

Glossary of Port and Shipping Terms

Backhaul

To haul a shipment back over part of a route that it has already traveled; return movement of cargo, usually opposite from the direction of its primary cargo destination.

Ballast keel

A heavy keel fitted to vessels to lower the center of gravity and improve stability.

Ballast tanks

Compartments at the bottom of a ship that are filled with liquids for stability and to make the ship seaworthy.

Beam

The width of a ship.

Berth

A place in which a vessel is moored or secured; place alongside a quay where a ship loads or discharges cargo.

Berth term

Shipped under a rate that does not include the cost of loading or unloading.

Berth dues (or quay dues or dockage)

Charges for the use of a berth. Typically assessed based on the duration of a vessel's stay and length overall (LOA).

Bill of lading

A document that establishes the terms of contract between a shipper and a transportation company. It serves as a document of title, a contract of carriage, and a receipt for goods.

Bond port

Port of a vessel's initial customs entry to any country; also known as first port of call.

Bonded warehouse

A warehouse authorized by customs authorities for storage of goods on which payment of duties is deferred until the goods are removed.

Breakbulk

Loose, noncontainerized cargo stowed directly into a ship's hold.

Broker

A person who arranges for transportation of loads for a percentage of the revenue from the load.

Build-operate-transfer (BOT)

A form of concession where a private party or consortium agrees to finance, construct, operate and maintain a facility for a specific period and transfer the facility to the concerned government or port authority after the term of the

concession. The ownership of the concession area (port land) remains with the government or port authority during the entire concession period. The concessionaire bears the commercial risk of operating the facility.

Build-own-operate-transfer (BOOT)

A form of concession where a private party or consortium agrees to finance, construct, own, operate and maintain a facility for a specific period and transfer the facility to the concerned government or port authority after the term of the concession. The ownership of the concession area (port land) vests in the private party or consortium during the entire concession period and is transferred to the government or port authority at the end of the concession period. As with the BOT, the concessionaire bears the commercial risk of operating the facility.

Bulkhead

A structure to resist water; a partition separating one part of a ship from another part.

Bulk vessel

All vessels designed to carry bulk cargo such as grain, fertilizers, ore, and oil.

Bunkers

Fuel used aboard ships.

Cabotage

Shipments between ports of a single nation, frequently reserved to national flag vessels of that nation.

Cargo tonnage

Ocean freight is frequently billed on the basis of weight or measurement tons. Weight tons can be expressed in terms of short tons of 2,000 pounds, long tons of 2,240 pounds, or metric tons of 1,000 kilograms (2,204.62 pounds). Measurement tons are usually expressed as cargo measurements of 40 cubic feet (1.12 cubic meters) or cubic meters (35.3 cubic feet).

Carrier

Any person or entity who, in a contract of carriage, undertakes to perform or to procure the performance of carriage by sea, inland waterway, rail, road, air, or by a combination of such modes.

Cartage

Intraport or local hauling of cargo by drays or trucks (also referred to as drayage).

Chassis

A frame with wheels and container locking devices to secure the container for movement.

Classification yard (also commonly known as a shunting yard)

A railroad yard with many tracks used for assembling freight trains.

Cleaning in transit

The stopping of articles (such as farm products) for cleaning at a point between the point of origin and destination.

Clearance

The size beyond which vessels, cars, or loads cannot pass through, under, or over bridges, tunnels, highways, and so forth.

Cleat

A device secured on the floor of a container to provide additional support or strength to a cargo-restraining device, or a device attached to a wharf to secure mooring lines.

Common carrier

A transportation company that provides service to the general public at published rates.

Concession

An arrangement whereby a private party (concessionaire) leases assets from a authorized public entity for an extended period and has responsibility for financing specified new fixed

investments during the period and for providing specified services associated with the assets; in return, the concessionaire receives specified revenues from the operation of the assets; the assets revert to the public sector at expiration of the contract.

Conservancy

In some countries, this fee is levied to retain upkeep of the approaches to waterways and canals.

Consolidation

Cargo consisting of shipments of two or more shippers or suppliers. Container load shipments may be consolidated for one or more consignees.

Container

Steel or aluminum frame forming a box in which cargo can be stowed meeting International Standard Organization (ISO)-specified measurements, fitted with special castings on the corners for securing to lifting equipment, vessels, chassis, rail cars, or stacking on other containers. Containers come in many forms and types, including: ventilated, insulated, refrigerated, flat rack, vehicle rack, open top, bulk liquid, dry bulk, or other special configurations. Typical containers may be 10 feet, 20 feet, 30 feet, 40 feet, 45 feet, 48 feet, or 53 feet in length, 8 feet or 8.5 feet in width, and 8.5 feet or 9.5 feet in height.

Container freight station

A dedicated port or container terminal area, usually consisting of one or more sheds or warehouses and uncovered storage areas where cargo is loaded (“stuffed”) into or unloaded (“stripped”) from containers and may be temporarily stored in the sheds or warehouses.

Container pool

An agreement between parties that allows the efficient use and supply of containers; a common supply of containers available to the shipper as required.

Container vessel

Ship equipped with cells into which containers can be stacked; containerships may be full or partial, depending on whether all or only some of its holds are fitted with container cells.

Container terminal

An area designated for the handling, storage, and possibly loading or unloading of cargo into or out of containers, and where containers can be picked up, dropped off, maintained, stored, or loaded or unloaded from one mode of transport to another (that is, vessel, truck, barge, or rail).

Container yard

A container handling and storage facility either within a port or inland.

Contraband

Cargo that is prohibited.

Contract carrier

Any person not a common carrier who, under special and individual contracts or agreements, transports passengers or cargo for compensation.

Controlled atmosphere

Sophisticated, computer controlled systems that manage the mixture of gases within a container throughout an intermodal journey, thereby reducing decay.

Customhouse

A government office where duties are paid, documents filed, and so forth, on foreign shipments.

Customs broker

A person or firm, licensed by the customs authority of their country when required, engaged in entering and clearing goods through customs for a client (importer).

Cut-off time (closing time)

The latest time a container may be delivered to a terminal for loading to a scheduled barge, vessel, train, or truck.

Daily running cost

Cost per day of operating a ship.

Deconsolidation point

Place where cargo is ungrouped for delivery.

Demurrage

A penalty charge against shippers or consignees for delaying the carrier's equipment beyond the allowed free time. The free time and demurrage charges are set forth in the charter party or freight tariff.

Dock or quay

A structure attached to land to which a vessel is moored.

Draft (or draught)

The depth of a ship while in the water. Measured as the vertical distance between the waterline and the lowest edge of the keel.

Dredging

Removal of sediment to deepen access channels, provide turning basins for ships, and maintain adequate water depth along waterside facilities.

Dry bulk

Loose, mostly uniform cargo, such as agribulk products, coal, fertilizer, and ores, that are transported in bulk carriers.

Dunnage

Material used in stowing cargo either for separation or the prevention of damage.

Electronic data interchange (EDI)

Transmission of transactional data between computer systems.

EDIFACT

Electronic Data Interchange for Administration, Commerce, and Trade. International data interchange standards sponsored by the United Nations.

Eminent domain

The sovereign power to take property for a necessary public use, with reasonable compensation.

Feeder service

Transport service whereby loaded or empty containers in a regional area are transferred to a "mother ship" for a long-haul ocean voyage.

Fixed costs

Costs that do not vary with the level of activity. Some fixed costs continue even if no cargo is carried; for example, terminal leases, rent, and property taxes.

Force majeure

The title of a common clause in contracts, exempting the parties from nonfulfillment of their obligations as a result of conditions beyond their control, such as earthquakes, floods, or war.

Foreign trade zone

A free port in a country divorced from customs authority, but under government control. Merchandise, except contraband, may be stored in the zone without being subject to import duty regulations.

Forty-foot equivalent unit (FEU)

Unit of measurement equivalent to one forty-foot container. Two twenty-foot containers (TEUs) equal one FEU.

Free trade zone

A zone, often within a port (but not always), designated by the government of a country for duty-free entry of any nonprohibited goods. Merchandise may be stored, displayed, or used

for manufacturing within the zone and re-exported without duties being applied. Also referred to as free port.

Freight, demurrage, and defense

Class of insurance provided by a protection and indemnity (P&I) club that covers legal costs incurred by a shipowner in connection with claims arising from the operation of the ship.

Freight forwarder

Person or company who arranges for the carriage of goods and associated formalities on behalf of a shipper. The duties of a forwarder include booking space on a ship, providing all the necessary documentation, and arranging customs clearance.

Freight payable at destination

Method of paying the freight often used for shipment of bulk cargo, the weight of which is established on discharge from the ship.

Gantry crane

A crane fixed on a frame or structure spanning an intervening space typically designed to traverse fixed structures such as cargo (container) storage areas or quays and which is used to hoist containers or other cargo in and out of vessels and place or lift from a vessel, barge, trucks, chassis, or train.

Gateway

A point at which freight moving from one territory to another is interchanged between transportation lines.

Good international practice

Term used in contracts, meaning the exercise of that degree of skill, diligence, and prudence that would, in order to satisfy internationally accepted standards of performance, reasonably be practiced by an experienced person holding all applicable qualifications who is engaged in the same type or similar types of activity under the same or similar circumstances.

Grounding

Contact by a ship with the ground while the ship is moored or anchored as a result of the water level dropping, or when approaching the coast as a result of a navigational error.

Groupage

The grouping together of several compatible consignments into a full container load. Also referred to as consolidation.

Harbor dues (or port dues)

Charges by a port authority to a vessel for each harbor entry, usually on a per gross tonnage basis, to cover the costs of basic port infrastructure and marine facilities such as buoys, beacons, and vessel traffic management system.

Hand-over

Term used in contracts, meaning the process of providing exclusive, unencumbered, peaceful, and vacant possession of and access to a concession area and the existing operational port infrastructure and also all rights, title (free of all encumbrances and security), and interest in all the movable assets and all the facilities by the government or the port authority on the hand-over date for the conduct of terminal operations.

Harbormaster

An officer who is in charge of vessel movements, safety, security, and environmental issues within a port.

Heavy lift charge

A charge typically imposed when special lifting gear is required to handle a given piece of cargo, which may be of either heavy weight or of large dimensions (often referred to as “out of gauge” when dealing with container vessels).

Hold

A ship’s interior storage compartment.

In bond

Cargo moving under customs control where duty has not yet been paid.

Inducement

Placing a port on a vessel's itinerary because the volume of cargo offered by that port justifies the cost of routing the vessel.

Inland carrier

A transportation company that hauls export or import traffic between ports and inland points.

Intermodal

Movement of cargo containers interchangeably between transport modes where the equipment is compatible within the multiple systems.

Jetty (or pier)

A structure that is perpendicular or at an angle to the shoreline to which a vessel is secured for the purpose of loading and unloading cargo.

Jumboising

Conversion of a ship to increase cargo-carrying capacity by dividing and adding a new section.

Keel

A flat steel plate running along the center line of a vessel.

Knot

Measure of ship speed, equal to one nautical mile (1,852 meters) per hour.

LASH

Abbreviation for "lighter aboard ship." A specially constructed vessel equipped with an overhead traveling gantry crane for lifting specially designed barges out of the water and stowing them into the cellular holds of the vessel (loading) and unstowing (unloading) as well.

Loaded draught (or draft)

Depth of water to which a ship is immersed when fully loaded.

Landlord port

An institutional structure where the port authority or other relevant public agency retains ownership of the port land and responsibility for port planning and development, as well as the maintenance of basic port infrastructure and aids to navigation.

Lender's direct agreement

Agreement between parties to a concession or BOT agreement (government or port authority and special purpose vehicle [SPV] or terminal operator) and the lenders (usually banks or a consortium of banks) setting out the rights and obligations of the lenders in relation to the government or port authority regarding the facilitation of the financing of a port project. The lender's direct agreement is used in the event of a proposed termination of the concession agreement to induce the lenders to provide the debt to the SPV or operator under the financing documents. These rights and obligations usually comprise assignment rights with respect to the concession and the site lease agreement, priority rights with respect to repayment of the debt, and step-in rights in case of termination as a result of breach of contract by the SPV or operator.

Lighter

An open or covered barge towed or pushed by a tugboat or a pusher tug and used primarily in harbors and on inland waterways to carry cargo to or from the port.

Limited recourse financing

Project financing in which sponsors or governments agree to provide contingent financial support to give lenders extra comfort; typically provided during the construction and start-up period of a project, which is generally the riskiest time in the life of an infrastructure project.

Line haul

The movement of freight over the tracks of a transportation line from one location (port or city) to another.

Liner

A vessel sailing between specified ports on a regular basis.

Lloyds' Registry

An organization engaged in the surveying and classing of ships so that insurance underwriters and others may know the quality and condition of the vessels involved.

Longshoreman (or docker, port worker, or dock worker)

Individual employed locally in a port to load and unload ships.

Lo-lo (lift-on lift-off)

Cargo handling method by which vessels are loaded or unloaded by either ship or shore cranes.

Malacca-max

Maximum size of container and bulk vessels (in terms of draught) that can cross the Malacca Straits. The Malacca-max reference is believed to be today the absolute maximum possible size for future container vessels (approximately 18,000 TEU).

Main port

A large multipurpose port serving a number of countries and regions.

Management contract

An arrangement whereby the operation and management of a facility is contracted by the public authority to a specialized operator for a specified period and under specified conditions relating to performance criteria, economic incentives, and maintenance and infrastructure commitments. The public authority retains

ownership of the facility and the commercial risk associated with its operation.

Mezzanine financing

A mix of financing instruments, including equity, subordinated debt, completion guarantees, and bridge financing, the balance of which changes as the risk profile of a project changes (that is, as a project moves beyond construction into operation).

Mixed cargo

Two or more products carried on board one ship.

Mobile crane

General purpose crane capable of moving on its own wheels from one part of a port to another.

Moor

To attach a ship to the shore by ropes.

Neobulk cargo

Non-, or economically not feasible, containerizable cargo such as timber, steel, and vehicles.

Nonrecourse financing

Project financing for which no loan guarantees or financial support is provided by the sponsors or governments to lenders for the project.

Nonvessel operating common carrier (NVOCC)

A cargo consolidator in ocean trades who buys space from a carrier and resells it to smaller shippers. The NVOCC issues bills of lading, publishes tariffs, and otherwise conducts itself as an ocean common carrier, except that it does not provide the actual ocean or intermodal service.

On-carrier

Person or company who contracts to transport cargo from the port or place of discharge of a sea-going or ocean-going ship to another destination by a different means of transport, such as a feeder vessel, truck, train, or barge.

Optional cargo

Cargo that is destined for one of the ship's discharge ports, the exact one not being known when the goods are loaded.

Overcarriage

The carriage of cargo beyond the port for which it was intended.

Pallet

A flat tray, generally made of wood, but occasionally steel or other materials, on which goods can be stacked. There are two principal sizes: the ISO pallet, which measures 1 x 1.2 meters, and the europallet at 0.8 x 1.2 meters.

Panamax

Maximum beam that allows vessels to pass through the locks of the Panama Canal (specifically used for dry bulk and container vessels).

Permanent dunnage

Strips of timber fixed to the frames of a ship to keep cargo away from the sides of the ship to avoid damage and condensation.

Pilferage

Stealing of cargo.

Pilotage

The act of assisting the master of a ship in navigation when entering or leaving a port or in confined water.

Pilotage dues

Fee payable by the owner or operator of a ship for the services of a pilot; the fee is normally based on the ship's tonnage, draft, or length.

Platform (or flat)

A shipping container without sides, ends, or a roof. Normally 20 or 40 feet long, it is used for awkwardly shaped cargo that cannot fit on or in any other type of container.

Plimsoll mark/load lines

A series of horizontal lines and a circle with a horizontal line painted amidships of both sides of the hull of a ship marking the level that must remain above the surface of the water for the vessel's stability.

Pontoon

Flat-bottomed floating structure with a shallow draught.

Pooling

Sharing of cargo or the profit or loss from freight by member lines of a liner conference.

Port dues (or harbor dues)

Charges levied against a shipowner or ship operator by a port authority for the use of a port (see also harbor dues).

Port of refuge

Port, not on a ship's itinerary, which the ship calls at due to some unforeseen hazard at sea and where the ship may undergo repairs, refuel, or rescue cargo.

Port of registry

Place where a ship is registered with the authorities, thereby establishing its nationality.

Preentry

Presentation to the customs authorities of export or import declarations prior to the clearance of goods.

Project financing

Financing wherein the lender looks to a project's cash flows to repay the principal and interest on debt, and to a project's assets for security; also known as "structured financing" because it requires structuring the debt and equity such that a project's cash flows are adequate to service the debt.

Rail-mounted gantry (RMG) or rail-mounted container gantry crane

Rail-mounted gantry crane used for container acceptance, delivery, and stacking operations in a container yard.

Reefer

Refrigerated container or vessel designed to transport refrigerated or frozen cargo.

Relay

To transfer containers from one ship to another.

Ro/ro

A shortening of the term “roll-on roll-off.” Ro/ro is a cargo handling method whereby vessels are loaded via one or more ramps that are lowered on the quay.

Rubber-tired gantry (RTG) or rubber-tired container gantry crane

Gantry crane on rubber tires typically used for acceptance, delivery, and container stacking at a container yard.

Shed (also see warehouse)

Covered area for the reception, delivery, consolidation, distribution, and storage of cargo.
Note: A warehouse usually points at longer term storage, whereas a shed usually is used for shorter term storage.

Ship chandler

An individual or company selling equipment and supplies for ships.

Ship's tackle

All rigging and so forth used on a ship to load or unload cargo.

Side loader

A lift truck fitted with lifting attachments operating to one side for handling containers.

Spotting

Placing a container where required to be loaded or unloaded.

Spreader

A piece of equipment designed to lift containers by their corner castings.

Stackcar

An articulated multiple platform rail car that allows containers to be double stacked.

Stacktrain

A rail service whereby rail cars carry containers stacked two high on specially operated unit trains.

Stevedore

Individual or firm that employs longshoremen (or dockers, dock workers, or port workers) to load and unload vessels.

Stevedoring charges

Fees for loading and stowing or unloading a ship.

Sto-ro

A vessel with capacity for breakbulk cargo as well as vehicles or trailer borne cargo.

Stowage factor

The average cubic space occupied by one ton weight of cargo as stowed aboard a ship.

Straddle carrier

Type of equipment that picks up and transports containers between its legs for movement within a container terminal.

Stripping (unstuffing)

Unloading of a container.

Supply chain

A logistics management system that integrates the sequence of activities from delivery of raw

materials to the manufacturer through to the delivery of the finished product to the customer in measurable components.

Tare weight

The weight of wrapping or packing; added to the net weight of cargo to determine its gross weight.

Terminal charge

A charge made for a service performed in a terminal area typically referring to handling associated with receipt, delivery, or inspection of cargo via land-based operations.

Throughput charge

The charge for moving a container through a container yard off of or onto a ship.

Top off

To fill a ship that is already partly loaded with cargo. Typically occurs where there is a draught restriction at the first load port—the ship loads a quantity of cargo corresponding to the permissive draught, then fills up at the second port where there is no restriction.

Top stow cargo

Goods that are stowed on top of all others in a ship's hold because of their relatively low density and the probability that they would be damaged if overstowed.

Toplifter

Forklift truck capable of lifting a container by means of its spreader.

Towage

Charges for the services of tugs assisting a ship or other vessels in ports.

Tramp line

An ocean carrier company operating vessels on other than regular routes and schedules.

Transshipment

A distribution method whereby containers or cargo are transferred from one vessel to another

to reach their final destination, compared to a direct service from the load port of origin to the discharge port of destination. This method is often used to gain better vessel utilization and thereby economies of scale by consolidating cargo onto larger vessels while transiting in the direction of main trade routes.

Transshipment port

A port where cargo is transferred from one carrier to another or from one vessel of a carrier to another vessel of the same carrier without the cargo leaving the port.

Turnaround time

The time it takes between the arrival of a vessel and its departure from port; frequently used as a measure of port efficiency.

Twenty-foot equivalent unit (TEU)

Container size standard of twenty feet. Two twenty-foot containers (TEUs) equal one FEU. Container vessel capacity and port throughput capacity are frequently referred to in TEUs.

Unitization

The consolidation of a quantity of individual items into one large shipping unit for easier and faster handling through methods such as palletizing, stripping, slinging and containerization.

Unloader

Port equipment employed to unload ships carrying dry bulk cargo. (*Note:* Small movable and hoistable unloaders are sometimes referred to as “vacuators.”)

Unmoor

To remove the ropes that attach a ship to the shore.

Unstuffing (or stripping)

Unloading of a container.

Variable cost

Costs that vary directly with the level of activity within a short time. Examples include costs of

moving cargo inland on trains or trucks, stevedoring in some ports, and short-term equipment leases.

Vessel manifest

Declarations made by international ocean carriers relating to the ship's crew and contents at both the port of departure and arrival. All bills of lading are registered on the manifest.

Vessel traffic management system

Vessel control and management system (VTMS) usually under the authority of the harbormaster, comprising equipment (such as radars, tracking software, and radio communications), personnel (traffic operators), and regulations. Most larger maritime ports have relatively advanced vessel traffic management systems for maritime safety, protection of the environment, and coordination of marine services.

Warehouse (see also shed)

Covered area for the reception, delivery, consolidation, distribution, and storage of cargo.

Note: A warehouse usually points at longer term storage, whereas a shed usually is used for shorter term storage.

Waybill

Document, issued by a shipping line to a shipper, which serves as a receipt for the goods and evidence of the contract of carriage.

Wharf

Structure built alongside the water or perpendicular to the shore where ships berth for loading or discharging goods.

Wharfage

The charge that an owner of a facility (terminal or port) charges for the movement of cargo through that facility.

Sources: Brodie, Peter. *Dictionary of Shipping Terms*, Third Edition, 1997, and Sullivan, Eric, *The Main Encyclopedic Dictionary*, Fifth Edition, 1996.

