

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Sales, Marketing and Customer Services

Title	Calculate contract air freight charges
Code	LOCUSM302B
Range	This unit of competency is applicable to airlines and air freight forwarders. Practitioners should be capable to calculate the air freight contract charges between carriers and freight forwarders, or those between freight forwarders and customers.
Level	3
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Possess basic knowledge of contract air freight rates</p> <ul style="list-style-type: none"> • Understand different methods to calculate rates: fixed rate, Ad Valorem rate, free sale, differential rate, etc. • Apply different ways to calculate air freight rates by chartered flights or scheduled flights • Understand the calculation principles of air freight contract on weights, such as the pivot-weight • Understand the calculation principles based on pallet / aircraft unit load device, such as pivot rate, over pivot rate, empty haul rate, etc. • Understand the company's principles and methods in calculating contract air freight charges • Understand the risk management concepts and apply in the calculation • Know about different calculation principles in the contract, such as baseline, types of goods, etc. <p>2. Calculate contract air freight rates</p> <ul style="list-style-type: none"> • Confirm the charges calculation principles with customers based on the types of goods, volume, lead time, selected service, flexibility, requested arrival time, flight and routes, etc. • Determine the air freight rate according to factors such as the actual market supply and demand and the relationship with customers • Calculate air freight charges according to contract terms set between sales departments and customers • Potential risk analysis and damage to the management to assess the risk factors
Assessment Criteria	<p>The integrated outcome requirement of this unit of competency is:</p> <ul style="list-style-type: none"> • Capable to master the format and terms of air freight contract with customers so as to calculate correctly the rates and charges of air freight orders.
Remark	This UoC is adopted from the Logistics UoC LOAFSM303A