

ANALYSIS OF LIABILITY FOR DAMAGED AND LOST GOODS IN INTERNATIONAL SHIPMENTS AT PT GLOBAL DISTRIBUTION ALLIANCE (ARAMEX INDONESIA), JAKARTA

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Abstract

The continuous growth of international trade demands a crucial role from the express expedition industry in ensuring the smooth cross-border distribution of goods. However, the risks of damage and loss during shipment pose significant challenges that can be detrimental to both consumers and the company. This research aims to analyze the liability mechanism implemented by PT Global Distribution Alliance (Aramex Indonesia) for compensation regarding damaged or lost goods, as well as to identify the strategies executed by the company to minimize these risks. This research uses a qualitative descriptive method. Data was collected through observation, in-depth interviews with relevant managers and staff, and analysis of the company's formal documentation. The results show that Aramex Indonesia's liability mechanism is systematic and centers on determining negligence. For cases of damage, liability is attributed to the shipper concerning packaging quality, thus financial compensation is principally not provided. Conversely, for cases of loss proven to be caused by internal negligence, the company provides compensation that is contractually limited to a maximum of USD 100 for uninsured shipments and full compensation if insured. The risk minimization strategies implemented are proactive and multi-layered, encompassing packaging inspection, providing additional options such as repacking and supplementary insurance, customer education, and continuous evaluation of internal performance and partners. It is concluded that Aramex has a mature system for managing risk, which combines firm contractual rules with flexible operational practices.

Keywords

Compensation, Express Expedition, International Logistics, Liability, Risk Management

INTRODUCTION

The rapid growth of international trade in the era of globalization has significantly increased the demand for fast, efficient, and secure cross-border goods distribution. The express expedition industry plays a crucial role in this ecosystem, supporting complex global supply chains and connecting producers with consumers worldwide in a relatively short time. The reliability of this sector is not just a logistical advantage but a critical factor in maintaining customer trust and enabling the continued expansion of global commerce.

However, the industry faces a significant and persistent challenge: the inherent risk of damage or loss of goods during the complex shipping process. These incidents can cause substantial financial losses and, more importantly, erode the trust between consumers and service providers. In the Indonesian context, the responsibilities of freight forwarders are legally grounded in frameworks such as the Commercial Code (KUHD) and the Civil Code, which regulate agreements and consequences of negligence. Thus, a clear and effective liability mechanism for handling claims is fundamental to a company's credibility and operational integrity.

This study focuses on PT Global Distribution Alliance (Aramex Indonesia), a prominent provider of international express and logistics services in Indonesia. While internal data from 2022-2024 shows a declining trend in the percentage of incidents, the absolute number of cases involving damaged or lost goods remains a significant operational issue requiring attention. Key contributing factors identified include improper packing by shippers and handling issues during transit that are outside the company's direct control. In response, Aramex Indonesia has an established mechanism for managing liability, although it has been noted that this system is not entirely formalized in binding written procedures and often operates based on field-level practices. This gap between practice and formal procedure presents a compelling case for in-depth analysis. This condition indicates an important gap between written liability standards and daily operational practices, which may affect consistency, transparency, and legal certainty in handling customer claims.

Therefore, this paper aims to provide a comprehensive analysis of the liability and risk management framework at Aramex Indonesia. Specifically, this research analyzes the mechanism implemented by the company to handle compensation for damaged or lost goods and identifies the specific strategies employed to proactively minimize these risks. By examining this case, the study offers valuable insights into how contractual responsibilities and operational risk mitigation are managed in practice within the international express logistics industry.

LITERATURE REVIEW

International Express Expedition

International express expedition is a time-sensitive logistics service for cross-border shipments. It involves not only physical delivery but also navigating customs procedures, adhering to international packaging standards, and providing integrated tracking systems (Novitasary,

2021). Its primary role is to support the global supply chain, particularly for e-commerce, by ensuring goods are delivered quickly and securely.

Export and Import

Export is the activity of selling and sending goods from a domestic customs area to another country, a process that must adhere to applicable laws and regulations (Fatmawati, 2013). Conversely, import is the process of purchasing and bringing goods into a domestic customs area from abroad, which is also governed by specific legal provisions (Purnamawati, 2013). The primary role of these activities is to fulfill a country's domestic needs with unavailable goods, expand markets for surplus products, and generate state revenue.

The Goods Delivery Process

The goods delivery process is the operational activity of moving items from an origin point to a designated destination (Dewi, 2020). This process involves key procedures such as proper packaging to prevent damage, preparation of administrative documents for shipment, and the selection of an appropriate mode of transportation (Piantum, 2020). Its fundamental purpose is to ensure that products are received by the consumer in the correct condition and in a timely manner, which is crucial for maintaining customer satisfaction.

Liability in Freight Forwarding

Liability in freight forwarding is the legal obligation of a carrier to compensate for losses that arise during the transport service (Muhammad, 2013). This principle is enacted through contracts of carriage and is grounded in Indonesia by the Civil Code (KUH Perdata) and Commercial Code (KUHD). Its primary role is to provide legal certainty and a clear mechanism for restitution, protecting the interests of both the shipper and the carrier in the event of negligence. In international expedition services, liability is not only determined by the occurrence of damage or loss, but also by contractual terms, evidence of negligence, packaging responsibility, and agreed compensation limits.

METHODS

Research Approach

This study employed a qualitative descriptive approach. This method was chosen to provide a deep and comprehensive understanding of the liability mechanisms and risk management strategies as they occur in their natural setting at PT Global Distribution Alliance (Aramex Indonesia). The focus was on analyzing the real-world processes and perspectives of the individuals involved.

Data Collection

Data for this research was collected from both primary and secondary sources. Primary data were gathered through in-depth, semi-structured interviews and direct, participatory observation of operational activities at the research site. Informants were selected using purposive sampling and included key personnel directly involved in the process: the Customer

Service Manager (as the key informant), the Human Resource Manager, and an Operational Staff member, to ensure a multi-perspective view. Secondary data was obtained from the analysis of relevant formal documents, including the company's terms and conditions, internal service manuals, and operational reports.

Data Analysis

The data were analyzed using the interactive model proposed by Miles and Huberman, which consists of three concurrent flows of activity: data reduction, data display, and conclusion drawing/verification. This iterative process allowed for the systematic organization and interpretation of the qualitative data. To ensure the trustworthiness and validity of the findings, source triangulation was employed by cross verifying the information gathered from interviews, observations, and company documentation.

RESULT AND DISCUSSION

As a key provider of international express services, PT Global Distribution Alliance (Aramex Indonesia) is responsible for ensuring that customer shipments arrive safely and in good condition. Although various preventive measures have been implemented, the potential risks of damage or loss during shipment remain an unavoidable challenge. The findings of this research provide a detailed overview of the systematic liability mechanisms and proactive risk mitigation strategies that the company has implemented to address these challenges. The results are presented in two main sections, corresponding to the research questions, followed by a discussion of their legal and operational implications.

1. The Liability Mechanism for Damaged and Lost Goods

The company's liability mechanism is systematic and centers on determining the initial point of negligence. The process and compensation policies differ significantly between cases of damage and loss.

a. Liability for Damaged Goods

For goods that are damaged during transit, the company's investigation attributes liability primarily to the shipper. The root cause is consistently identified as inadequate or non-standard initial packaging. Consequently, the company's main policy is not to provide financial compensation for damaged items. However, as a relational gesture to maintain good business relationships with loyal corporate clients, discretionary compensation in the form of a 20-30% freight cost discount may be offered.

b. Liability for Lost Goods

In contrast, for goods confirmed to be lost due to internal operational failures (e.g., human error), Aramex Indonesia accepts full responsibility. In these cases, financial compensation is provided, but its value is contractually limited. The standard compensation is capped at a maximum of USD 100 for any shipment that is not insured.

c. The Role of Insurance as a Liability Instrument

To provide an option for full compensation, the company offers a supplementary insurance product. When a customer avails this service, the liability limit of USD 100 is waived, and in the event of a loss, full compensation according to the declared value of the goods is provided. This positions insurance as a key instrument through which customers can actively manage their own risk level.

2. Risk Minimization Strategies

The company employs a multi-layered, proactive strategy focused on preventing incidents before they occur. These strategies are implemented at various stages of the shipping process.

a. Proactive Operational Controls

The primary line of defense is the physical inspection of all packages at the warehouse. Shipments with packaging deemed improper or unsafe are immediately put on hold. The operations team then coordinates with customer service to offer the shipper several solutions: returning the goods, using a paid repacking service, or signing a *disclaimer letter* that absolves Aramex of liability for pre-existing risks, particularly for fragile items.

b. Customer Empowerment and Education

Aramex empowers customers to participate in risk mitigation. This is done by offering supplementary packaging solutions (e.g., *extra box*) for high-risk items and by providing clear options for the aforementioned insurance products. This is supported by a continuous effort from the customer service team to educate clients on the importance of adhering to international packaging standards.

c. Continuous Evaluation and Partner Management

The company acknowledges that risks cannot be eliminated entirely. Therefore, it maintains a dynamic evaluation system for its strategies and partners. If a procedure fails, a focused evaluation of the responsible human resources is conducted. Furthermore, the company actively manages its partners, stating they will not hesitate to replace third-party vendors or airlines with poor performance records to maintain service quality.

3. Discussion of Legal and Operational Implications

The findings illustrate a sophisticated use of contractual agreements to manage liability, consistent with the principles of Indonesian contract law (*wanprestasi*). For damaged goods, Aramex strategically frames inadequate packing as a breach of the shipper's responsibility, thus legally deflecting the compensation claim. The *disclaimer letter* acts as a powerful contractual tool to reinforce this position. For lost goods, the company acknowledges its own breach but cleverly uses its terms of service to cap its financial liability, a common practice in the logistics industry. This dual framework allows Aramex to manage financial exposure while providing avenues for customer restitution, creating a legally robust and operationally flexible risk management system. However, this limitation also creates a potential imbalance

for customers, particularly when the declared value of the goods exceeds the standard liability limit and the customer does not fully understand the consequences of not purchasing insurance.

CONCLUSION

PT Global Distribution Alliance (Aramex Indonesia) employs a systematic and layered liability mechanism that is fundamentally centered on determining initial negligence. The company's response is distinctly different for damage versus loss: liability for damage is primarily attributed to the shipper's packaging quality, thus negating financial compensation, while liability for loss due to internal error is accepted but contractually limited. The company's risk minimization strategies are proactive and comprehensive, focusing on upstream operational controls, providing customer-centric solutions like insurance and repacking, and continuous evaluation of performance and partners.

From a managerial perspective, this study implies that while the existing mechanism is robust, its effectiveness could be enhanced through greater formalization. It is recommended that the company prioritizes the formal implementation of Standard Operating Procedures (SOPs) for both claim handling and risk mitigation. This should be supported by structured training programs for operational and customer service staff to ensure consistent execution and reduce human error. Furthermore, establishing a clear supervisory framework to monitor key performance indicators (KPIs)—such as claim resolution time and incident rates—is crucial for long-term quality assurance and continuous improvement.

This study was conducted as a single-case study. Therefore, future research could expand upon these findings by conducting comparative studies across multiple international logistics companies in Indonesia to assess variations in liability frameworks. Additionally, a quantitative study could be undertaken to measure the statistical impact of specific risk mitigation strategies—such as customer education or proactive packaging inspection—on the frequency of damage and loss incidents.

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