

FIATA REVIEW



Magazine of the International Federation of Freight Forwarders Associations

Looking back with joy on FWC 2019



A PERFECT STORM

Coping with challenges
in the air cargo business

ROLE OF CUSTOMS

From simple checks
to enabling trade

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YIFFY Award winner
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Singers and performers during the opening ceremony in Cape Town's CTICC on 2nd October 2019.

Photo: FIATA



the global voice of freight logistics

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The International Federation of Freight Forwarders Associations (FIATA), with the Korea International Freight Forwarders Association (KIFFA), is pleased to announce that the FIATA World Congress 2020 will take place in Busan, Republic of Korea from 19 to 24 October 2020.

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National Logistics Industry

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Dear FIATA members, colleagues and friends.

It is with great pleasure and a sense of humility that I write this editorial to you after my election as President of your association at the General Meeting in Cape Town on 5th October 2019. I thank you for placing your trust in me and the new Presidency team to guide FIATA over the next two years. It is a privilege for me to be given the honour and I see it as recognition of the South African Association of Freight Forwarders who have supported my candidacy as FIATA President, the continent of Africa as a whole, South Africa in particular as to its position in world trade and of the FIATA Region Africa Middle East members.

In addressing the future of FIATA as members you will be aware that the Presidency, in conjunction with the Extended Board, has now set a path for the future of FIATA. This process commenced under the Presidency of Babar Badat in which, inter alia, the issues of a new Director General and where FIATA should be domiciled were addressed. I am happy to advise you that from the Resolutions passed at the General Meeting the move of the Secretariat to Geneva was agreed. This will, in the opinion of the Presidency and Extended Board, provide for a better interface with the governmental and non-governmental trade-related bodies, including the World Trade Organisation, International Trade Centre, various organs of the United Nations as well as the International Air Transport Association. In essence FIATA has moved from a banking to a trade-related centre in Switzerland, and this gives better representation of service providers in international trade logistics and supply chain management.

To fulfil this FIATA objective, after an exhaustive and wide-ranging selection process, Dr. Stephane Graber was appointed to the role of Director General and will take up the position in January 2020. We look forward to Stephane, with the new Secretariat, elevating the

relevance of FIATA with the trade bodies in Geneva and refocusing FIATA's deliverables for Association as well as for Individual Members.

While the future in trade and the economy is challenging FIATA must change so as to maintain its relevance to its Members and external parties. As the international trade processes change so must FIATA become nimble and dexterous with technical expertise support from Member Associations. The existing trade tensions, while not a new phenomenon, have not been seen at the present level in the business life of most readers. International trade and economic performance still remain in the grip of the 2008 financial crisis and FIATA must take on this challenge to guide and support its Members. To this end the General Meeting Resolution to merge the Advisory Body Vocational Training and the FIATA Logistics Academy into the FIATA Logistics Institute to provide an integrated and vertical response on training and skills development for the international freight forwarding community shows this commitment.

Those of you who attended the FIATA Congress in Cape Town will certainly have enjoyed an event that provided a showcase for FIATA, SAAFF and South Africa. The various Institutes, Advisory Bodies, Regional Committees and Working Groups provided opportunities for technical experts, members of the international freight forwarding community, and international and regional governmental and non-governmental organisations to share knowledge. There was a lot of significant interaction between speakers and delegates on a range of topics impacting international and regional economies.

As in past years there were four outstanding young professionals vying to become the 2019 Young International Freight Forwarder; their stories are referenced in this FIATA review. This initiative forms



part of FIATA's commitment to the next generation of international freight forwarders and we welcome their participation in the FIATA community. Attracting the next generation is a high priority for me and, in my time as President, I will seek to ensure that FIATA secures its future with this new and vibrant group whose technical capability will meet the future demands of the international freight forwarding community. Key to the next generation participating is clearly the role of Association Members in bringing this younger generation into international fora.

The strength of FIATA rests with you as its Members and while we may have in place a committed strategic team in the Presidency, Extended Board and Secretariat, the resolve and relevance of FIATA is driven by your active participation. In my period in office I will work to ensure that FIATA is inclusive for all its Members and where input is respected at all levels.

I look forward to working with you over the years ahead and to your support and contributions to FIATA.

*Yours,
Basil L. S. Pietersen
FIATA President*

THE FWC 2019 AND THE FIATA BODIES' SESSIONS

On a mission to modernise and to change the industry



Photos: FIATA

The FWC 2019 **opening ceremony** in Cape Town took us on a journey into the African world.

Since a definite path to the future is maybe more blurred in today's world than ever before, the need to adapt to disruptions and to manage change has become inevitable. Many a speaker in the CTICC in Cape Town pointed to the impact of new technologies – to the risks, but much more to the opportunities.

A number of questions for freight forwarders were raised in the course of the first day of the event. How do we see ourselves today as a part of the supply chain? Moreover, how can the freight forwarder facilitate the flow of goods even

more, in order to improve his services and do a better job for the customer? The industry needs to supply shippers with the economic benefit they truly deserve, so they can enhance their activities in international markets.

AIRFREIGHT INSTITUTE (AFI)

The 101st AFI meeting was opened by AFI Chairman Mr. Keshav Tanna, who welcomed delegates to this special session, which was entitled **Air Cargo – On a Mission to Modernise!**

Mr. Tanna explained that the air-freight sector is facing a perfect storm. Digital technology is not just the future, in fact it is the new norm and it is here to stay. All businesses in air cargo are facing disruptions that are rapidly changing

the way we do business. Delegates were then informed that AFI had invited three eminent speakers on a variety of topics that are all linked to the title subject.

THE FUTURE OF AIR CARGO

The first speaker was Dr. Florian Klein, Head of the Centre for the Long View, Deloitte Consulting GmbH, Germany. Dr. Klein is an adviser, corporate strategist and futures thinker. He is expert in facilitating the creation of robust strategies today, considering an uncertain tomorrow.

Dr. Klein gave a presentation on ‘The Future of Air Cargo – How to perceive, manage and monitor volatility and uncertainty around the airfreight sector’.

He explained that in the past, the future was more foreseeable but today, trade patterns are totally unpredictable, and in addition to competitive pressures from within the industry, there are also other industries, including 3D printing, which could be a substitute for air cargo in some instances.

Customers’ changing requirements and the way technology is used for business transactions are also having a big impact on the segment.

Dr. Klein went on to address future operating models and the difficulties of working with forecasts when there are technical disruptions and other outside influences, such as global politics. He explained that instead of the traditional forecasting methods, the solution is to go for ‘scenario thinking’, which is basically storytelling.

In these scenarios it is possible to consider what the future may look like, and they provide the freedom to describe very different, divergent futures, even those that we do not like. He went on to explain the three steps of scenario planning, and then answered questions from the attentive audience.

THE AIRFREIGHT FORWARDER’S LIABILITIES

Mr. Tanna continued by introducing the next speaker – Mr. William Fullard, Founding Partner of Fullard Mayer Morrison Inc., Johannesburg, South Africa.

Mr. Fullard has built up a substantial commercial litigation practice with a special focus on the area of transport and freight forwarding. His presentation was about the liabilities of an Air Freight Forwarder arising out of the Air Waybill, and focused on the international carriage of cargo by air, not domestic carriage.

Mr. Tanna explained that AFI was aware that there was a lack of knowledge on these documents and the associated liabilities. These documents are issued every day and although it is quite a basic subject, it is worthwhile ensuring that all members are aware of their liabilities.

The presentation explained the functions of an Air Waybill and the IATA Air Waybill conditions of contract in the context of the Warsaw and Montreal Conventions. Mr. Fullard continued by explaining the contractual differences when a direct Air Waybill is used and a forwarder acts as the agent of the shipper, compared to when a Master Air Waybill is cut and the forwarder acts as the shipper itself.

The subject stimulated some interesting questions from delegates,

including one about Letter of Credit shipments consigned to a bank, and whether Airlines should ask for release from the bank before they deliver the goods? Mr. Fullard explained that the AWB is not a document of title and the airline has no obligation to present an original AWB.

REMOTELY-PILOTED AIRCRAFT SYSTEMS (RPAS)

The final guest speaker was Captain Eric Mataba, an Airline Pilot and Flight Instructor who has amassed vast experience in various fields in aviation. He has spent the last ten years with the South African Civil Aviation Authority (SACAA), and is part of an International Working Group on Specific Operations Risk Assessment (SORA) which is part of the Joint Authorities for Rulemaking of Unmanned Systems (JARUS).

Captain Mataba gave a very interesting presentation about RPAS, which are commonly known as drones. He explained the different types of RPAS and their capabilities, and provided an overview of the objectives of the CAA, and how to prevent the danger of negligent use. This included the regulatory hierarchy, risk as-

The FWC 2019 in Cape Town was also meant to be **a great leap forward** for freight forwarders in South Africa.



assessment criteria and the application of regulations. A variety of questions on Air Space Management in connection with RPAS were asked, as this seems to be the biggest challenge to overcome for commercial operators.

All presentations made to AFI are available on the FIATA website.

Mr. Tanna thanked the three guest speakers and the meeting continued with updates by AFI members.

IATA-FIATA AIR CARGO PROGRAMME (IFACP)

Ms. Joana Nunes, IFACP Governance Manager, provided members with an overview of the IFACP, including its history and current status. Delegates heard that there was a legal meeting in September 2019, and it is envisaged to have an IFGB meeting towards the end of the year to decide whether it is possible to move forward with the programme.

It is hoped that some accommodation between carriers and forwarders can be reached regarding the terms of the agreement, which should be satisfactory to larger companies as well to SMEs. The roll-out of the programme in Canada would then be recommenced next year and a phased implementation in other areas would follow.

ICAO – UPDATE

Mr. Bill Gottlieb, FIATA Past President, explained that since 2012 FIATA has been collaborating with ICAO in the ICAO-FIATA Dangerous Goods by Air Training Programme. A memorandum of understanding is being finalised; it will be signed with the ICAO Director General in the coming months, to expand ICAO and FIATA collaboration. Furthermore, AFI was invited to ICAO's Air Transport Symposium in Incheon, Republic of South Korea, in May, where participants addressed 'Liberalisation of Air Cargo – Regional and Global Approaches'.

GACAG – UPDATE

Mr. Gottlieb acknowledged the attendance of Mr. Glyn Hughes, IATA Global Head of Cargo and a GACAG Steering



A warm welcome from **Lynette Ntuli**, the moderator of the event.

Group Committee member, on behalf of IATA. This group was established in 2011, following a terrorism incident that required the industry to react quickly, together with the regulators.

The group is currently chaired by the Global Shippers Forum (GSF) along with the other members, namely The International Air Cargo Association (TIACA), the International Air Transport Association (IATA) and FIATA. GACAG continues to act as an umbrella organisation, addressing international regulators on global issues impacting the air cargo industry in an effective and concerted manner. Mr. Gottlieb informed his audience of the composition and the mission and the Key Issues 2019.

CUSTOMS AFFAIRS INSTITUTE (CAI)

The Chair of the Customs Affairs Institute (CAI), Mr. Steve Parker welcomed over 250 delegates to the meeting.

The first speaker was Dr. Oliver Peltzer,

Arnecke Sibeth Dabelstein, Partner and Head Practice Group Transport, Aviation, Logistics, and International Chamber of Commerce, (ICC) Vice Chairman Customs and Trade Facilitation. He delivered a remarkable presentation on **SUSTAINABLE FREIGHT TRANSPORT THROUGH CONNECTIVITY IN CUSTOMS AND TRADE.**

Delegates were able to note that with connected, traceable, secure and trusted technology solutions, reliable harmonised and simplified border processes may well be created. It needs a common approach of all parties to identify the new rights and responsibilities of importers, exporters, foreign and domestic manufacturers, customs administrations, border agencies and transport/logistics companies.

After indicating the problems, which he called 'the chokepoints', Dr. Peltzer recommended possible solutions to the delegates, the relevant connections that need to be achieved, and what has to be done to overcome them. He urged delegates to acquaint themselves with the Trade Facilitation Agreement (TFA) of the World Trade Organisation (WTO)



Where to invest in Africa was disclosed by **Celeste Fauconnier**.

and suggested they promote this and other facilitation enablers in their countries.

The next CAI speaker was a man from the front, as the CAI Chair announced; the South African Revenue Service (SARS) Acting Chief Officer for Customs and Excise, Mr. Beyers Theron. His presentation was entitled **CONNECTIVITY IN CUSTOMS AND TRADE**.

He shared his and SARS' opinion of what is most important about the Interconnectivity of Customs and Trade. It is to understand that we are in a rapidly-changing environment. Throughout the years of his career, Mr. Theron explained, there were periods when significant things happened in the world of trade that fundamentally changed things. One of these was 9/11, which was the birth of the WCO SAFE Framework of Standards. One may also look at the WTO TFA, but if looking at the world in terms of the requirements of trade and its connectiveness, he felt that we are at a verge of a major shift in how we do business. That means that, from a customs perspective, we cannot look at ourselves as regulators anymore. We must look at ourselves as

economic role-players.

How do we see ourselves as a part of the supply chain? Moreover, how do we facilitate what we need to do in that context? If you want to achieve that as a Customs Administration (CA), it does mean that you have to be data-driven. If you want effective administration, for example, then a single window is not much use if the data is not good. It is important to understand this context, it enables a CA to become an intelligence-driven CA.

Mr. Theron shared with delegates what SARS has done, where it is and what it has to consider, going forward. The bottom line is what economic impact the CA makes and how it supplies traders with the economic benefit they truly deserve, so that they can step into international markets.

Delegates used both the direct way of asking questions and the SLIDO.com system, that enables them to ask questions via a web application. The speaker dealt with a variety of questions throughout the meeting. The presentations are available on FIATA's website.

As well, this time the **British Chair** did

not wanted to miss the opportunity to speak about **BREXIT**.

He asked the meeting:

"If you think the UK should stay in the EU, would you please stand up?"

Many participants did.

He continued: "If I was to ask this question in the UK, in a room of this size, and I've done it many times, it would be much more difficult to count those who want to leave and those who want to remain.

That is how divided the people of the UK are.

Whether we like it or not, it is the democratic way, in which life has driven us to where we are. There are families that have split up over this issue."

There are many BREXIT policies and he explained why he showed only one slide for that topic – because if he had prepared any more slides the previous day, they would already be outdated by the next day. Moreover, if it they had been prepared last week they would already be historic.

He shared his perception with the meeting of the impact on trade from around the world, based on the assumption that the UK will leave the EU on 31st October without any deal.

Last but not least, the Chair delivered a report on CAI Matters.

The Chair explained that FIATA, in his opinion quite wisely – and the Presidency also owns credit for this – employs somebody through CLECAT that sits at the World Customs Organisation (WCO). The WCO is the body that holds customs activities together, the body that tries to send guidance to the different customs authorities. What he liked; they do try to give consistency and standard processes across the globe. Such as the SAFE Framework of Standards mentioned earlier by Mr. Theron.

The Chair provided commentary to delegates on matters that remain works in progress, most of which are centred on FIATA's representation. He referenced for delegate's attention the work done in CAI since the last CAI meeting in March 2019 at FIATA Headquarters Meetings.

• WCO E-Commerce Package

- Harmonised System (HS) Review
- SAFE Framework 2021 Review Cycle
- Performance Measurement
- Private Sector Consultative Group (PSCG)

The Chair also provided further insights for the delegates into the

- Revised Kyoto Convention (RKC) Review

“It is not always directly noticeable in daily practice, but it is comparable to the foundations of a house.”

He described the RKC as essential and successful.

MULTIMODAL TRANSPORT INSTITUTE (MTI)

Under the title ‘The CTU Code and container safety on Road, Rail and Sea’, this year’s Multimodal Transport Institute (MTI) session was filled with interesting presentations and knowledgeable speakers who offered the audience one of the most attention-grabbing sessions MTI has ever had.

Robert Keen, Chairman of the MTI from the United Kingdom, did a great job on picking up the speakers and keeping the dynamic of the session going, and ensuring some thought-provoking moments.

The first half of the session was dedicated, as is usually the case, to the annual report of the activities developed by the three MTI Working Groups – Road, Rail and Sea.

Mr. Tomas Suhanyi, Chairman of the Working Group Road, made a very complete summary of the most important topics under discussion on the Working Group Road – many of them Europe-related, given the presence of CLECAT in the meetings, but also because most of the delegates currently attending the meetings come from Europe. He urged the delegates worldwide to be more participative towards this WG and welcomed any delegates who

would like to join the Working Group Road. In short, topics such as the EU mobility package, Land Transport Security, Safe and Secure Truck Parking Areas (SSTPA), Digitalisation, Brexit, EU political changes were reported on, but one can say that the most important overall message of this report was the invitation for non-European members to join the working group.

Dr. Ivan Petrov, Chairman of the Working Group Rail, was the next on stage to let the audience know about the very many initiatives the Working Group Rail is involved in. The meeting between FIATA/CIT and China Merchants, about document issues for international rail transport – Eurasian rail bridge, held in March between FIATA, CIT and China Merchants to discuss the current situation regarding the documents used for international rail transport – Euroasian rail bridge, was highlighted, because FIATA is keeping a very active voice defending the use of the existing FIATA Multimodal Bill of Lading in international railway transport.

Other events, such as the Market Place Seminar, in Munich, and the CIM/SMGS Legal and Experts Working Group in Bern, Switzerland, were also explained in detail, but the true high point was on the 52nd session of UNCITRAL, held in Vienna, Austria, on 17th July 2019, where Dr. Ivan Petrov, representing FIATA made a statement supporting the effort of the Government of the People’s Republic of China and other UNCITRAL member countries to promote rail freight and to facilitate trade financing and boost international transport and trade. He suggested that UNCITRAL consider issuing guidelines regarding the combined use of a multimodal bill of lading and non-negotiable transport documents that would further the work already done by UNCITRAL in issuing the Rotterdam Rules and the Model Rules for Electronic Transferable records, both of which cover the use of negotiable transport documents of title.

The participation of the WG Rail in other events where rail business opportunities were discussed was also re-

ported, and finally the OSJD/FIATA learning programme aiming to deliver in-depth theoretical as well as practical knowledge on rail freight was again introduced and updated.

Mr. Jens Roemer, Chairman of the Working Group Sea, was then given the floor, to offer the audience a deep insight into the working group’s activities. He started by reiterating the urgent need for digitalisation, and on this topic he recalled the presentation he made two year ago in Kuala Lumpur. Considering nothing has been presented so far, he urged FIATA to relaunch the idea.

Subjects such as the FMC – demurrage/detention notice of proposed rulemaking, IMO 2020 – Sulphur Cap, Surcharges, Dangerous Goods Misdeclaration charges, were all addressed in a presentation that highlighted FIATA’s demands on these as well as on other topics.

The second part of the MTI session was more focused on the session title itself and the speakers were then able to offer the audience some really stimulating ideas and useful information on the CTU Code and container safety.

Captain Richard Brough, Technical Adviser of the International Cargo Handling Coordination Association; Mr. Rainier Strauss, Underwriting Manager of the Lombard Insurance Company; and Mr. Michael Yarwood, Senior Loss Prevention Executive at TT Club; addressed the concerns raised on the handling and packing of cargo transport units for transportation by sea and land. The CTU Code is intended to assist the industry, employers’ and workers’ organisations as well as governments in ensuring the safe stowage of cargo in containers. The inputs received from these experienced speakers certainly represented an added value for all the delegates present.

All of these presentations are available on FIATA’s website and we encourage everyone to have a look.

We look forward to seeing you all at the FIATA Headquarters’ Session on 26th March 2020 in Zurich.

ADVISORY BODY INTERNATIONAL AFFAIRS (ABIA)

The Advisory Body International Affairs (ABIA) held its annual World Congress meeting with vibrant participants in attendance to hear about the body's work over the past five months, and also to highlight a new and emerging topic that typically goes overlooked in our industry. FIATA members received a first-hand look at how modern slavery is impacting local economies and how the supply chain industry is contributing to this practice. With very limited time at the end of the day, the meeting jumped straight into the panel session.

ABIA Chairman Mr. Paul Golland was quick to introduce the first panel speaker, Ms. Katie Modrau, South Africa's head of A21, who gave an overview of modern slavery. This a topic that FIATA had not covered in the past and therefore there was a need to start from zero. Ms. Modrau introduced the topic by highlighting some of the key victims in modern slavery, namely those who are uneducated, unemployed, impoverished or live in war-torn countries. Recruitment methods include offering false opportunities and leading fake relationships, debt repayment – and some slaves are even sold by their own families. The key ingredient to modern slavery lies in instill-

ing fear through the use of physical violence and psychological tactics. Much of the trafficking involves the crossing of borders and as trade is facilitated across borders it is cross-border trafficking.

Following an introduction into human trafficking, the chair called on Mr. Frazer Hunt, General Counsel at Mills Oakley, to give an overview of the legal acts that are being developed to help prevent modern slavery. He advised of the modern slavery acts that are being enacted into law in various countries, which aim to reduce modern slavery risks in goods transport and services and increase information for consumers, investors and business partners. In Australia, organisations with an annual turnover of more than USD 100 million will be subject to reporting requirements. Entities must prepare annual Modern Slavery Statements and published their supply chain practices on an official online register for consumer to access. The first modern slavery statements would be due on 31st December 2020. Further regulation is being enacted in France, the USA and the UK, to help abolish modern slavery practices, working together with the private sector, with more legislation being discussed by various governments.

To complement both presentations the ABIA Chair introduced Ms. Narit Gessler, Director of Development, Free the Slaves.

She highlighted the fact that slavery generates USD 150 billion for traffickers every year. 50% of the victims are enslaved to forced labour, 71% are women and 25% are children and youths under the age of 18. The forwarding and supply chain industry contributes to modern slavery, as they transport the goods produced by those enslaved to businesses and end consumers. The fault, however, is not in the logistics providers, as they are unaware of their clients' detailed business practices or the business practices of their client's clients, who produce the goods they are transporting. France is leading the next level of reporting, by forcing companies to investigate and do something about their supply chains. The next steps will be focused on liability. Who will be responsible for any harm done to workers? Suppliers will soon need to certify products to ensure they do not violate any human trafficking or labour laws. She advocated that transparency leads to accountability, which leads to liability, and all stakeholders, from producers to logistics providers to end consumers, are all part of a system that currently supports modern slavery.

Ensuing all three engaging presentations, Chairman Mr. Golland opened the floor for questions that covered a range of queries from changing regulations to help combat slavery to the actions private sector logistics providers can take to ensure they are compliant with upcoming regulations. As time ran, Mr. Golland announced the closing of the meeting, giving details of the next meeting that would be held at the 2020 FIATA HQ Session in Zurich in March.

ADVISORY BODY INFORMATION TECHNOLOGY (ABIT)

The topic of information technology is of immense importance within FIATA, and the body has grown and reshaped itself to meet the demands of FIATA members. At our annual 2019 FIATA World Congress, the Advisory Body Information Technology (ABIT) chair



The MTI session gave a **deep insight into the working groups' activities.**

Ms. Anne Sandretto advised members that the body would focus on practical projects, starting with recent works and development of the electronic FIATA Bill of Lading (eFBL), and also continue to showcase a diverse panel of experts at various meetings to discuss the future of IT development in the logistics sector.

Ms. Sandretto started the discussion by updating members on the recent development of the eFBL. She advised that FIATA worked with an IT supplier called essDOCS to conduct five pilots with five Association Members (France, Vietnam, Romania, Netherlands and South Africa) whereby we onboarded a freight forwarding member to execute an FBL on the digital platform. The pilot revealed the key requirements needed to move forward in developing a fully-fledged solution and FIATA was now investigating the next steps.

Turning to the panel discussion, which focused on emerging technologies in emerging markets, the ABIT chair handed the floor to Mr. David Philips, CEO of Freight System, to lead discussion and moderate an exciting panel. Mr. Philips invited Ms. Kagure Wamunyu, CEO Africa, Kobo360, to help outline the growth of marketplaces in connecting shippers and logistics providers. She advised her audience that Kobo360 is a marketplace that connects cargo owners with truck drivers across the pan-African market. She advised the aim of such marketplaces, like Kobo360, was to enhance visibility and reliability, deal with a single transporter, and guarantee full delivery of cargo with cargo insured and access to daily supply of trips waiting to be completed. Marketplaces will also help grow economies as in the case of Kobo360, which provides truck financing partnering with banks and truck assemblers to help create jobs. She encouraged delegates to view marketplaces as an operating system, whereby each stakeholder engaging with that marketplace speaks a common language within a common environment.

Keeping on the theme of operating systems, Mr. Nachi Mendelow, Vice President for Business Development

Africa, WiseTech Global, was invited to highlight the future technologies with rising competition from blockchain platforms and brokerage marketplaces. Mr. Mendelow examined the growing interconnectedness between the physical and digital world. He advised his audience about how such connectedness would lead us into an age of transparency and efficiency, which is especially true for the logistics industry. Such a bridge would provide a gateway for enhanced tracking techniques, facilitated clearance and seamless booking. As technology continues to develop through smaller chips, increased computing power and improved machine learning, our industry would find a new purpose, providing value-added services never thought of before.

Wrapping up the panellists was Mr. Svilen Ragelov, CEO, Dronamics. Mr. Ragelov highlighted the challenges of transport, specifically road haulage, in emerging markets. Building roads is a costly endeavour and he asked whether this was the most efficient use of government funds. He pointed to the skies where space was relatively empty and underutilised. His solution advocated autonomous drone to reduce the need for public sector to invest in road transport. He showcased a prototype drone used for testing with the fully-fledged model to be developed in 2020. He looked to revamp the way air transport was conducted, skipping certain stops along the supply chain, such as a hub or even an airport. He highlighted the need for same-day delivery, especially as the rise of e-commerce platforms, such as Amazon, have pushed up the standards expected by end consumers. The way Amazon was looking to meet that standard is not through traditional forms of transport.

Closing the session, the Chair commended the panellists for their contributions and their work in the area of IT logistics. She advised that FIATA would remain on top of the ongoing technological developments and continue to advise members accordingly on projects internally and externally.

ABLM

1. Contract management for freight forwarders – reduce risks before problems emerge

- Ms. Alison Wixley
- Mr. William Fullard
- Mr. Paul Cheetham

Mr. Paul Cheetham, Managing Director of Freitan, emphasised the importance of paying close attention to the terms and conditions sent by contractors, and of revising clauses unfavourable to freight forwarders. He chose some typical clauses he encountered in working with subcontractors and provided advice on revision of such clauses accordingly.

- “The company employs subcontractors or agents for the rendering of the transport services. Appointment of such subcontractors shall be at the company’s sole discretion.” Revise to provide that subcontracting can be done with prior written consent of the freight forwarder.
- “Time shall not be of the essence in the rendering of services under this agreement.” Revise to provide that time will be of the essence.
- “The company shall not in any circumstances be liable for any loss of or damage to goods or for delay, non-delivery or mis-delivery, whether on grounds of breach of contract or negligence.” Delete or amend such clause.
- “The company reserves the right in its sole discretion to vary or amend these terms and conditions from time to time and any such amended or varied terms and conditions shall be binding on the customer.” Revise to provide that revision of the contract is only possible as and when the freight forwarder agrees to do so in writing.
- “All overdue amounts shall be subject to interest charged at the maximum rate permitted by law.” Revise to “charged at prime.”

Ms. Alison Wixley, Head of Legal and Risk with Bidvest Freight, focused her presentation on the risk factors to be looked into in contracts with clients. She noted that for the company to have an overview



The need to change was pointed out by **Captain Richard Brough**, ICHCA.

of the contract terms and the liabilities it has entered into, it was important that there be specialised personnel within the company, lawyer or not, to have centralised control of the negotiations, signature and implementation of the contracts.

In terms of credit risks, Ms. Wixley advised her audience that before giving extended credit terms to a client, the credit rating of the client should be carefully evaluated. Set-off clauses should be deleted or restricted so that only the agreed amount could be set off. Lien over the goods or documents could be a powerful tool for freight forwarders. For duties and taxes, they should be paid by clients and ideally changes in third-party charges beyond control of forwarders should also be borne by clients.

In terms of liability risks, when a freight forwarder acts as an agent in the shipment it is important to regulate such role clearly in the contract; the client and the forwarder's liability should be based on negligence. Indirect and consequential losses should be excluded from the liability and there should be a monetary value to the limitation of liability. Reputational risks or compliance risks nowadays may relate to anti-corruption and anti-competition measures, data protection and sanctions, which should also be considered within the contracts.

Mr. William Fullard, Director of Fullard Mayer Morrison, noticed that many freight forwarders would incorporate the standard trading conditions (STC) formulated by as-

sociation members of FIATA into their own contracts. It is worth

noting that simply referring to the STC in correspondences and e-mails is not enough to incorporate the STC into contracts. Forwarders should not assume that when clients agree to pay in advance there is no need to sign a contract, as this only represents the management of financial risks but not of liability risks.

Mr. Fullard reminded his audience that when the shipment was under urgent schedule to move before a contract could be signed, forwarders should at least request the client to sign a shipping instruction, with the STC incorporated in writing. It is also critical to note that insurance is not a substitute for STC, as the insurance may not cover all liabilities assumed by the forwarder.

Q1. What would you do if you fail to delete certain terms and conditions in the contract, even though you know it could be a risk?

Mr. Cheetham: Liabilities related to such terms can be solved by the insurance, if the insurer is willing to cover these liabilities. If the insurer is unwilling to do so, then the freight forwarder should go back the client or to the subcontractor and try to have fair and reasonable clauses.

Mr. Fullard: Many liability insurance policies are based on the premise that forwarders will incorporate the standard trading conditions and no deletion or variation of the STC can be done without the approval of insurers.

Q2. If a quotation incorporates the STC, does that work? How to make sure that the client knows what he is signing and cannot claim that he never actually saw the STC?

Mr. Fullard: Whether it is sufficient to incorporate the STC by referring to them in the quotation might be different in different jurisdictions, but in South Africa it is quite acceptable.

Mr. Michael Brown from the USA: You must be advised that the clients are reminded of the STCs as often as possible. For instance, in quotations and e-mail exchanges, the STC can be mentioned, with a hyperlink leading to the full content.

Q3. Does the South African association SAAFF have standard trading conditions that the members can use?

Mr. Fullard: Yes, and the conditions were updated last year.

Q4. I heard years ago there was a collide between SAAFF STC and competition law. Is this the case?

Mr. Fullard: The South Africa Anti-Competition Act contains several prohibitions, one of which refers to fixing trading conditions. Trading conditions, however, mainly refer to price-fixing, not to industry-standard trading conditions.

Q5. The logistics industry is asked for trade finance by some clients. Do you link the SOP, STC or the credit risk into one contract or separately?

Ms. Wixley: Forwarders encounter various documents and contracts in their business and it is important to have different documents as they deal with different subject matters. On the other hand, it is good to have a framework agreement to bind all these documents together and regulate which one takes precedence in case of conflict.

Mr. Fullard: When freight forwarders provide trade finance to clients, freight forwarders turn into lenders and are therefore advised to use a different contract instead of STC, which only regulate the logistic services.





ABLM BEST PRACTICE: PREVENTION OF BRIBERY

Mr. Gluck started by saying that this topic of best practice originated in the ABLM Session at HQ in 2018, where many delegates requested guidelines on this aspect. The newly-published 'Best Practice Guide on Prevention of Bribery in the International Logistics and Freight Forwarding Industry' is available on the FIATA website fiata.com – Media – Documents for download at <https://fiata.com/media/documents-for-download.html>.

UPDATE OF FIATA MODEL RULES ON INTERNATIONAL FREIGHT FORWARDING SERVICES

Deputy Chairman Mr. Yuntao Yang started by saying that the FIATA Model Rules 1996 were usually used by freight forwarding associations and enterprises as a benchmark to draught their own standard trading conditions or service agreements. In the past 20 years the business landscape and legal framework of the international freight forwarding and logistics industry has undergone substantial changes. ABLM established a Revision Committee to revise these rules to reflect such changes.

Articles on the definition of 'in writing', the definition of 'valuables', forwarder's responsibility to inform clients before choosing or substituting the means or routes of transport, as well as exceptions for a forwarder's liability were updated. Clauses on data protection, electronic transport document and VGM were also discussed, but not included in the update yet; they may be taken into the Rules in due course. The updated FIATA Model Rules and explanatory notes for this update are available at <https://fiata.com/media/documents-for-download.html>.

USE OF THE FBL AS A MULTI- MODAL TRANSPORT DOCU- MENT AND FOR TRADE FINANCING

Mr. Gluck reported on other initiatives he had been involved in as the Chairman of the ABLM. The negotiable FIATA Multimodal Transport Bill of Lading (FBL or FMTBL) has been primarily used as a document for maritime or road transport. However, there is

a growing need now for it to be used in multimodal transport. Various enquiries have been received on whether FBL can be used for railway transport or for trade financing, such as letter of credit transactions, including an enquiry from the government of China. FIATA delegates attended the UNCITRAL meeting in Vienna to introduce the use of the FBL and will join a symposium hosted in China by UNCITRAL to further promote the usage of the FBL.

APPOINTMENT OF A NEW ABLM CHAIRMAN AND NEW ABLM MEMBERS

Mr. Gluck informed his audience that this was his last meeting as ABLM Chairman. He thanked FIATA members and colleagues, ABLM members, Dr. Yang and Ms. Song for their friendship and support during his term. One of Mr. Gluck's original visions for the ABLM was to be responsive to the needs of FIATA's members. With this in mind, ABLM has covered a series of topics FIATA's members requested, such as prevention of cyber-crime and bribery, anti-competition, contract management, etc. Being responsive to the needs of other bodies in FIATA and the delegates attending FIATA events were also critical for the ABLM.

The ABLM has also been working on bringing younger generations into the membership. Ms. Ana Camacho from Portugal and Mr. Niels Beuck from Germany have been nominated and approved to join ABLM as Members. The work, however, was not yet completed and Mr. Gluck encouraged delegates interested in the work of ABLM to join the team.

ADVISORY BODY SAFETY SECURITY (ABSS)

The Advisory Body Safety Security (ABSS) presented an in-depth agenda at this year's 2019 FIATA World Congress Session, focusing specifically on freight security in South Africa, which synced perfectly with



Drones flew at FWC 2019 too, as **Sam Twala** explained the opportunities they offer.

the congress theme of 'Where Security Technology meets Logistics Security'.

The first panellist, Mr. Lourens Smith, General Manager Secure Cargo Handling, G4S Aviation, examined the risk of freight in South Africa, focusing on the route between Durban and Johannesburg, and also around Johannesburg itself. He addressed the matter of how modern technology could be used to help prevent theft and attacks. He started with a real-life video of a specific car and driver escorting a cargo movement to Johannesburg who was shot, at point blank range, by thieves using an AK47 assault rifle. His video left a sombre and realistic mood among the delegates. He advised them that G4S does provide secure ground transportation, utilising an armoured fleet, and can also arrange for a reputable trucking company to move the goods under a G4S Tactical Unit escort. He also highlighted the use of air surveillance and air support as options when transporting high-value shipments. There were also options available to traders, but the challenge was when and where to take these options. On which routes was it optimal to add additional safety precautions that could help retrieve cargo or even remove the risk of theft?

Following Mr. Smith, the second panellist, Mr. Albertus van Zyl, Managing Director, UAV Aerial Works, addressed the matter of how drone technology could be used for aerial support, providing an additional layer of security from the sky. He advised participants that aerial surveillance technology has been proven globally to be one of the most effective ways of protecting people as well



ADVISORY BODY VOCATIONAL TRAINING (ABVT)

1. UPSKILL YOUR HUMAN RESOURCES FOR THE 4TH INDUSTRIAL REVOLUTION

Mr. Barry Vorster of PwC started his presentation by reminding the delegates that the 4th industrial revolution was not something yet to come, it was happening. In the past years, the value of non-asset-owning companies like Uber and Airbnb is speeding asset-owning companies, which require the logistics industry to rethink how they should adapt to such change. Among the new technologies drones, the Internet of Things and 3D printing specifically will have a strong impact on the logistic industry.

A survey conducted among CEOs showed that they tend to be more negative about the world economy in 2019 compared to 2018. The companies would focus more on growth and on operational efficiency, instead of on scale expansion, which requires a large and well-trained work force. Such trends will need people to have human skills such as leadership and creativity, as well as adaptability to changes. Organisations need to assess their current environment and identify skills gaps and mismatches, build a future-proof skills strategy, lay the cultural foundation, develop and implement upskilling as well as evaluate return on learning investment. PwC launched a project recently to invest in educating its own staff, and Mr. Vorster invited the audience to also act immediately. He concluded his presentation with the remark that “it’s to protect the people, not the jobs.”

Mr. Willem Cilliers of Competency Worx concurred with Mr. Vorster that the world is changing, so organisations and individuals must adapt. A recent research paper from the Harvard Business School and McKinsey showed that USD 359 billion was spent on training in 2016, yet 75% of managers were dissatisfied with training and 70% of employees believed that they did not have the required skills.

as property. Regulations were the greatest barrier to commercialising drones for industry use, however. Technology was progressing fast and has currently reached a status where it can be used in a controlled environment, as long as it is sanctioned by governments. The USA was progressing with a regulatory approval scheme for drone operators, with the FAA leading the way. He suspected that other civil aviation authorities would also have a road map based on the US standard and approval process to operationalise drones.

Following both of these engaging presentations, John Allan, a Cargo Security Consultant with over 20 years of experience, joined the panel, highlighting real-world experiences of cargo theft and of how technology had evolved to meet the growing risks. The ABSS Chairman, Mr. David Fielder, moderated the panel with questions about the feasibility of UAV technology to follow thieves once cargo was hijacked and the cost-efficiency of using security technology.

Before closing the session, Mr. Jean-Claude Delen, FIATA Past President, delivered a speech in recognition of the Chairman, Mr. David Fielder, as this would be David’s last year chairing of the Advisory Body Safety and Security. Mr. Delen thanked Mr. Fielder for his service throughout the past 13 years and encouraged his continued involvement with FIATA.

Mr. Fielder thanked FIATA delegates, ABSS members and all those who have supported the work of the advisory body, especially under his chairmanship. He announced his full support to Mr. Brian Lovell, CEO of the Australian Federation of International Forwarders (AFIF), who would take over as Chairman and lead the ABSS forward.

Most employees nowadays are not offered cost-effective, available-on-demand and objective assessments of their current capacities and the directions in which to develop their expertise. This will hinder the effort to bridge the existing skills gap and therefore organisations should have a proper expertise-management mechanism in place.

UPDATE ON THE FIATA/TT CLUB YOUNG FREIGHT FORWARDER OF THE YEAR AWARD

The Chairman of YIFFYA Steering Group, Mr. Michael Yarwood, said that there were 16 participants for the 2019 Award, and that the overall quality of the dissertations was outstanding this year. The youngest candidate is 21 years old, while the oldest one is 31, with the average age being 28. The YIFFY Award’s social media channels witnessed encouraging growth in the past year, with dedicated webpages from FIATA and TT Club giving useful guidance to associations and individual interested in this Award. The YIFFY Award 2020 Global Winner was announced later – namely Ms. Evgeniya Khokhlova, nominated by the Russian Association of Freight Forwarding and Logistic Organisations.

UPDATE ON THE FIATA FOUNDATION – VOCATIONAL TRAINING (FFVT)

The President of the FIATA Foundation – Vocational Training, Mr. Jean-Claude Delen, reported that in TOT courses in El Salvador, 25 candidates would take advantage of the digital TOT learning courses developed, which also has a Spanish version now, to facilitate their studies. Facilitators from around the world will conduct TOT training in a more interactive way.

The TOT in Uganda was a great success and they plan to validate their training course in March 2020. The association in Mauritius also expressed interest in TOT, but faced difficulty in gathering the minimum number of participants. Neighbouring countries could also consider joining the project.

The Chairman mentioned the following statistics on validations as well as on diplomas issued.

- 15,657 FIATA Diplomas in Freight Forwarding (FDFF) have been issued in the period from 1st January 1996 – 15th September 2019. France, the Islamic Republic of Iran, China and Singapore are in the lead in terms of the number of diplomas issued.
- 581 FDFFs have been issued in the last six months. Vietnam had 133 new graduates, as its FIATA diploma programme was included in the bachelor's degree. Ghana also has 113 graduates.
- 320 FIATA Higher Diplomas in Supply Chain Management (FHDSM) have been issued since 2015.
- 413 Trainer Certificates have been issued since 2011, with Ethiopia having 69 certificates issued and thus taking the lead in this category.

Mr. Sim also introduced the 46th validation session, which was conducted on 29th September 2019, with three associations scheduled for re-validation. A handover of the Validation Certificates followed. ELFA (Estonia) re-validated the FDFF, Sri Lanka (SLFFA) re-validated the FDFF and PIFFA (Pakistan) re-validated the FDFF. 61 programmes in 53 countries have validated the FIATA Diploma in Freight Forwarding at least once.

In his closing remarks, Mr. Thomas Sim announced that this was his last session as ABVT Chairman. He thanked all the FIATA members and his colleagues in the ABVT for their great support, as well as Managers Ms. Verena Schaer and Ms. Angela Song, who have greatly facilitated the work of ABVT.

Vice Chair Ms. Antonella Straulino is also leaving the ABVT and moving into a new role in FIATA, Mr. Sim also conveyed his gratitude to her.

Ms. Straulino expressed her appreciation and gratitude on behalf of the ABVT's members for the substantial contribution that Thomas made for training and education in FIATA over the years.



An essential part of every FWC – networking with old friends, meeting new ones.



The spirit of Cape Town suffused the sessions.

FIATA LOGISTICS ACADEMY (FLA)

The FLA and TRAFFIC, the wildlife trade monitoring network, launched a new digital course called 'The Prevention of Wildlife Trafficking' during the FIATA World Congress 2019. Recognising that wildlife traffickers exploit the interconnected freight sector, the three-hour digital course provides freight forwarders with essential information to detect, respond to, and report instances of wildlife trafficking. The course is available, free of charge through the FIATA Logistics Academy and was developed in partnership with TRAFFIC and with support from USAID through the Wildlife Trafficking Response Assessment and Priority Setting project (Wildlife TRAPS). At the launch event,

TRAFFIC and FIATA also signed a memorandum of understanding to advance awareness and capacity-building efforts for freight forwarders to combat illegal wildlife trade.

"Freight forwarders have the ability to be game-changers in preventing the exploitation of their businesses by wildlife traffickers. Awareness and training are critical and our new digital course will make it easy for forwarders to become part of the solution," said Verena Schaer, of the FIATA Logistics Academy. The course is available free of charge and anyone can register at www.fiatalearning.com.

In addition, the FLA Session featured a Digital Marketing Masterclass. Mr. Dimitrios Politopoulos facilitated a session in which over 20 participants connected via telepresence from more than 15 countries around the world, in

addition to FIATA delegates attending the session in person.

The learning experience was titled 'Online Marketing Strategy – The case of the WCO Academy'. This session specifically catered to freight forwarders and gave them tools and the knowledge needed to develop an online marketing strategy that is able to tackle the challenges, as well as to leverage the opportunities presented. From social media to e-mail marketing and from inbound to content marketing, Dimitrios presented numerous tools and methods and explained which ones apply to which business model. The case of the WCO Academy was used to help learners understand that there is no 'one-size-fits-all.' At the end of the masterclass participants were ready to make marketing decisions that impact the growth of their business.

REGION AFRICA MIDDLE EAST (RAME)

This year, the Region Africa Middle East meeting (RAME) aimed at focusing on a set of key policy topics relevant in the region today. With the new focus came a packed agenda with high-level speakers from Africa and the Middle East. There was a lot of excitement from RAME delegates this year, as their region hosted the congress for the first time since 2011, when RAME delegates participated in the World Congress held in Cairo.

The Chairman, Mr. Basil Pietersen opened the session by welcoming participants to the meeting. Wasting no time, he gave the floor to the Working Group Sea Chairman Mr. Jens Roemer, who advised delegates that the WG had published a best-practice guide focusing on container cash deposits levied by shipping lines. It suggested that such cash guarantees must be reviewed, as they do not meet contemporary business needs and, more importantly, are unreasonable. The report was published on the FIATA website for general availability to all FIATA members. Moving ahead, RAME's Young International Freight Forwarder of the Year

candidate, Mr. Enos Mwale, highlighted his long journey, starting in Zimbabwe and including becoming the regional winner. He spoke of the industry's youthful future and portrayed much optimism towards a sector that has in the past been viewed as unappealing to younger generations.

Moving through the agenda, it was time to give the floor to Mr. Issa Baluch, who would moderate a panel of policy experts specifically focusing on the Continental Free-Trade Area and the Single Air Transport Market, both of which are being led by the African Union.

Mr. Baluch called on Mr. Francis Mangeni, Trade Director at COMESA, to discuss how Regional Economic Communities (RECs) and AFTA support continental integration. Mr. Mangeni told his audience about eight RECs as blocs that were working on fast-tracking regional integration, with the aim that good practices be consolidated continent-wide. He advised delegates that COMESA was a great example, having implemented an open-skies programme since 1999, including the Fifth Freedom, which helped liberalise air transport in East and North Africa. To ensure the efforts remain intact, the COMESA-ECA-SADC Tripartite Committee established a Joint Air Transport Competition Authority. In addition, COMESA introduced a Visa-Relaxation Programme for visa elimination. He closed by citing a recently-published novel, 'Emergent Africa' co-written with the late Calestous Juma and with contributions from FIATA, which outlines the challenges of African development integration and potential solutions.

Following Mr. Mangeni, Mr. Willie Shumba, AfCFTA Senior Expert at the African Union, provided insights into the African Union's agenda on trade. He advised his audience that AfCFTA is a flagship project of the AU blueprint and Masterplan in Agenda 2063, entitled 'The Africa We Want'. By 1st October 2019, 54 countries had signed the Agreement and 27 countries had deposited their instruments of ratification with the AUC as next step. A Leader's Summit held this year decided that AfCFTA will come into effect in July 2020. He

concluded by stating that FIATA is a key cog in the movement of trade and in advancing the AfCFTA. He encouraged the private sector to be more involved in providing feedback, to ensure the agreement details are fully adopted by practitioner.

Mr. Fatih Cigal, Senior VP, Turkish Cargo, concluded the panel. He examined the opportunities of open skies throughout Africa. He informed the delegates that the estimated value of cargo carried by Turkish Cargo from Africa in 2018 was USD 3.4 billion. He highlighted the fact that Africa showed impressive growth rates during the first seven months of 2019, with a 5.3% increase in FTK. Six of the ten fastest-growing economies in 2018 lay in Africa. The main challenges with air transport remain inactive capacity on African routes, which is blocking low-cost trade and costing African countries economic opportunities. He vowed to strive for more collaboration with local African airlines, to create win-win partnerships that would remove bureaucratic barriers and allow African exporters the same competitive advantage to move their cargo as those in other regions.

Before closing the meeting, there were two very strong contenders for next year's 2020 RAME Field Meeting – namely Egypt and Uganda. Both venues were ideal for the next field meeting. In a surprise twist, Uganda conceded to their Egyptian friends and without holding a vote agreed to award them the opportunity to host the RAME 2020 Field Meeting in Egypt. This display of sportsmanship was returned to Uganda when the membership reciprocated by awarding the 2021 RAME Field Meeting to Uganda.

Suspecting that the RAME meeting would not have sufficient time to cover all items requested by RAME members, a separate side meeting was held the following day, to discuss topics pertaining to governance and appointments of RAME delegates to FIATA bodies.

As time ran short, the RAME Chair closed the meeting and thanked all speakers and participants for their contributions. He looked forward to welcoming them all in Zurich, Switzerland for the 2020 FIATA Headquarters' Session in March.

REGION AMERICAS NORTH AND SOUTH (RAMNS)

The Region Americas featured an interactive session at the FIATA World Congress 2019, where Mr. John Edwin Mein, Executive Coordinator, PROCOMEX, gave a presentation on the AEO Regional Agreement. He highlighted the importance of creating forums with the aim of developing solutions. All actors in the logistic chain should be engaged to review relevant processes and issues affecting them. Perhaps his main message was a call for action, a call to build bridges to solve the trust issue that obstructs trade facilitation. He mentioned an example; in PROCOMEX the private sector and government agencies work together to change the risk-management philosophy. AEOs are integrated with other industry agencies and new ideas are developed. He invited FIATA to use these best-practice communication and design-thinking mechanisms to be a leading player in the redesign of trade facilitation – not through a sectorial agenda but creating a platform that catalyses trust and activates change.

Regarding vocational training in the region, we were informed that Mexico held a TOT, sponsored by AMACARGA, and the country is now prepared to accelerate growth of the FIATA Diploma. Latin American countries are getting more interested in capacity building. Chile recently signed an MoU with a university that will now implement the FIATA Diploma in Freight Forwarding training programme. Canada is further developing its educational offering and now includes a training on ethics.

The Young International Freight Forwarder of the Year Region Americas Winner, Mrs. Rachel Van Harmelen, Unit Sales Manager, Panalpina, was another keynote speaker presenting the topic of ‘The power of finding the best solution, on a large or small scale’.

Another highlight was the announcement that FIATA has a new association member in Brazil. As well, delegates were invited to the 37th ALACAT Congress, which will take place in Punta Cana, Do-

minican Republic, from 4th–6th May 2020. The event will focus on networking and involve social activities and include an academic agenda.

Finally, let us mention the great news: Panama will host the FIATA World Congress in 2022. The Chairman, Mr. Jorge Heinemann, expressed his excitement about this decision, bringing this important congress to the region.

REGION ASIA/PACIFIC (RAP)

At this year’s congress the Region Meetings were not held simultaneously for the first time, that is to say not at the same hour as the other Region Meetings. This innovation enabled participants from other regions to taste the air of a Regional Meeting other than their own. This may have been a reason why the RAP Chair Mr. Chris Kanter opened a meeting that counted a sound number of almost three hundred participants.

Mr. Kanter informed his audience that this was the last RAP Meeting he was serving, after eleven years as RAP Chair. He felt blessed that he was supported by the Presidency, by the Extended Board, by the Chairpersons of the Associations, by all. Doing this job was a real honour; though not an easy one. During his term there were eleven RAP Field Meetings. During these years, RAP hosted the FIATA World Congresses five times – in Bangkok, Singapore, Taipei, Kuala Lumpur and New Delhi. He was able to count many more facts in numbers that gave proof that the Region Asia Pacific has grown and became an important Region. The Region has really shown how we developed, we made things work.

Most of the countries were developing countries with huge challenges, with regulations, the law and with governments. So far, progress has happened in the member countries and regions. He felt that all Associations have done a great job. As the Chairman of the Region Asia Pacific, he thanked all. The Presidency, the Extended Board, the Chairpersons of the Associations and Mr. Daniel

Bloch, who has done a good job, as well as the entire Secretariat, which has supported his function.

As always, some delegates raised issues on actual topics pertaining to the Freight Forwarding and Logistics Industry in RAP. This ignited an exchange and evolved to further discussions where a variety of information was delivered.

One key item of this RAP meeting’s agenda was the presence of Ms. Azhar Jaimurzina, Chief, Transport Connectivity and Logistics Section, in the Transport Division of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The UNESCAP Chief gave a presentation on **TRANSPORT FACILITATION AND LOGISTICS – GLOBAL AND REGIONAL PERSPECTIVES**.

Ms. Jaimurzina gave a comprehensive presentation about the structure of the UN organisations and how Transport and Logistics (T&L) became an integral part of the UN work after T&L had gained greater prominence over the years. Especially in the regional and development context it was noted that transport and facilitation issues tend to converge across the various regions. Even though global solutions or approaches exist, local knowledge and political will were factors that are good for improvement, with nothing else replaceable. The presentation showed policy concerns related to transport and logistics evolution and diversification. Sustainability related to Transport and Logistics was increasingly seen as being in the focus, at least in theory. This might bring along a new role and responsibility for freight forwarders from the traditional role of becoming an agent of change in sustainable logistics. Part hereof is the promotion of a sustainable intermodal system using technology and bringing multimodal operations back into focus. Opportunities to engage with the UN with the private sector and with FIATA were mentioned.

The second key speaker, Mr. Philipp Wyllie, founder and owner of Freight





Atmospheric **lights and fireworks** featured prominently in beautiful South Africa.

Partner, South Africa, gave a presentation on **TECHNOLOGY IN LOGISTICS – THEMES AND CUSTOMER EXPECTATIONS**.

His presentation consisted of manifold topics: Big data, integration, PO Management, Blockchain – all buzz words, as he said, but what do they mean for the industry? Ocean carriers were starting to realise the value of offering integrated solutions. CMA CGM purchased Ceva Logistics; and Maersk was finally starting to offer an integrated carrier and freight forwarding service by bundling carrier and Damco offerings. Flexport received a USD 1 billion lifeline to advance its work in automating the cross-border movement of goods. Cargowise offers single-entry of data for clients to pull it down at destination. Yuunqu is a useful tool to assist the construction of cross-border estimates.

So much automation but so little developed by the industry. So he queried whether “the adoption of technology and enablers of growth is a passport to disintermediation? Technological development seems to have reached a new paradigm, with bespoke development within a company no longer essential. The Internet of Things (IoT) is omnipresent and the use of technology to reduce complexity is essential. Can the Freight Forwarder afford to ignore recent developments?”

Passing on the *talking stick* for 2020 to **South Korea**.

At the end of his extensive journey, Mr. Wyllie had a look at customers’ expectations and needs and finally made his conclusions.

Both presentations are available from FIATA’s website.

Then the RAP Chair announced the 2019 RAP winner of the YIFFY award – Mr. Phil Burgess, New Zealand. The meeting received information about his dissertation and his view about the future involvement of our industry.

A further important topic was the discussion about the place of the next FIATA RAP Field Meeting of 2020.

The two FIATA Associations interested received time to inform delegates about the suggested places, which were
 a) Vietnam Logistics Association (VLA) – for the city of Da Nang, Vietnam.
 b) Pakistan International Freight Forwarders Association (PIFFA) – for the city of Islamabad, Pakistan.

Using a proper voting procedure would have consumed much time. Moreover, it was not possible to identify the valid voting parties amongst the attending delegates. Hence a decision according to the Chair’s wise suggestion was accepted, namely that the RAP Manager was to proceed with a proper and sound mail-vote to all RAP Members, with a deadline of one week to reply with the result then following. The majority (18) of the Associa-

tion Members of the FIATA Region Asia Pacific voted to have the 14th RAP Field Meeting of the year 2020 held in Da Nang, Vietnam.

We shall get back to members as soon as possible with information about the final date of the 14th FIATA RAP Field Meeting, which will be held around June 2020.

EUROPE REGIONAL MEETING (REU)

The REU session this year in Cape Town was a very successful event and, as in the past years, it did not disappoint.

The REU session counted on the participation of Mr. Tõnis Hintsov, Chairman of the Board, Estonian Supply Chain Association PROLOG; Ms. Evgeniya Khokhlova, Regional winner of the Young International Freight Forwarder of the Year Award 2019; Ms. Nicolette van der Jagt, Director General, CLECAT; and Mr. Steve Parker, President of CLECAT.

Mr. Turgut Erkeskin from Turkey chaired the meeting and the opening was made by FIATA President Mr. Babar Badat, who presented the vision and strategy for FIATA for the forthcoming



mandate. This was an unprecedented moment for the REU session, which brought the Presidency closer to the European delegates. Under Mr. Basil Pietersen's leadership, FIATA will embrace its strengths, its weaknesses and will apply its best efforts to reduce its threats and leverage its opportunities. The work is being done and all the delegates were able to feel the motivated and enthusiastic speech of the outgoing President.

After this speech the energies in the room were so high that all of the presentations had a taste of awesomeness and greatness. And they were, they really were...

Mr. Tõnis Hintsov made an extraordinary presentation about Estonia and Digitalisation. He introduced the Estonian Logistics and Freight Forwarding Association (ELFA) as well as its overall vision of shaping Estonia as a preferred transport corridor.

He reported that Estonia is Northern Europe's hub for knowledge and digital business and shared with his audience the current digital environment lived in that country, where 98% of companies are established online, 99% of banking is done online, 95% of tax declarations are filled in online, and where there is freedom for everyone to run a global EU company fully online. He introduced the Estonian information system's e-government model and also gave some insights into Estonian economic activities.

It was a very interesting presentation made by Mr. Hintsov that culminated in a very impressive report on the Estonian Single-Window concept and cluster.

The REU session had several highlights, and the presentation of Ms. Evgeniya Khokhlova, Regional winner for Region Europe of the Young International Freight Forwarder of the Year Award 2019, was the next one of this meeting.

Her thesis on 'The forwarding of oversized and overweight cargo' from Korea to Russia and from Russia to Belarus captivated everyone and she was highly complimented on her excellent work after the session. Later that day she was acclaimed the winner of the Young International Freight Forwarder of the Year Award 2019.



The lucky draw with **B. J. Kim** (r.), President of Kiffa, anticipating FWC 2020 in Busan.

Ms. Nicolette van der Jagt and Mr. Steve Parker from CLECAT gave the European delegates a complete report and update on current European Union topics, such as the new EU Transport Commissioner's mission for the next 5 years, with a strong focus on sustainability and digitalisation; sustainable logistics, some important updates on road logistic topics and the EU's mobility package, and also on some topics that the Maritime Logistics Institute is currently working on, very much in line with what FIATA's WG Sea is also debating. The subjects include a) The impact of consolidation in the liner industry, b) Consortia Block Exemption Regulations; c) ITF work on key performance indicators; d) Detention and demurrage; e) Port congestion and hinterland connections; f) Surcharges/IMO 2020 sulphur cap and g) the European Maritime Single Window.

Ms. van der Jagt also reported on the Air Logistics Institute's main topics currently under debate – the European Aviation Strategy, Ground-Handling competition, Slot allocation, security and several digitalisation topics, and briefed her audience about the Rail Logistics Institute's latest discussions on Combined Transport, Revision of the Rail Freight Corridors Regulation, Eurasian bridge, coordination of infrastructures works, quality and access to rail freight services and the 4th Railway Package.

As far as Digitalisation is concerned, the main topics discussed were a) DTLF, b) the Electronic Freight Transport Information Proposal, c) Single Window initiatives, d) Platforms – Sharing/Exchanging of data, e) Data Security aspects (digital IDs, signatures etc), f) Harmonisation of Systems and Standards (UN/CEFACT, WCO, IATA, IMO).

This was a very complete update on the main topics that are under discussion in the European Commission; Ms. Nicolette van der Jagt always reports to the REU delegates with very knowledgeable and professional insights.

The Brexit theme was also touched at this session, but this time not many developments were introduced, considering the unstable situation the UK is going through on this matter.

Overall this was a very productive session with great speakers on board and fantastic topics.

We are convinced that the great majority of the participants' present have enjoyed it as much as we. All presentations are available on the FIATA website and we encourage everyone to have a look.

One last note is to emphasise that Ms. Antonella Straulino from Italy was elected as the new REU Chair and will be leading the next REU session in 2020.

We look forward to seeing you all at the FIATA Headquarters' Session on 26th March 2020 in Zurich.

FIATA BACKS US FEDERAL MARITIME COMMISSION

Critical of the current process

The Chair of FIATA's Working Group Sea, Jens Roemer, believes that "to incentivise the orderly movement of containers through ports and terminals, the clock for the determination of a charge of demurrage and detention must be stopped when circumstances arise outside the control of the importer, and containers are not able to be moved."

FIATA WG Sea Transportation fully supports the US Federal Maritime Commission's proposed rulemaking to give guidance on detention and demurrage charges, to ensure that forwarders can compete on a level playing field.

FIATA WAS CRITICAL OF THE DETENTION AND DEMURRAGE PROCESS

In a submission to the US Federal Maritime Commission (FMC), which has reviewed US detention and demurrage charges for containers, FIATA acknow-

ledges that quite a few of the points brought up by the FMC had already been addressed in the FIATA publication 'Best practices as proposed by FIATA, Demurrage and Detention in Container Shipping' (referred to as the 'FIATA Best Practice Document'). All the points raised remain very valid.

For this reason FIATA supported a more transparent, equitable and business-orientated process to such charges, not only in the USA but for many other economies too. FIATA was critical of the practices surrounding the detention and

demurrage aspects, which were highlighted in the FMC review, as well as of the purpose such charges are supposed to achieve for the orderly movement of containers to and from ports, terminals or depots.

In its response to the FMC, FIATA appreciated the Notice of Proposed Rulemaking (NPRM) related to the Interpretive Rule on Demurrage and Detention under the Shipping Act, and reiterated that there are clear indications that current general practices are not just and reasonable. The FMC's proposed guidance will thus be a step in the right direction, to assure that demurrage and detention practices are focused to meet their purpose to incentivise the movement of cargo through ports and terminals.

FIATA response to the FMC's Notice of Proposed Rulemaking is available for consultation on FIATA's website.

Support for a more transparent and business-orientated process for demurrage charges – also for containers on vessels berthed in the port of Fort Lauderdale (pictured).



EVGENIYA KHOKHLOVA WINS YIFFY AWARD

“It’s kind of like a dream come true!”

Participating in the YIFFY competition already sharpened Evgeniya’s view of freight forwarding as well as her language skills. She is planning to participate in a new special training programme and is happy to now have the opportunity to get in touch with reliable partners from all over the world – thanks to FIATA.

Evgeniya started working in logistics and freight forwarding four years ago, after receiving a bachelor’s degree in logistics. She continues to increase her knowledge by taking additional courses yearly. Specifically, she took the FIATA Diploma in Freight Forwarding course and obtained her FIATA diploma in December 2018.

Evgeniya works in SVH Freight’s department of project logistics, specialising in forwarding oversized and overweight cargo consignments. The company has a history dating back 90 years. She loves her job, as every project she receives is unique and pushes her to use innovative and unconventional approaches.

What were the first thoughts that went through your mind when your name was announced as the winner of the YIFFY award?

There were no thoughts at first – only emotions. It’s kind of like a dream come true. At first, I couldn’t believe that I’d won – and then it hit me. I felt so happy and grateful.

How do you think the award will help you develop your skills as a freight forwarder?

Just by participating in the competition I already noticed an improvement in not only my freight forwarding skills, but also in my English skills. The competition al-



A radiant smile from Evgeniya, on stage in South Africa together with felicitators Babar Badat, Thomas Sim and Michael Yarwood.



What are the main challenges you face in your job?

A Russian freight forwarder always needs to be ready for many different challenges, such as a harsh climate, a lack of infrastructure, short periods of navigation, bureaucracy and many more. It forces us as freight forwarders to be innovative and it helps to motivate us. We’re very passionate about our work and welcome these kind of challenges.

FIATA connects a big network of freight forwarders in the industry.



Photos: FIATA

How will you use the recognition to expand your network?

In the course of the competition I was able to meet and get in contact with many different people in the FIATA Congress. Having business partners and friends in different countries can be very useful and I'm glad to have had the opportunity to get in contact with reliable partners all over the world who can help make my future job assignments easier.

What do you see as the main challenges facing the worldwide freight forwarding industry?

In my opinion, freight forwarding often faces the same challenges as any other world economy company faces. Borders, trade wars, sanctions and lack of cooperation between different nations are just a few of the challenges that we face. I definitely think that everybody should be more open to the world; this way, everybody wins.

Besides moving ahead in this industry, what other life goals are you pursuing?

I'd like to try to contribute to society a bit more. I'm planning to take a new

special training programme, which will help me to volunteer in an orphanage in the next few years, as well as to do other charity work as well.

“Always be ready for many different challenges.”

Happy Birthday!

FIATA congratulates two well known delegates to their birthday. We wish them many more years of good health and happiness.



Mr Frank Boogaerts (Belgium), celebrated his **75th birthday** on 16th November 2019. He has been a FIATA Delegate since 1981, was a Vice President from 2007–2009, and has been an Honorary Member of FIATA since 2009.



Mr Brian Lovell (Australia), will celebrate his **65th birthday** on 13th December 2019. He has been a FIATA Delegate since the year 2007, and has been a Member of the Extended Board since 2019.

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Season's greetings from the entire **FIATA** team.

**WE WISH YOU A SUCCESSFUL AND
HAPPY
NEW YEAR!**

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Forthcoming Events



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20th – 22nd February 2020
Prague, Czech Republic
Working Group Sea meeting

26th – 28th March 2020
Zurich, Switzerland
FIATA Headquarters' Session

19th – 24th October 2020
Busan / Republic of Korea
FIATA World Congress 2020

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The International Federation of Freight Forwarders Associations (FIATA), with the Korea International Freight Forwarders Association(KIFFA), is pleased to announce that the FIATA World Congress 2020 will take place in Busan, Republic of Korea from 19 to 24 October 2020.

Why
Busan
Republic of
Korea

National Logistics Industry

- Korea's logistics industry was valued at about 44billion USD in 2014
- Incheon International Airport was ranked No.2 in the world for freight traffic in 2014
- Korea ranked 21st in the World Bank's Logistics Performance Index (LPI)

Logistics Industry in the Host City Busan

- The world's 6th busiest container port
- The world's 3rd largest transshipment port
- Excellent connectivity with weekly services to 389 locations worldwide and a feeder network of 125 ports
- With an average water depth of 17m, Busan Port is capable of accommodating upper-size vessels (18,000TEUs)
- The city has advanced IT systems for the freight forwarding industry

www.fiata2020.com



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