

AIR CASE STUDY

*Air cargo consolidation faces two major constraints.
Technical on one hand, economical and about security on the other hand.*

The first is about cargo stowage, need to secure the goods and the transport process.
The second is to optimize aircraft volume use.

These two constraints found an issue thanks to container of consolidation. Palets and containers are Unit Load Device (ULD).

The main ULD used in air cargo consolidation are made of aluminium (resistance and limited weight) and are identified by a IATA code (3 letters or 2 letters and 1 figure) det followed by 4 or 5 figures, followed by company code.

(Example : PAG 45678 JL.)

It means a «88 inch pallet» owned by Japan Airlines.

Please find hereafter the cargo list received at Roissy airport at the storage place , Friday at noon for consolidation of AF flight no 276 on Saturday, delivered to Air France storage warehouse at the latest this day at 9 pm

Number of packages	cargo	Unit dimensions in cms	Unit gross weight kg	Cbm	Total gross weight	Fragile
20	Cartons perfume Guerlain	40 x 30 x 25	11	0,030		No
15	Cartons soap l'Occitane	36 x 36 x 36	14	0,046		No
5	Cartons garments. Cardin	120 x 50 x 50	26	0,300		No
12	Cartons shoes Norton	50 x 50 x 40	11	0,100		No
10	Cartons bags LV	50 x 50 x 45	17	0,112		No
8	Cartons cristallerie Baccarat	30 x 30 x 26	19	0,023		Yes
12	Cartons cognac RM	28 x 22 x 18	9	0,011		No
14	Cartons olive oil Puget	52 x 23 x 19	18	0,022		No
6	Cartons wine Haut Médoc	60 x 24 x 18	17,5	0,026		No
5	Cartons CDS Universal Music	26 x 26 x 17	8	0,011		No
3	Personal coffers	90 x 45 x 45		0,182	198	No
9	Cartons Éditions du Midi	48 x 40 x 34	46	0,065		No
2	Palettes air carft spare parts	115 x 115 x 86	378	1 ,137		No

2	Caisse samples ores	28 x 26 x 22	56	0,016		No
7	Cartons pièces électroniques	50 x 48 39	44	0,093		No
4	Cartons banking records	60 x 34 x 34	35	0,069		No
4	Wooden case fair return	120 x 100 x 96		1,152	809	Yes
138	Total lots					

You are export manager and you calculate volume and weight to consolidate.

You have to identify the proper ULD below :

- PAG (LD7)

— dimensions 305 cm x 210 cm ; — load: 4 600 kg; — volume : 10 m³.

- PMC (96 inch pallet)

— dimensions 305 cm x 230 cm ; — load: 6 670 kg ; — volume: 14,5 m³.

- PGA/PGE (m²)

— dimensions 590 cm x 230 cm ;

— load: 13 100 kg;

— volume : 33 m³.

- AAU (LD29)

— dimensions 305 cm (bas) / 465 x 215 cm x 150 cm ; — load: 5 700 kg ;

— volume : 14 m³.

- AMA (MI)

— dimensions 305 cm x 228 cm >< 230 cm ;

- load: 6 450 kg;
- volume : 17,5 m³.

Then calculate the price on a flat rate of 5 000 € related to pivot weight of 2 000 kgs and an extra cost per kg when more than the pivot weight of 2 € per kg including all applicable overcharges, except airway bill fee.

Then estimate what selling price might be possible (excluding AWB fee), clearance cost ...) according to the service, the market and cargo itself as well as cargo value.

What can you conclude in terms of canvassing ?

Your export assistant manages 4,5 files a day of 7 hours and her hourly salary is 13 €.

Your clearing agent manages 25 export customs declarations and his hourly salary is 18.50 €. Social charges is about 50%.

You have to calculate the net margin of your file before and after adding your structure costs which are 17% of your turn-over.