

Determinants of Extra Charges for Container Shipments: A Case Study of Nexus Zone Logistics

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Abstract : The international shipping business is related to numerous controls or regulations of export and import shipments. It is costly and time consuming, and when something goes wrong or when the buyer or seller fails to comply with the regulations, it can result in penalties, delays, and unexpected costs etc. For the focus of this study, the researchers have selected a local forwarder that provides forwarding and clearance services, Nexus Zone Logistics. It was identified that this company currently has many extra costs to be paid including local and detention charges, which negatively impacts the flow of income and reduces overall stability. Two variables have been identified as factors of extra charges; loaded containers entering the port by exceeded closing time and late delivery of empty containers to the container yard. This study is a qualitative in nature and the secondary data collected was analyzed using self-administered observation. The findings of this study were covered by one selected case for each export and import shipment between July and December 2014. The data were analyzed using frequency analysis based on tables and graphs. The researcher recommends Nexus Zone Logistics impose a 1% deposit payment per container for each shipment (export and import) to its customers.

Keywords : international shipping, export and import, detention charges, container shipment

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