific

0300 | FISH (EDIBLE), SEAFOOD

More specific

0320 | EEL



Precedence of SCR – 2nd part of the rule

- **Step 4: Apply the corresponding SCR at the appropriate chargeable weight of the shipment**

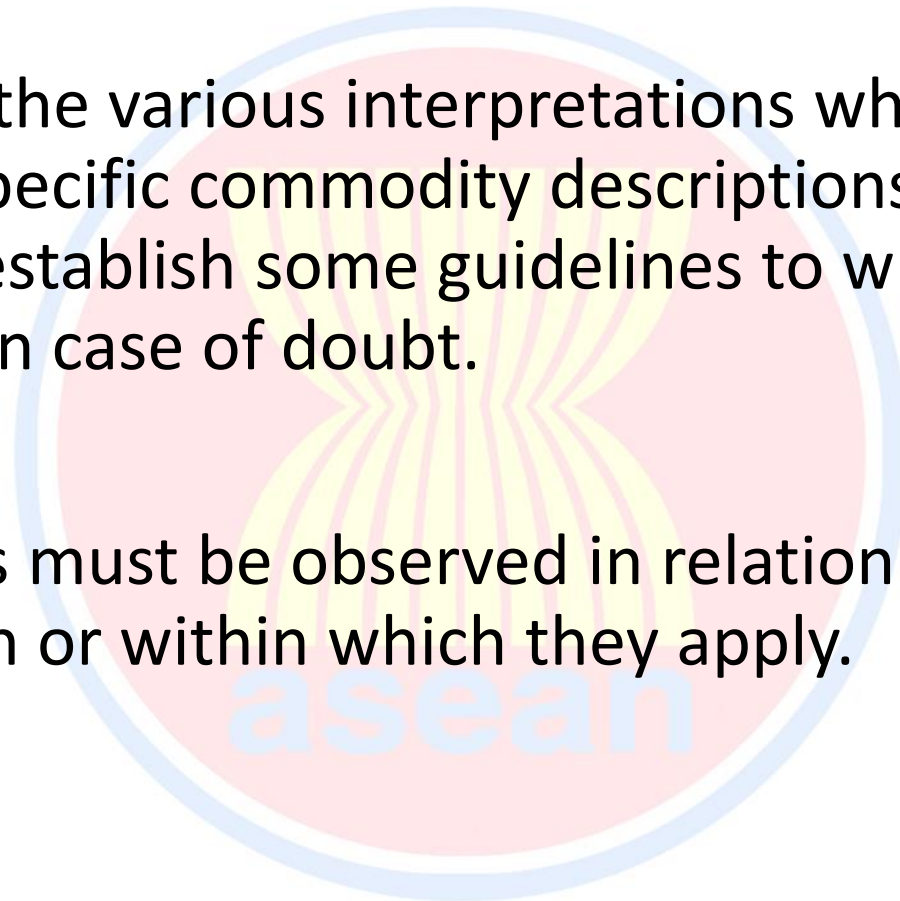
Item #	SCR 0300	SCR 0320
Description	Fish edible, seafood	Eel
Minimum weight (kg)	250	2,000
Applicable Rate	TWD50/kg	TWD41/kg
Chargeable weight	1,000	2,000
Weight charge	1000 kg x TWD50 = TWD50,000	2,000 kg x TWD41 = TWD82,000

☐ **Commodity shipped: Eel**

1. SCR 0300, Edible fish is less specific than eel.
2. SCR 0300, minimum weight of 250 kg is lower than SCR 0320 minimum weight 2,000 kg.
3. SCR 0300, rate TWD50/kg is higher than SCR 0320 rate TWD41/kg.

Description Guidelines

- TACT Rates 2.2.
- AS a result of the various interpretations which can be drawn from specific commodity descriptions, it has been necessary to establish some guidelines to which reference can be made in case of doubt.
- The guidelines must be observed in relation to the IATA areas between or within which they apply.



Description Guidelines – example

- Routing: Nadi (NAN) to Hong Kong (HKG)
- Commodity: Live lobsters

From	City code	NAN	Or use
To	City code	HKG	Or use
			Carrier

Item	UL	UL	Weight (kg)	Rate [FJD]
			M	70.00
			N	14.67
			45	10.98
0006			100	4.05
0006			250	3.50

2.3 MASTER ITEM NUMBERING AND DESCRIPTION SYSTEM

The Master Item Numbering and Description System is adopted for use in establishing all IATA Specific Commodity Rates.

0001-0999	Edible animal and vegetable products
0001-0099	Foodstuff, spices, beverages
0100-0199	Beverages, coffee, tea
0200-0299	Dairy products, eggs, ice cream
0300-0399	Fish and seafood, frogs
0400-0499	Fruits, berries, melons
0500-0599	Grains and grain preparations, cereal foods
0600-0699	Meat, slaughtered poultry and game, sausages, meat pies
0700-0799	Roots and spices
0800-0899	Vegetables, soup, yeast
0900-0999	Miscellaneous edible animal and vegetable products which could not be classified between 0001-0899

Sub group 0300 - 0399 Fish and seafood. Frogs covers live lobsters.

Description Guidelines – example

- NAN to HKG no SCR covers live lobsters.
- Only item # 0006 in main group 0001 – 0999 Edible animal and vegetable available.

From	City code	NAN	Or use
To	City code	HKG	Or use
			Carrier

2.4. GENERAL LIST OF DESCRIPTIONS

0006 | FOODSTUFFS, SPICES, BEVERAGES

Item	UL	UL	Weight (kg)	Rate [FJD]
			M	70.00
			N	14.67
			45	10.98
0006			100	4.05
0006			250	3.50

Description Guidelines – example

- Item # 0006 Foodstuff could include live lobsters.
- In this case the assumption is confirmed by the description guidelines...[Link to TACT Rates 2.2.](#)

2.2. DESCRIPTION GUIDELINES


By means of the sign "X" in the pertaining column, it is indicated between or within the IATA Areas the guidelines on use of descriptions are binding.

	Guidelines binding			
	Within IATA Area 1	Within IATA Area 2	Within IATA Area 3	between all other areas
APPLIANCES as used in Item 8550 includes chairs, stools and/or operating tables used in Dentistry and/or Surgery.		X	X	X
CASSETTES AND/OR CARTRIDGES may be considered as recording tape.		X		
CRABS, CRAYFISH, EELS, LOBSTERS, SOFT SHELL TURTLES, SNAILS, TROUT, when shipped live, need not be considered as subject to the live animal rate and may be classified under the appropriate foodstuffs or seafood item.		X	X	X

- ☐ Description guidelines also state that live lobsters are not subject to the live animal Class Rate.

IATA TACT 3.7.

Class Rates or Commodity Classification Rates (CCR)



Class Rates (CCR)

d. Class Rates

Commodity classification rates, known as class rates, apply to a few commodities within or between certain designated areas. They are usually stated in terms of a percentage increase or reduction in the normal general cargo rates.

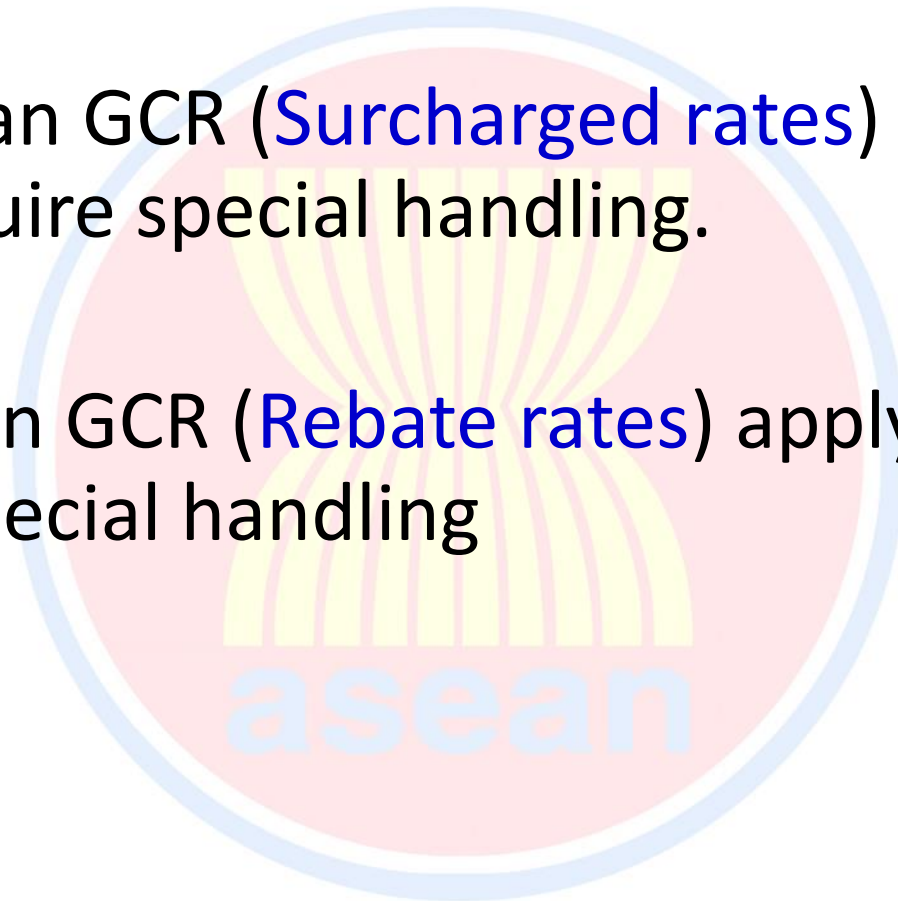


Class Rates (**CCR**)

- **C**ommodity **C**lassification **R**ates not published in the TACT Rates.
- Specific rates apply to specifically designated goods or groups of goods within certain **IATA Conference Areas**.
- Examples:
 - Conference Area (1 or 2 or 3), or
 - Between two areas, for example between Conference Area 2 and Conference Area 1.
- It is important to know where the places are – in which conference area or sub area.

Class Rates (**CCR**)

- CCR may be
 - Higher than GCR (**Surcharged rates**) apply to items require special handling.
 - Lower than GCR (**Rebate rates**) apply to items not require special handling



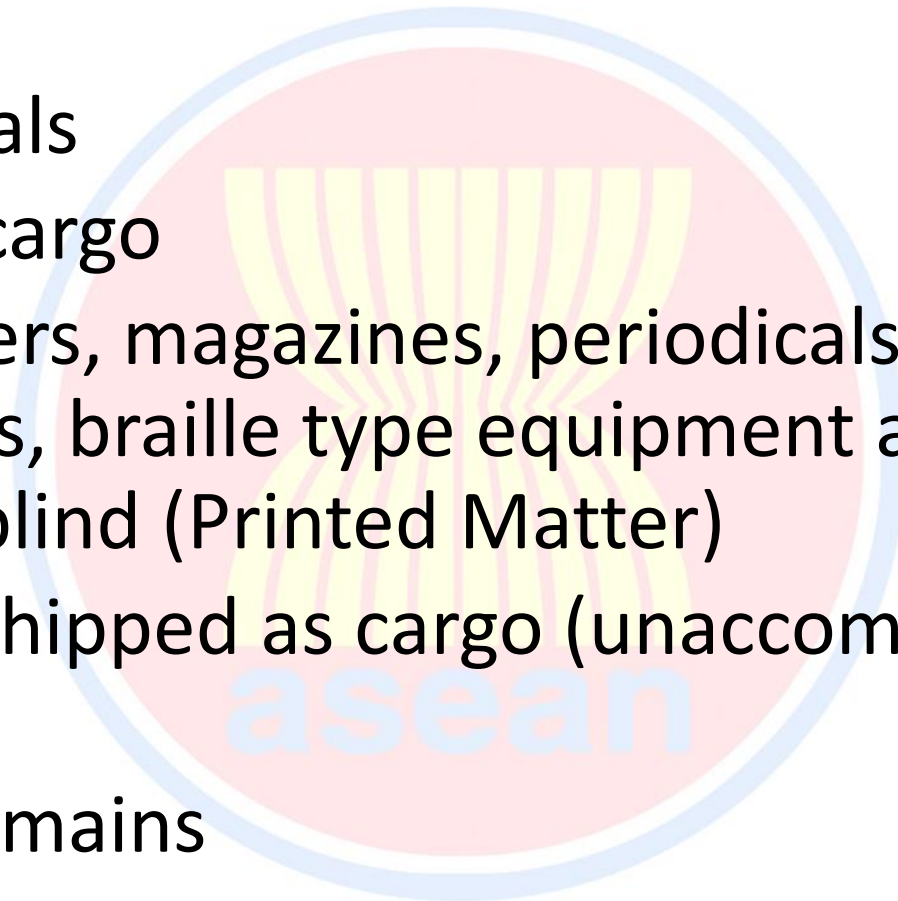
Class Rates (**CCR**)

- CCR expressed as a percentage (%) of GCR.
- If no minimum for CCR, GCR minimum applies.
- If no SCR applicable for the specific commodity, CCR must be applied for the shipment.



Class Rates (CCR)

- CCR applicable to
 - Live animals
 - Valuable cargo
 - Newspapers, magazines, periodicals, books, catalogues, braille type equipment and talking book for blind (Printed Matter)
 - Baggage shipped as cargo (unaccompanied baggage)
 - Human remains



Class Rates (CCR)

Higher than GCR
Surplus

Commodity	%	Rule
● Live animals (except baby poultry less than 72 hours old) ¹⁾	250	3.7.2.
● Baby poultry less than 72 hours old.....	160	3.7.2.
● Valuable cargo ²⁾	300	3.7.6.
● Human remains (ashes) ³⁾	400	3.7.9.
● Human remains (coffins) ⁴⁾	350	3.7.9.
● Braille type equipment, talking books for the blind, newspapers, periodicals, magazines, books and catalogues ⁵⁾	85	3.7.7.

Lower than GCR
Rebate

Exceptions and Notes:

1. a. Live tropical fish from Belgium 125%
 - b. The charges shall be applicable to carriage of both the animal and its container, subject to the provisions of Rule 3.7.3.
 - c. These charges do not apply for shell fish.
2. From Switzerland 200%
3. From Switzerland 300%
4. From Switzerland 200%
5. The resulting weight charge may not be lower than the basic charge.

How to Apply Class Rates

- **Live Animals**

- Routing: PEN to HKG
- Commodity: Live Cat
- Gross weight: 35.0 kg (cat + case)
- Dimensions: 70 x 60 x 60 cm



How to Apply Class Rates

- Step 1: refer to **TACT Rules 3.7.2**

3.7. CLASS RATES

(For carrier deviating/additional rules see section 8.3.)

3.7.2. LIVE ANIMALS

1. Rates covering all areas, excluding between countries in the ECAA, to/from Australia and between the USA and the ECAA. (continued)

**PEN & HKG
in IATA Area 3**

	IATA AREA (see Rule 1.2.2. "Definitions of Areas")					
	Within 1	Within 2	Within 3	Between 1 & 2	Between 2 & 3	Between 3 & 1
		(see also Rule 3.7.1.3.)				
ALL LIVE ANIMALS except: Baby Poultry less than 72 hours old	175% of Normal GCR	175% of Normal GCR	150% of Normal GCR <i>Except: 1 below</i>	175% of Normal GCR	150% of Normal GCR <i>Except: 1 below</i>	150% of Normal GCR <i>Except: 1 below</i>
BABY POULTRY less than 72 hours old	Normal GCR	Normal GCR	Normal GCR <i>Except: 1 below</i>	Normal GCR	Normal GCR <i>Except: 1 below</i>	Normal GCR <i>Except: 1 below</i>

Exception:

1. Within and from the South West Pacific sub-area: 200% of the applicable GCR.

2. Minimum charges covering all areas, excluding between countries in the ECAA, to/from Australia and between the USA and the ECAA.

The minimum charge for consignments of live animals is 200% of the applicable minimum charge.

Note:

The above charges shall be applicable to carriage of both the animal and its container.

1. Exception 1 not applicable
2. 150% of Normal **GCR**

How to Apply Class Rates

- Step 2:

1. Refer to TACT Rates

2. Calculate weight charge

- Routing: PEN to HKG
- Commodity: Live Cat
- Gross weight: 35.0 kg
- Dimensions: 70 x 60 x 60 cm
- Normal CGR: MYR9.02/kg

Carrier	Flote	Item	UL	UL	Weight (kg)	Rate [MYR]
					M	75.00
					N	9.02
					45	6.77
		0007			250	1.92
		0007			1000	1.54
		0300			250	1.98
		1420			100	2.63
		9796			250	3.19
MH	0042	0007			250	1.92
MH	0042	0007			1000	1.54
MH	0042	1420			100	2.63

1. Calculate volume weight: $70 \times 60 \times 60 \text{ cm} = 252,000 \text{ cm}^3$ divided by 6,000 = 42.0 kg.

2. Applicable rate 150% of GCR N = $150\% \times \text{MYR}9.02 = \text{MYR}13.53/\text{kg}$.

3. **Weight charge** = $42.0 \text{ kg} \times \text{MYR}13.53 = \text{MYR}568.26$

Class Rates

Valuable Cargo

2. Rating

(Not applicable between countries in the ECAA, to/from Australia and between the USA and the ECAA)

<i>Area:</i>	<i>Rate:</i>
All IATA areas	200% of the Normal GCR

(within Europe see also Rule 3.7.1.3.)

Exceptions alphabetically listed by country:

<i>From</i>	<i>% of the Normal GCR /Charge per kg.</i>
• France to all areas	250%
• Russia to all areas (except Canada, USA)	300%
• Russia to Canada, USA:	
a. consignments weighing up to 1000 kg.	300%
b. consignments weighing 1000 kg. or over	200%

3. Minimum charge

(Not applicable between countries in the ECAA, to/from Australia and between the USA and the ECAA)

The minimum charge for consignments of valuables is 200%¹⁾ of the applicable minimum charge, provided that it is not less than USD 50.00²⁾, or equivalent.

Class Rates

Printed matter

3.7.7. NEWSPAPERS, MAGAZINES, PERIODICALS, BOOKS, CATALOGUES, BRAILLE TYPE EQUIPMENT AND TALKING BOOKS FOR THE BLIND

1. Rating

(Not applicable between countries in the ECAA, to/from Australia and between the USA and the ECAA)

Consignment of the above articles in consignments of 5 kg. or more, will be charged as follows:

<i>Area:</i>	<i>Rate:</i>
<ul style="list-style-type: none"> ● within IATA area 1; within Europe (see also rule 3.7.1.3); between IATA areas 1 and 2 	67% of the Normal GCR
<ul style="list-style-type: none"> ● all other areas 	50% of the Normal GCR
Exceptions alphabetically listed by country:	
<i>From</i>	<i>% of the Normal GCR or as indicated</i>
<ul style="list-style-type: none"> ● From and within Germany on Lufthansa Cargo Services 	Applicable GCR

Class Rates

Printed matter

2. Quantity Rate

Where a General Cargo Quantity Rate results in a lower charge than the rate established by this rule, such lower rate shall apply.

3. Minimum charge

(Not applicable between countries in the ECAA, to/from Australia and between the USA and the ECAA)

The minimum charge shall be the normal minimum charge as published in section 4.3. of the Rates books and in Rule 3.4.

Class Rates

Baggage Shipped as Cargo

4. Rating

<i>Area/Country:</i>	<i>Rate:</i>
● From all IATA Areas, except from Malaysia and South West Pacific	Applicable GCR
● From Malaysia	50% of the Normal GCR
● From Papua New Guinea	75% of the Normal GCR
● From New Zealand to Niue, Samoa and Tonga	Applicable GCR
● From New Zealand to all other countries	50% of the Normal GCR
● From the rest of South West Pacific	50% of the Normal GCR
● From Croatia	75% of the Normal GCR

Class Rates

Baggage Shipped as Cargo

5. Quantity Rate

Where a General Cargo Quantity Rate results in a lower charge than the rate established by this rule, such lower rate can be applied.

6. Minimum charge

(Not applicable between countries in the ECAA, within Europe, to/from Australia and between the USA and the ECAA)

The rate to be charged shall be not less than the applicable minimum charge as published in section 4.3. of the Rates books and in Rule 3.4. of this tariff.

Class Rates

Human Remains

3.7.9. HUMAN REMAINS

1. Calculation

(Not applicable between countries in the ECAA, to/from Australia and between the USA and the ECAA)

The charge for transportation of human remains will be assessed as follows:

Areas:	Ashes:	Coffin:
All IATA areas (except within area 2)	Applicable GCR	Normal GCR
Within IATA area 2 *)	300% of Normal GCR	200% of Normal GCR

*) For transportation within Europe see also rule 3.7.1. paragraph 3.

2. Minimum charge

(Not applicable between countries in the ECAA, to/from Australia and between the USA and the ECAA)

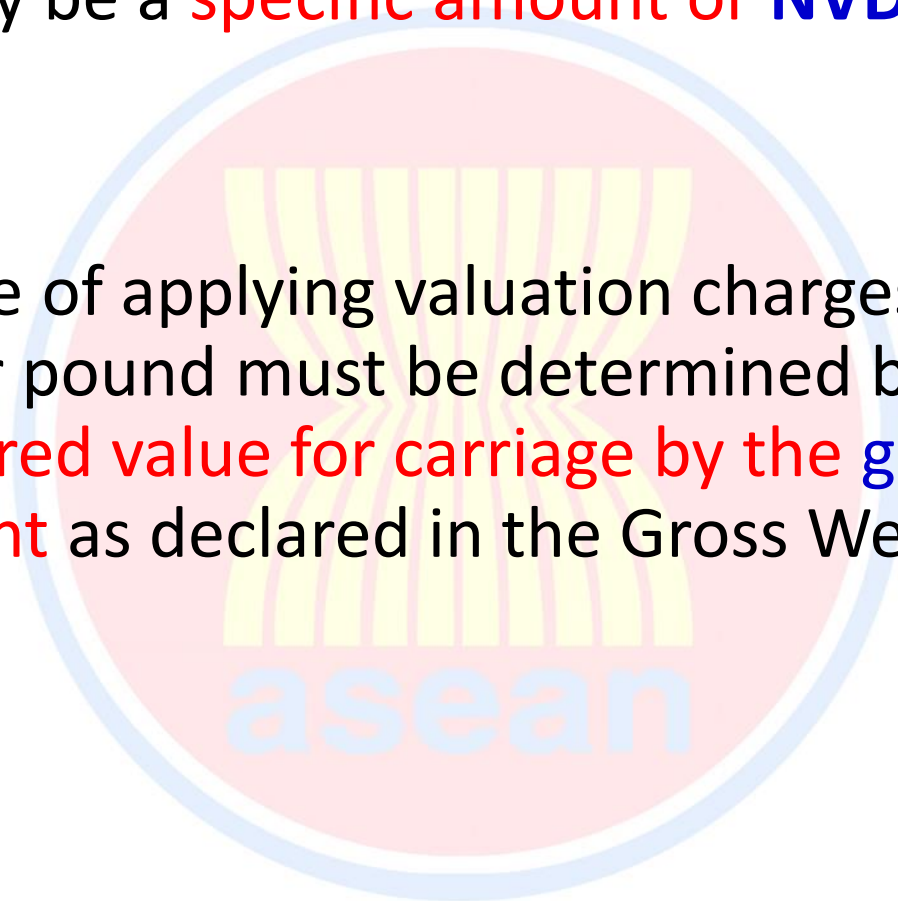
For transportation of human remains the normal minimum charges are applicable, except for transportation wholly within IATA Area 2 a minimum charge will be levied of 200% of the applicable minimum charge, provided that this shall not be less than USD 65.00 or equivalent.

IATA TACT 3.2.

Valuation Charges

Valuation Charges

- Shippers must **declare a value for carriage** on the AWB. This declaration may be a **specific amount** or **NVD (No Value Declared)**.
- For the purpose of applying valuation charges, the value per kilogram or per pound must be determined by **dividing the shipper's declared value for carriage by the gross weight of the consignment** as declared in the Gross Weight box on the AWB.



Valuation Charges

- Declared value for carriage may not be entered or (if already entered on the AWB) amended after despatch of the shipment from the airport (or city) of departure shown on the AWB.
- Consignments valued at more than SDR 17 per kg. will be assessed valuation charges not less than 0.75% of the Shipper's declared value for carriage exceeding SDR 17 per kg.



Valuation Charges

- **Exceptions:**

- 1. For traffic to/from Israel**

For diamonds, including diamonds for industrial use the valuation charge will be **0.10% of the total declared value for carriage.**

- 2. For traffic to/from the United States of America**

The liability limits of the carrier in the case of destruction, loss, damage or delay is **SDR 19 per kg** therefore valuation charges should be calculated accordingly.

Valuation Charges

- **Exceptions:**

- 3. For traffic to which the Montreal Convention (1999) applies as of December 30, 2009**

The liability limits of the carrier in the case of destruction, loss, damage or delay has increased from SDR 17 per kg to **SDR 19 per kg** therefore valuation charges should be calculated accordingly.

- ❖ **Special Drawing Right (SDR) Converter:**

https://coinmill.com/SDR_calculator.html#SDR=1

Valuation Charges

- **REMINDERS:**

- The **carrier's liability**, whether increased or not, is **not a substitute for insurance** of the goods.
- It is always recommended to advise the shippers to **insure goods against all transportation risks**.
- A value declaration for **individual parts** of the shipment is **not allowed**.
- The **carrier's liability** is based on the **actual gross weight** of the shipment, not on the volume weight or the chargeable weight.

How to Calculate Valuation Charges

- Declared value for carriage: USD 10000.00
- Actual gross weight: 10.0 kgs

1.Step 1: Determine whether the declared value for carriage is in excess carrier's liability, SDR17 or SDR 19 per kg.

2.Step 2: Ascertain value in excess of carrier's liability.

3.Step 3: Calculate Valuation charge: Excess value X 0.75%

How to Calculate Valuation Charges

- Declared value for carriage: USD 10000.00
- Actual gross weight: 10.0 kgs

Step 1: Determine whether the declared value for carriage is in excess carrier's liability, SDR17 or SDR 19 per kg.

- Carrier's liability: SDR 17 per kg (USD25.00 per kg) → $\text{USD}25.00 \times 10 \text{ kgs} = \text{USD}250.00$

✓ Declared value USD 10000.00 exceeding carrier's liability USD 250.00

How to Calculate Valuation Charges

- Declared value for carriage: USD 10000.00
- Actual gross weight: 10.0 kgs

Step 2: Ascertain value in excess of carrier's liability.

- Value exceeding carrier's liability:
 - Declared value for carriage minus (-) Carrier's liability
- ✓ USD 10000 – USD 250.00 = USD 9750.00 (value in excess)

How to Calculate Valuation Charges

- Declared value for carriage: USD 10000.00
- Actual gross weight: 10.0 kgs

Step 3: Calculate Valuation charge: Excess value X 0.75%

- $\text{USD } 9750.00 \times 0.75\% = \text{USD } 73.125$
- Rounding off unit : 0.01

✓ Rounding off USD 73.13

Q & A

- Declared value for carriage: GBP 12000.00
- Actual gross weight: 103.5 kgs
- Carrier's maximum liability: SDR 17/kg = GBP 13.00/kg
- Rounding off unit : 0.01

Step 1: Determine whether the declared value for carriage is in excess carrier's liability, SDR17 or SDR 19 per kg.

- Carrier's liability: $103.5 \text{ kg} \times \text{GBP } 13.00 = \text{GBP } 1345.50$
- Declared value for carriage GBP 12000.00 exceeding carrier's maximum liability GBP 1345.50

Q & A

- Declared value for carriage: GBP 12000.00
- Actual gross weight: 103.5 kgs
- Carrier's maximum liability: SDR 17/kg = GBP 13.00/kg
- Rounding off unit: 0.01

Step 2: Ascertain value in excess of carrier's liability.

- Value exceeding carrier's liability:
 - Declared value for carriage minus (-) Carrier's liability
- ✓ GBP 12000.00 – GBP 1345.50 = GBP 10654.50 (value in excess)

Q & A

- Declared value for carriage: GBP 12000.00
- Actual gross weight: 103.5 kgs
- Carrier's maximum liability: SDR 17/kg = GBP 13.00/kg
- Rounding off unit: 0.01

Step 3: Calculate Valuation charge: Excess value X 0.75%

- GBP 10654.50 x 0.75% = GBP 79.908
- Rounding off unit : 0.01

✓ Rounding off GBP79.91

Unitized Consignments

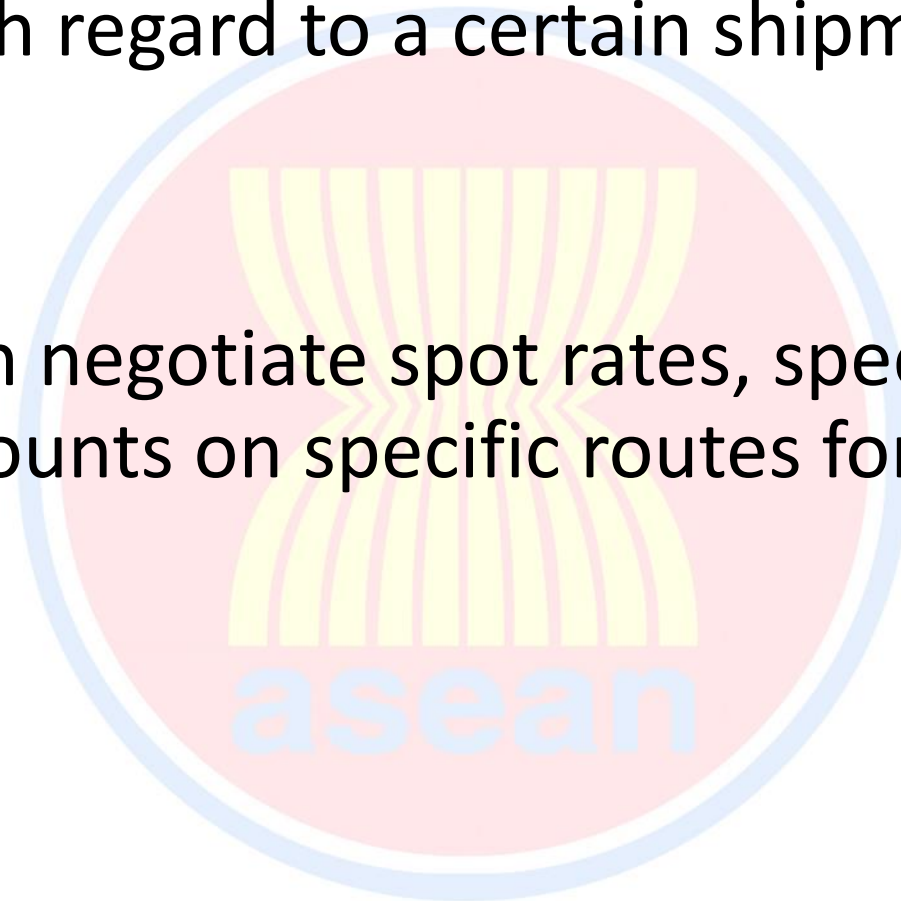
- Special rates may apply to consignments presented in Unit Load Devices (ULD) → BUP.
- **Pivot weight** (minimum chargeable) and/or minimum rates applicable to the unit.
- Example: PEN to US, pivot weight
 - Main deck → 2,500 – 2,800 kg x per kg rates.
 - Lower deck → 1,500 to 1600 kg x per kg rates.

Add-on Rates (amounts)

- Where no through rates from airport of departure to airport of destination published in TACT Rates, then it is possible to “add on” a domestic rate to the final point of destination, or
- To a published rate in the country of destination.
- Such an amount can also be "added-on" in the case of departure country. (Origin to gateway)
- These add-ons **do not apply to local transportation**, but are **applicable to international transportation only**.

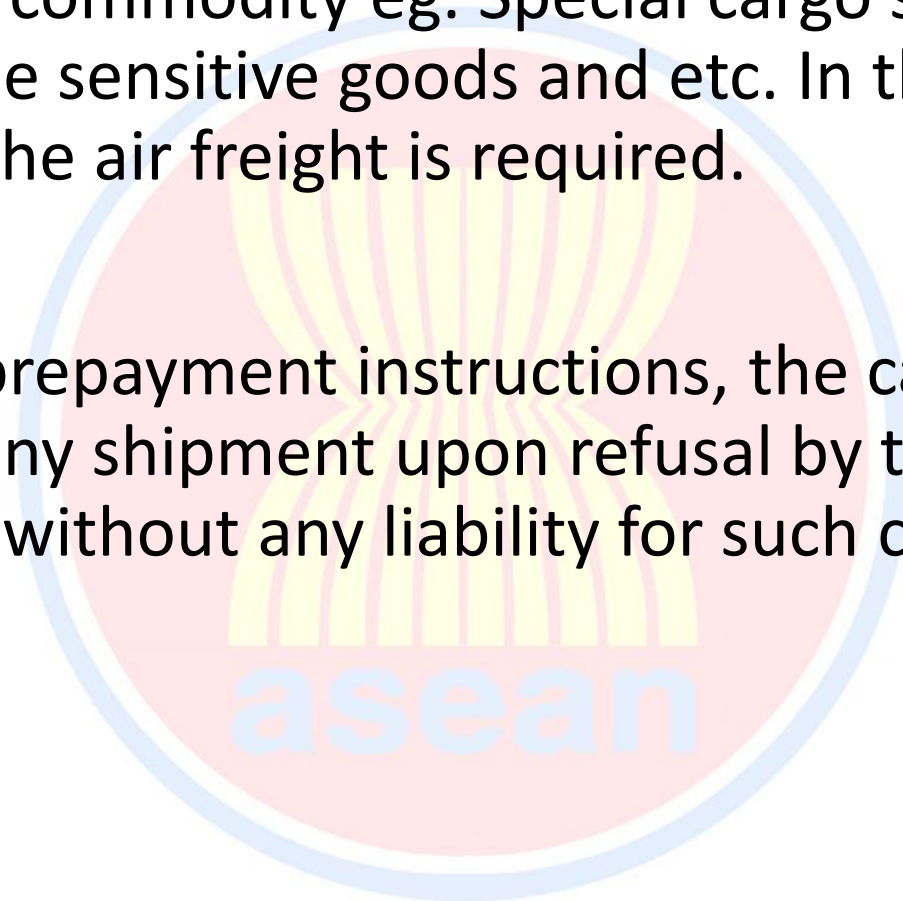
Spot Rates / Ad Hoc Rates

- Spot rate is the rate agreed between the customer and the airline with regard to a certain shipment on a case basis.
- Customers can negotiate spot rates, special cargo rates including discounts on specific routes for specific shipments.



Prepayment Instructions (prepaid)

- The carrier may not accept shipments on a cash-on-delivery basis for certain commodity eg. Special cargo such as human remains and time sensitive goods and etc. In this case, prepayment of the air freight is required.
- In the event of prepayment instructions, the carrier may cancel the carriage of any shipment upon refusal by the shipper to pay the charges without any liability for such cancellation.



Q & A

- List the precedence of rates and charges.
- ✓ **SCR → Class Rates → GCR.**
- How many major groups of commodity in SCR?
 - a. 10
 - b. 100
 - c. 1,000
 - d. 10,000



Q & A

- SCR is applicable for
 - a. Specific goods between IATA Areas.
 - b. Specific goods to all IATA Areas.
 - c. Specific goods between certain IATA Areas.
 - d. Specific goods between designated points of specific routes.
- Add-on rates applicable to both international and domestic transportation.
 - a. True
 - b. False
- Only applicable to international transportation.

Q & A

- Minimum charges apply on a per consignment basis.

a.True

b.False

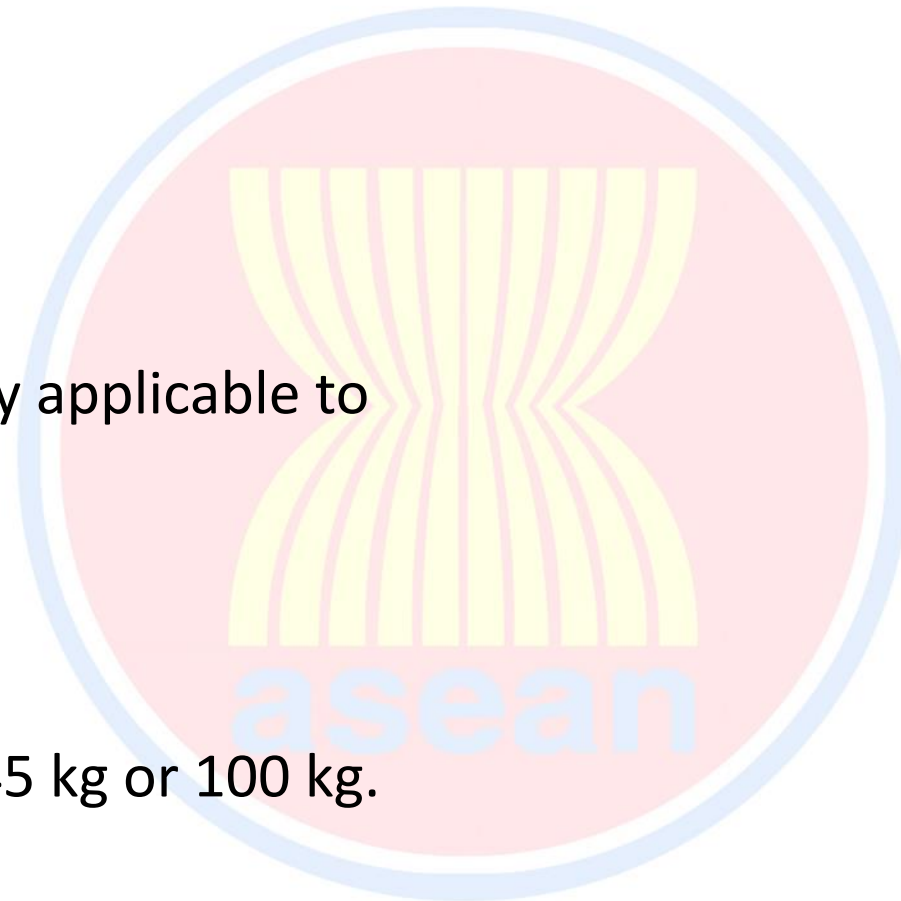
- Normal GCR usually applicable to

a.Special cargo

b.Large shipments

c.Shipments below 45 kg or 100 kg.

d.Minimum cargo.



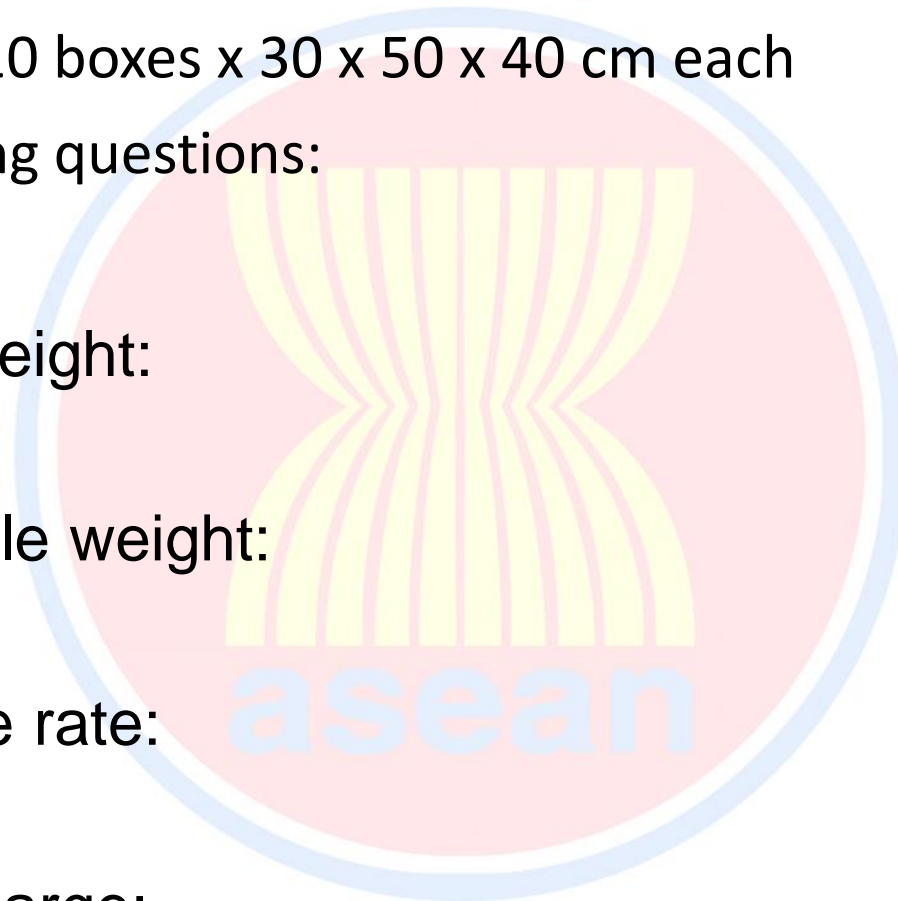
Q & A

- Routing: HKG to SLC
- Gross weight: 200.0 kg
- Dimensions: 10 boxes x 30 x 50 x 40 cm each

Answer following questions:

Weight (kg)	Rate [HKD]
M	468.00
N	95.61
45	73.70
100	68.01
300	53.63
500	47.06

1. Volume weight:
2. Chargeable weight:
3. Applicable rate:
4. Weight charge:



Answer

- Routing: HKG to SLC
- Gross weight: 200.0 kg
- Dimensions: 10 boxes x 30 x 50 x 40 cm each

Weight (kg)	Rate [HKD]
M	468.00
N	95.61
45	73.70
100	68.01
300	53.63
500	47.06

Answer following questions:

1. Volume weight: $10 \text{ boxes} \times 30 \times 50 \times 40 \text{ cm} = 600,000 \text{ cm}^3$ divided by 6,000 = 100.0 kg.
2. Chargeable weight: 200.0 kg
3. Applicable rate: GCR Q100 HKD68.01/kg.
4. Weight charge: $200.0 \text{ kg} \times \text{HKD}68.01 = \text{HKD}13,602.00$.

Q & A

- Routing: HKG to SLC
- Gross weight: 460.0 kg
- Dimensions: 20 boxes x 60 x 50 x 40 cm each

Answer following questions:

1. Volume weight:
2. Chargeable weight:
3. Applicable rate:
4. Weight charge:

Weight (kg)	Rate [HKD]
M	468.00
N	95.61
45	73.70
100	68.01
300	53.63
500	47.06

Answer

- Routing: HKG to SLC
- Gross weight: 460.0 kg
- Dimensions: 20 boxes x 60 x 50 x 40 cm each

Answer following questions:

Weight (kg)	Rate [HKD]
M	468.00
N	95.61
45	73.70
100	68.01
300	53.63
500	47.06

1. Volume weight: $20 \text{ boxes} \times 60 \times 50 \times 40 \text{ cm} = 2,400,000 \text{ cm}^3$
divided by 6,000 = 400.0 kg
2. Chargeable weight: 500.0 kg
3. Applicable rate: HKD47.06
4. Weight charge: $500.0 \text{ kg} \times \text{HKD}47.06 = \text{HKD}23,530.00$

Q & A

Refer to TACT Rates Section 2, Specific Commodity Rates, answer following questions.

Commodity	Item Number	Commodity	Item Number
Infant food	0010	Lenses, prisms	8340
Plants	1475	Baseballs	9213
Shoes, slippers	2420	Livestock	1000
Batteries	4405	Dresses (Ladies, finished)	2218
Dry ice	6223	Relays	4428

Bibliography

- IATA/FIATA International Cargo Agent Training Programme, Cargo Introductory Course, Edition 1.8.
- IATA TACT CD, February 2010 Edition.
- ASEAN Federation of Forwarders Association (AFFA), IFM 102 Air Freight Forwarding Operations.
- Federation of Malaysian Freight Forwarders (FMFF) FIATA Diploma Course
- All websites mentioned in this unit.