



**The Freight
Forwarder's
Relationship to
EATL Routes**

*The International Federation of Freight
Forwarders Associations*

*Fédération Internationale des Associations de
Transitaires et Assimilés*

*Internationale Föderation der
Spediteurorganisationen*

***The Group of
Experts
on Euro-Asian Transport
Links***

Marco L. Sorgetti, FIATA, Director -General

FIATA is 88 year young!

- * FIATA was founded on **31th May 1926** in Vienna.
- * FIATA is the largest non-governmental organization in the field of transportation. Its influence is worldwide.
- * FIATA has consultative status with UN/ECOSOC (inter alia), UNECE, UNESCAP, ESCWA, UNCTAD, UNCITRAL, etc.
- * FIATA is recognised representative body of the freight forwarding and logistics industry for
 - UN & governmental organisations, e.g. ICAO, IMO, OECD, WCO, World Bank, WTO, etc.
 - private sector organizations, e.g. GACAG, GSF, IATA, ICC, IRU, UIC, etc.

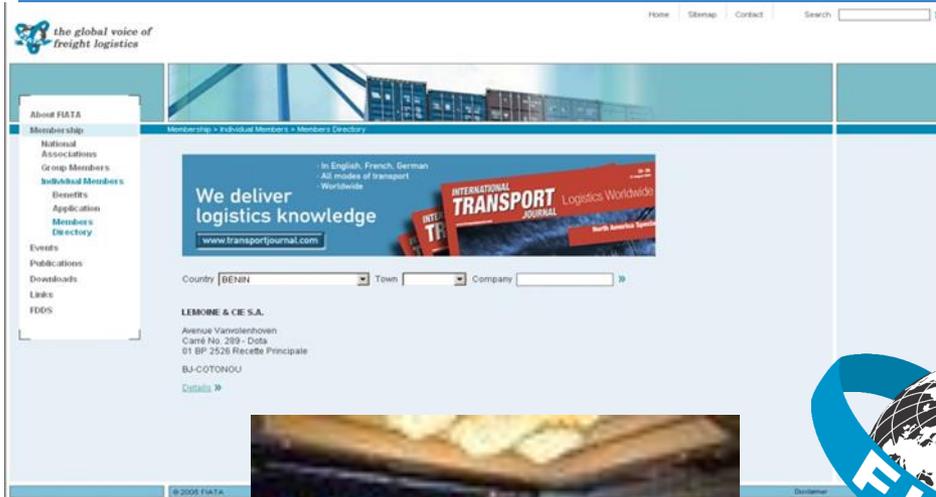


A Global, Unique Constituency

In January 2014 FIATA represents

110 Association Members in 100 countries

5058 direct Individual Members in 160 countries



the global voice of freight logistics

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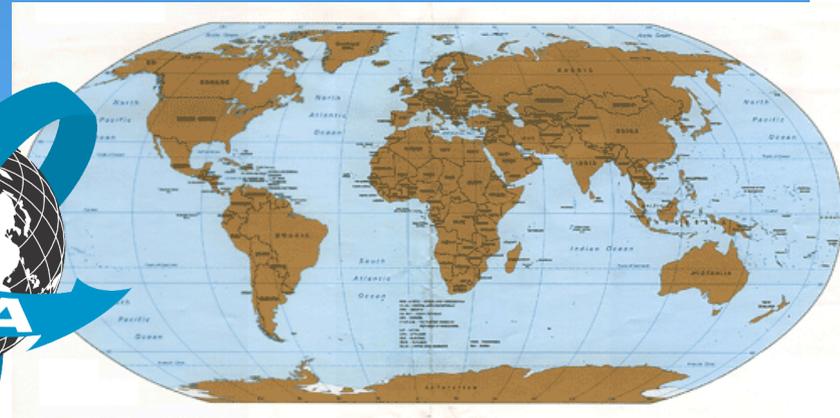
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FIATA by numbers

All below figures are dated 2011

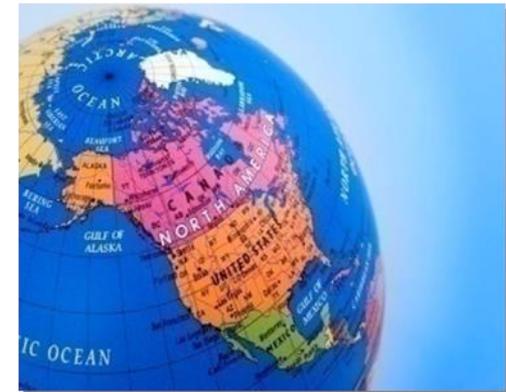


40,000 companies

Over 1 million FBL's



10 million FTE's



150 countries

Working together in →



Institutes, Advisory Bodies, Working Groups



Airfreight Institute
AFI



Customs Affairs Institute
CAI

Multimodal Transport Institute
MTI

WG
Rail

WG
Road

WG
Sea



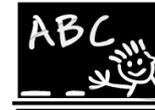
Advisory Body
International Affairs



Advisory Body
Legal Matters



Advisory Body
Security Matters



Advisory Body
Vocational Training



Advisory Body
Information Technology

Official Description of Services

“Freight Forwarding and Logistic Services”

means services of any kind relating to the carriage (performed by single mode or multimodal transport means), consolidation, storage, handling, packing or distribution of the Goods as well as ancillary and advisory services in connection therewith, including but not limited to customs and fiscal matters, declaring the Goods for official purposes, procuring insurance of the Goods and collecting or procuring payment or documents relating to the Goods. Freight Forwarding Services also include logistical services with modern information and communication technology in connection with the carriage, handling or storage of the Goods, and **de facto total supply chain management**. These services can be tailored to meet the flexible application of the services provided.

Service matters, it really does!

- * **Partner of shippers and carriers - the freight forwarder** - conciliates interests and needs in the supply chain, deploying expertise and market competency, FF facilitate traders' market access by providing consolidation and other trade facilitation services, filling all service requirements of shippers' demand, regardless of modes of transport and compliance domains.
- * Freight forwarders provide brokerage and assistance in Customs, excise, quality assessment, veterinary, phytosanitary, safety and security, i.e. **de facto full regulatory compliance**.

Governance Layer

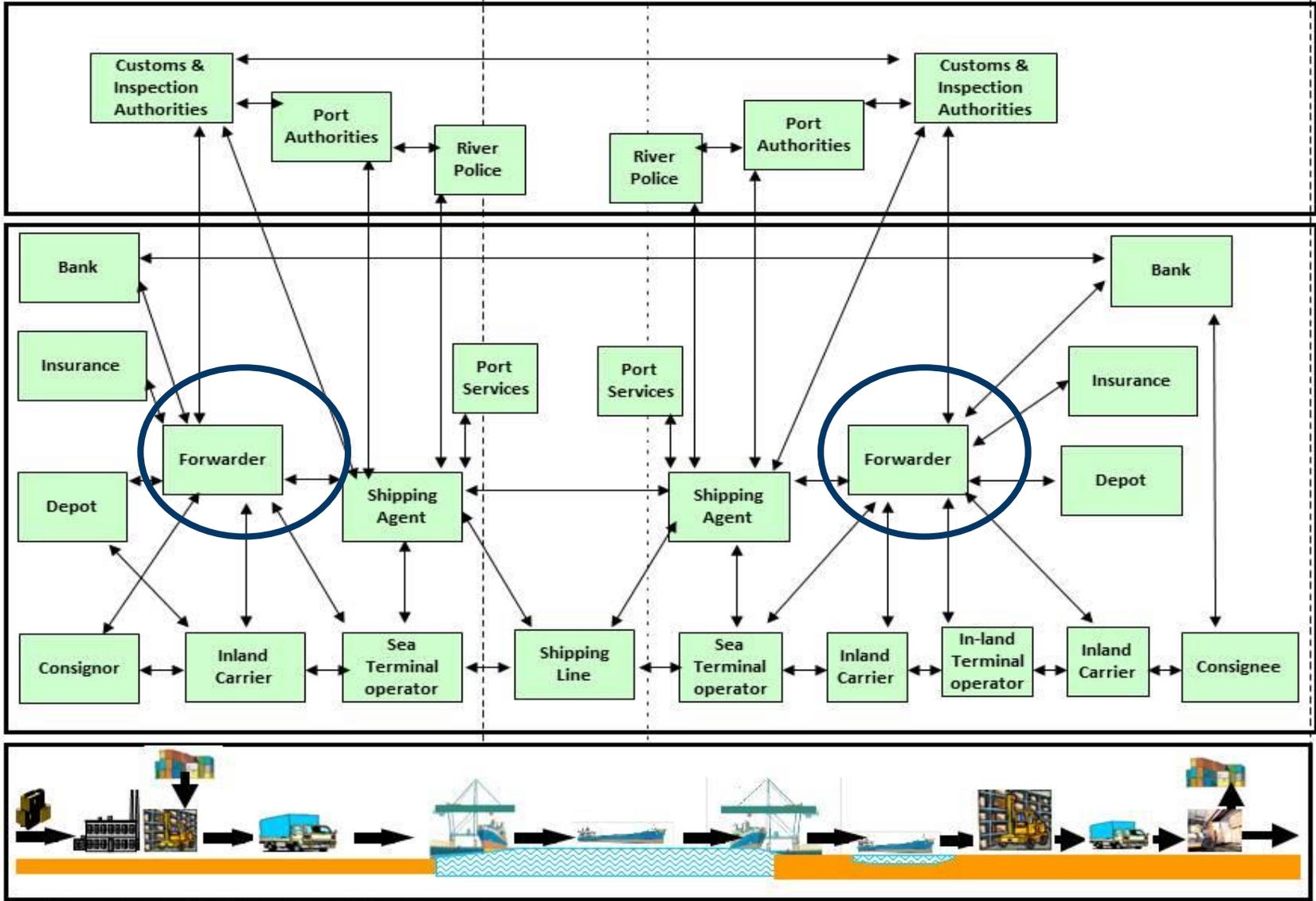
Transaction Layer

Logistics Layer

Export from Country of origin ->

Sea

-> Import to Country of destination



Source: Oosterhout et al, 2000

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Trade Facilitation & FIATA documents

- FIATA has created transport documents and uniform standards and good practice for forwarders worldwide
- Each document with distinctive colour and FIATA logo
- All FIATA documents will be made available electronically



FIATA documents are multimodal native

Consignor

Comptainer number of

Notify address

Place of receipt

Ocean vessel

Part of loading

Part of discharge

Marks and numbers

Number and kind of packages

Description of goods

Gross weight

Measurement

according to the declaration of the consignor

Declaration of interest of the consignor in timely delivery (Clause 6.2)

Declared value for all relevant rates according to the declaration of the consignor (Clause 7 and 8)

The goods and instructions are accepted and dealt with subject to the Standard Conditions printed overleaf.

Taken in charge in apparent good order and condition, unless otherwise stated herein, at the place of receipt for transport and delivery as mentioned above.

One of these Multimodal Transport Bills of Lading must be surrendered duly endorsed in exchange for the goods, in witness whereof the original Multimodal Transport Bills of Lading all of this tenor and date have been signed in the number stated below, one of which being accomplished the others to be void.

Freight amount	Freight payable at	Place and date of issue
Charge Insurance through the undersigned <input type="checkbox"/> Not covered <input type="checkbox"/> Covered according to attached Policy	Number of Original Bills	Stamp and signature

For the delivery of goods please apply to:

FIATA logo and 'specimen' watermark

Supporters or Forwarders Principals

Consignor

Marks and numbers

Number and kind of packages

Description of goods

Gross weight

Measurement

according to the declaration of the consignor

The goods and instructions are accepted and dealt with subject to the General Conditions printed overleaf

We certify having assumed control of the above mentioned consignment in external apparent good order and condition

at the disposal of the consignee with irrevocable instructions

to be forwarded to the consignee

Instructions as to freight and charges

FIATA logo and 'specimen' watermark

The Eurasian Market



- * Asia Pacific accounts for the largest freight forwarding market with a 32 percent share, Asia to hold a 37 percent share of the market by 2016 (source Transport Intelligence)
- * Maritime routes naturally dominate the transport of goods from Asia to Europe, but there is room for gradual change...
- * The vast distances between the two continents, combined with numerous border crossings, political instability, lack of security, delays at borders and unpredictability practically discourage the use of inland transport.
- * According to Drewry Maritime Research, the industry will take delivery this year of 56 ships with capacity of 5,000 TEUs or higher and another 52 in 2015, but
 - * This route is unbalanced, but
 - * foldable containers are coming and SE Asia is rapidly becoming a buyer as well as a seller.

The Freight Forwarder, in Asia

- * Freight forwarders and Customs agents face serious facilitation problems on the Eurasian trade lanes
- * Internal issues comprise: consolidating service providers and functions, sharing logistics facilities and centralizing management
- * Eurasian trade lanes are affected by
 - * mass customization
 - * shortening of product cycles
 - * low inventory, and quick response requirements
- * In the face of these trends, an increasing number of businesses feel the need to optimize their supply chains via external experts, i.e. third-party logistics (3PL) and fourth-party logistics (4PL) gain market share.
- * The implementation of the FIATA Business Integrity Statement can become a challenging exercise at times.

Freight Forwarder's Views

Euro Asia Transport Linkages

- * FIATA has put “logistics connectivity” at the heart of UN policy on the development goals.
 - * FIATA is aware that the concept EATL comes with many difficulties to be tackled: it has immense scope and requires great coordination skills
 - * EATL is long-term.... Needs strong political will and commitment, efficient use of financial resources.
 - * Governments will ascertain the economic, social and environmental benefits to undertake EATL initiatives
 - * New light comes from the provisions written in the BALI agreement.
- ➔ Trade facilitation will become the main focus in the game

CONSTRUCTIVE DIALOGUE: depends on where you live.....

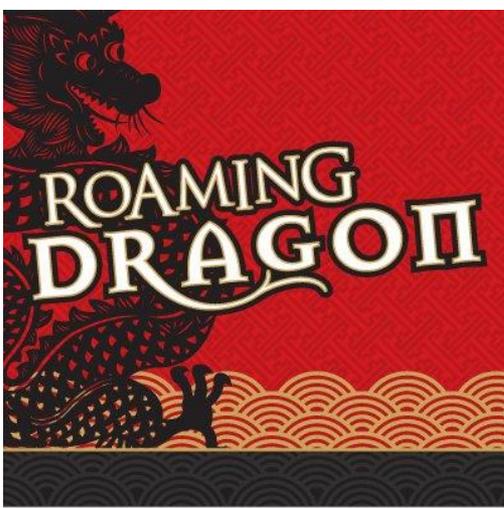
Multimodal effective corridors need first and foremost **consensus** and **investments**.

- * Identifying the scope of the project in areas where the availability of **at least three modes of transport co-exists (?)**
- * Identifying the **tools and standards that exist**, or need to be created in order to assist trade facilitation on these trade corridors.
- * Identifying **best practices and benchmarking them**, amongst which tracking and tracing tools and other instruments of automated trade facilitation.
- * Adopting **common methodology for performance KPI's, e.g. infrastructure performance, calculating carbon emissions, availability of modal choice, etc.**

Compare and conceive

- * **Waiting for 2015 is key....**
- The Asean Economic Community which will start implementation on 31 Dec 2015: “ some sector in Asean actually have tried to have a voluntary agreement but so far the progress is slow.”
 - The ASEAN vision
 - The Masterplan
 - THAILAND a hub for connectivity
- * **The constraints of infrastructure funding**
 - * Connecting Europe Facility
 - * http://ec.europa.eu/transport/themes/infrastructure/index_en.htm





EATL-ing through the road

- * Terrible waiting times at border points between Iran and Turkmenistan with situation worsening due to discrepancies between Uzbekistan and Tajikistan border points. Average waiting times range from 2 – 3 days up to 6 – 7 days.
- * Insufficient infrastructure in roads on the east and northern part of Turkmenistan and also in countries such as Tajikistan and Kyrgistan.
- * Security issues in Afghanistan and in Iraq. It is recommended to utilize escort....
- * Non availability of parking places which are secure as per international standards
- * Request of high transit fees taking the form of “Tolls” which are extremely high in the case of high value of transported cargo



EATL and Russia

- * Russian road safety is not ideal and is getting worse year on year. In 2012 traffic deaths continued to increase with nearly 28,000 lives lost. There were 27,953 fatalities caused by Russian road traffic accidents.
- * Since the end of last year there are a number of regulatory constraints making road transportation and driving in Russia more difficult.
- * FIATA and our colleague of CLECAT have complained for the situation of the TIR transit in Russia.

Turkey

The Gap Between Theory and Practice

Situation

- * Wgg's ex TURKEY are dispatched from black sea ports to Ukrainian or Russian ports with CIM and at the arrival point requiring a NE DOC (SMGS) to be prepared

Theory

- * Why issue a CIM when transporting through Sea? Instead, collect the goods at the port, send the container by short sea services and then open an SMGS directly on arrival in UKR or RUS or use a combine CIT document.

Practice

- * For conventional cargo, CIT as dispatch document would be okay. However, for example, when you load a container and place it on a Turkish wgg and send it with CIM to the Turkish city Samsun where the container is then placed on a Russian railcar. In that case all transit customs formalities and the dispatch of the wgg has to be arranged as per SMGS

Swiss and Hong Kong

The challenges come from Ocean Carriers

- * A Swiss Member reported constant changes of ocean rates from Ocean Carriers on Asia, nearly on a weekly basis and with very short notice → is there insufficient balance of power between buying and selling?
- * The critical space allocation on the ships has been very limited.
 - * The carriers have an incentive to reduce the space in order to increase the ocean rates.
- * SMEs are facing difficulties tracking and tracing standardized electronic messages.
 - * No standardized system in place.

Kazakhstan

The New Connection between Europe and Asia

- * Kazakhstan is planning to become a logistics hub between Asia and Europe
- * KZ approved an infrastructure development plan to be developed in the period 2014-2020, the project is aimed to develop the regional and national transport infrastructure
- * Special attention will be paid to railway transport by building 8.202 kilometers of railways and upgrading all the 302 rail stations of the national railway network, but overall infrastructure is up for expansion.
- * The rolling stock fleet shortage will be addressed by more than 650 locomotives, over 20,000 freight cars and 1,138 passenger coaches to be upgraded.
 - * **The railway administration of Kazakhstan, Russia and Belarus will provide integrated services based on the principles of the “single window”. (Customs Union)**
 - * Support for this project is critical in order to ensure facilitated corridors between the two continents.

Eurasian Transport Linkages

Phase III ?



- * Railway transport between Europe and Asia can be a viable alternative in terms of time and even cost, on selected commodities. Being twice as fast as maritime transport, railways could provide a viable alternative for Euro-Asian freight transport, and could also deliver door-to-door in combination with freight forwarding services.
- * More facilitation at border crossings, along transport route corridors as well as logistics bottlenecks should be resolved



A way ahead

- * Several countries along the Euro-Asian routes are landlocked
 - ➔ improved logistics connectivity within the region and through the region to main markets, as well as to sea ports, could be a key development goal for the entire continental platform
- * The EATL must zone-in on specific issues
 - * For example those identified in the Russian, Kazakhstan and Turkish markets and build strategies with governments to tackle them.
- * Specific trade and transport facilitation measures to make EATL links more attractive could become a part of the BALI agreement implementing agenda
 - * Cooperation could be established with bodies such UN CEFAC and WCO for example

MORE INFORMATION?

www.fiata.com



Thank you!