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REGISTRATION OPENS!
in October 2019

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 44 billion 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

Contact us
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www.fiata2020.com
Dear Colleagues and Friends

Time flies so fast, this will be my closing editorial as the President of FIATA. I would like to start this editorial by thanking all my friends in the Presidency and Extended Board for their support and their partnership. I look forward to meeting our members in the FIATA World Congress 2019 in Cape Town and report the work FIATA has accomplished last year.

I am glad to announce the Regional Winners of the Young International Freight Forwarder of the Year Award (YIFFY Award) in 2019, they are Mrs Evgeniya Khokhlova of Russia for Region Europe, Mr Enos Chapara of Zimbabwe for Region Africa/ Middle East, Ms Rachael van Harmelen of Canada for Region Americas and Mr Phillip Burgess of New Zealand for Region Asia Pacific.

You will find articles in this edition introducing these outstanding young professionals and their competition dissertations. Selecting the winners has not been easy this year as the dissertations covered a wide range of logistic subjects, such as extra-large bulk cargo, dangerous goods and time-sensitive cargo, through complicated multimodal transport. I welcome delegates to join our Congress 2019 and talk with the four Winners and also encourage more young professionals to join this competition.

In the past year, the Presidency members have travelled to various events of FIATA and other international organisations to promote our federation. I myself took part in the “First Caspian Economic Forum” held on Aug 11 & 12 in Turkmenbashi on the eastern shores of the Caspian sea. It was large gathering with over 2000 participants and amongst others the political leadership of the five Caspian countries namely the host Turkmenestan, Russia, Azerbaijan, Kazakistan and Iran. The focus was the development of Logistics & Transport services in the region and the development of Energy corridors in the region. The meeting was attended by several multilateral and UN organizations like WTO, UNECE & UNESCAP as well as development banks like EBRD & ADB and regional cooperation organizations like SCO, CIS, ECO & TRACECA. In the transport sector FIATA and IRU were prominent. The open discussions of the meeting provided opportunity for participants to discuss key topics leading to developing of inter-regional trade.

Apart from continuing the work on digitalization of the negotiable FIATA Multimodal Transport Bill of Lading (FMTBL), FIATA is also promoting on various occasions the use of FMTBL together with other non-negotiable transport documents in Letter of Credit transactions, one such occasion was the 52nd Session of UNCITRAL which was attended by our Senior Vice President Ivan Petrov, the report of which you will find in this edition. The FMTBL is a critical transport document designed to be used by the forwarders in both multimodal transport and single mode of transport. According to a survey conducted recently, the amount of FMTBL used every year is around 90,000 to 100,000. I hope that these efforts in promotion would enable more forwarders to be aware of the value of FMTBL.

Today our industry is facing various challenges in business, one such being the effects of vertical consolidation by shipping lines and the attempt to control data via digital platforms. FIATA has informed the membership of such development in 2017 in Kuala Lumpur and will discuss further about this with experts in the forthcoming Congress.

The FIATA World Congress 2019 will be held on 1st – 5th October in Cape Town, South Africa. The country report this time will bring you to this beautiful country by the South Atlantic Ocean. I look forward to seeing you there.

Babar Badat
FIATA President
Meet the YIFFY Award Regional Winners

Encouraging more young professionals to strive for a career in the industry has always been a priority of the YIFFY Award. The following four candidates are the latest regional winners.

The first thought Rachael had after recovering from the thrill of learning that she had won the Americas competition of the YIFFY Award 2019 was that the wait was finally over. She is extremely happy to have made it this far. She also reflected with gratitude on those who have encouraged her on her journey.

As a young practitioner Rachael’s time is currently dominated by study and work. Her aspirations for the future are to take on more senior roles in her organisation. She also would like to continue to strengthen her foreign language skills, which are essential in today’s environment. To balance out her working life Rachael regularly volunteers at an animal shelter, and wants to get more involved in animal causes. She is engaged in training and encouraging new hires to the sales team across the country. Additionally she would like to see more young women join our industry.

As Panalpina’s Business Unit Sales Manager in Canada, the main challenge Rachael faces is to secure new business in a competitive market. Some of her other tasks are to provide competitive pricing, whilst respecting profit margins for her organisation. Her objective is to meet the demands of the customer and be confident in her company’s ability to deliver on their expectations.

In terms of the main challenges facing the worldwide freight forwarding industry, Rachael thinks the biggest ask is the currently tense political climate, prompting governments around the world to make decisions that will have long-term implications for our industry. The imposition of tariffs and the ongoing trade wars between some of the world’s major economies will drive up the costs of doing business.

Rachael thinks that our industry will be more challenged to compete for business. This will lead to an increase in M&As and to consolidation of organisations in the segment seeking to remain profitable. One can see the direct impact of what policymakers as well as world leaders say or do. The world is constantly changing and it is exciting for Rachael to be at the forefront with her customers to face these changes together.

The title of Rachael’s dissertation is “The power of finding the best solution, on a large or small scale.” Both of her moves involved different power sources, from the largest scale being a generator to the smallest being a battery.

For ocean import, Rachael imported FCL and breakbulk cargo from suppliers in Europe (Germany, Belgium and the Netherlands) to the Manitoba Hydro Keeyask Generator project site in Canada. The generator, located near Gillam, in northern Manitoba, is a large-scale project that started in 2014 and is expected to be completed in 2020.

Rachael presented multiple options. For the FCL part she analysed trans-loading them in Winnipeg and trucking them north. The second option was to truck...
them directly to the site. She looked at variables such as liner containers versus shipper owned containers (SOCs), and the timeline in staggering the cargo for easier unloading at the project site. For the breakbulk pieces she presented two options of a partial charter and a breakbulk liner. Rachael looked at variables such as the requisite infrastructure being available (including cranes and good roads), as well as the proximity of the port to the site. The weather also played a factor, due to road restrictions.

For air export Rachael exported a shipment of refurbished laptop computers and replacement batteries to Ayacucho (Peru). There was a university built there in 2010, with an engineering department in need of equipment for its students. Given the nature of shipping dangerous goods (DG), the laptops were shipped on passenger planes and the replacement batteries on cargo planes. Rachael described in detail the packaging and labelling requirements, as this is a crucial step when handling DG. When exploring flight options for the laptops, news broke of the grounding of all Boeing B737 Max planes. This impacted certain airlines and routes, and was a good example of what freight forwarders face when the unexpected happens. The final leg to Ayacucho required extra security.

**SPECIALISING IN PROJECT LOGISTICS**

**Evgeniya Khokhlova, FAR**

Transportation in Russia is always a challenge in itself, the vastness of the territory, surrounded by twelve seas and with a large river system, being compounded by a shortage of transport infrastructure. All this forces Russian freight forwarders to use different combinations of modes of transport. Moreover, freight forwarders should always be ready for the numerous challenges, including a harsh climate, a short period for river and sea navigation, a heavy-handed bureaucracy and corruption. When it comes to large cargo, everything gets twice as complicated.

**FORWARDING OVERSIZED AND OVERWEIGHT CARGO**

The first part of Evgeniya’s paper describes the delivery of a reactor and modules for continuous catalyst regeneration for an oil refinery from a manufacturing plant in South Korea to Siberia, at the heart of Russia. The new equipment allows the refinery to increase conversion capabilities and manufacture products that meet modern environmental standards.

The dimensions of the cargo (a total weight of 1,020 t and a total volume 10,966.94 cbm) forced Evgeniya to use a difficult transport scheme combining sea, river and overland legs. The total distance of the transportation was estimated at more than 11,000 km. The actual time of transportation was 103 days, but the time taken for the preparatory work amounted to the whole year.

The second part of the dissertation focuses on transporting special equipment for a nuclear station – a transport lock and its components, from Syzran (Russia) to a Belarusian nuclear power plant. The dimensions of the cargo called on Evgeniya to combine overland and river transportation. The main challenge of the transportation was not the size or the weight of the cargo, however, but bureaucracy. Obtaining official permission and disconnecting/dismantling road infrastructure amounted to 50-60% of the total delivery costs, and took three times more time than the transportation itself.

A Russian proverb says that ‘there are two main problems in Russia – fools and roads.’ It could be the motto of forwarders there. Almost every transport is complicated by the lack of transport infrastructure and by the high level of bureaucracy. Forwarders must not only find a transport solution but also build some infrastructure themselves and obtain authorisations. Despite the problems, difficult projects motivate forwarders to work for the benefit of society, and work with pride and passion.
OFF TO GREAT BRITAIN

In 2011, soon after the devastating Christchurch earthquakes and armed with specific sales, sales management and business qualifications, Phil relocated to London on a two-year visa, seeking to experience a change in both lifestyle and work, while his hometown was being rebuilt from the ground up.

Phil was fortunate to be offered a position as the telephone sales manager with Toll Global Forwarding, based at its Heathrow office. He was tasked with establishing a telephone sales team that would approach prospective new business with the intentions of securing face-to-face meetings for the UK-based business development managers. This department was highly successful and contributed significantly to developing increased business for the organisation.

Once Phil’s time in London came to an end, he was re-approached by Toll NZ to take on his next challenge as a BDM. Phil gratefully accepted the position in 2013. After a mere 18 months he had already become Toll’s highest performing BDM in NZ. With hard work comes great opportunities, and in June 2014 Phil accepted his next challenge in international freight forwarding. He was tasked with establishing a South Island office for Bernard International Freight Services Ltd.

Phil was given a blank canvas with which to put his mark on the local Christchurch market. After starting out solo in a small office, Phil managed to increase operations in Christchurch organically; now the office employs six dedicated staff who successfully manage a sizeable share of the local market.

Phil has also recognised the need to further enhance his education and thus took on additional tertiary studies associated with commercial management in 2018 and 2019, with the intentions of developing parallel to the business.

In conjunction with his personal career, Phil is a strong advocate of supporting the development of graduates and young people considering entering the international freight forwarding sector. Phil works closely with CBAFF NZ to promote the amazing challenges and career opportunities associated with the freight industry. His intentions are to help attract the next generation of high-calibre individuals, to ensure that the rapidly-evolving industry’s high standards of delivery and service are met.

Outside of work Phil is the proud father to two beautiful daughters, and his focus in life is to build a safe and successful environment for them to both thrive. Phil’s objective is to have a successful career in international freight forwarding, whilst ensuring that he can maximise quality time and opportunities with his family.

BIG IRRIGATION AND INFANT FORMULA

Phil’s dissertation was entitled ‘Big Irrigation and Infant Formula’.

Big Irrigation examined the logistical technicalities related to the import of more than 45,000 cbm of out-of-gauge irrigation pipes, using a chartered sea freight breakbulk vessel. The pipes were shipped from Adelaide (Australia) to Lyttelton Port in Christchurch (New Zealand).

The Infant Formula case study detailed the regulatory intricacies related to the export of infant formula (milk powder) from New Zealand to China by airfreight. It clarified each step of the export process in the complex industry and explained how the physical cargo and supporting compliance documentation interlinks from the manufacturer to final-mile delivery.

Phil’s intentions behind these case studies was to highlight the significant health and biosecurity complexities associated for New Zealand as a biologically unique as well as a remote country.
Enos Chapara, Zimbabwe, RAME Region

Enos Chapara is a young professional with great passion for the shipping, logistics and transport industry. In the year 2012 he joined the industry at the age of 20 as a transport yardman at PMS Haulage in Zimbabwe, before enrolling for a Bachelor of Science Honours degree in Supply Chain Management at Zimbabwe’s Chinhoyi University of Technology. He specialised in logistics and transport.

From 2014 to 2015 Enos was employed as a logistics and customs-clearance intern at a freight forwarding company called Veer Freight (formerly Varifreight Private Limited, Zimbabwe). His job mandates included customs-clearance formalities and multimodal freight forwarding practices. On completion of his internship Enos received an award from Veer Freight’s managing director, Ms. Lizwe Bunu, for being the most innovative intern.

In terms of academic and professional achievements, Enos has acquired a degree in Supply Chain Management (Logistics and Transport), an advanced diploma in Logistics and Transport (CILT-UK), a SFAAZ Customs Legislation Procedure Certificate, and is currently studying for a master of science in Supply Chain Management (Logistics and Transport) at the Chinhoyi University of Technology.

In 2017, he was employed as a shipping and logistics coordinator at Bolloré Transport and Logistics Zimbabwe, under Pacific International Lines PTE Ltd Agency. As shipping coordinator his duties included freight forwarding, ocean import and exports, container repairs management, customer services and road transport coordination.

After one year in service Bolloré Transport and Logistics Zimbabwe promoted him to country tracking and document agent in August 2018. His new role retained duties from his previous position and his new duties included ocean quoting, tracking systems management, and truck and container line demurrage charge management. Since his promotion there has been a significant decline of almost 8% in truck and container line demurrage charges, to the benefit of customers in general.

Participating in the YIFFA competition has been one of the most challenging and at the same time satisfying experiences of Enos’ carrier. Enos was delighted and filled with great excitement upon receiving the notification that he was among the selected regional finalists, aiming to successfully represent RAME and his country Zimbabwe.

ACHIEVEMENT AND PRIDE

Becoming one of the regional winners gave him a sense of achievement and pride in the effort he had invested and in the results it had yielded.

Enos considers the award as a catapult for greater opportunities. His achievement has sharpened Enos’ analytical and problem-solving abilities, which has equipped him to better serve his clientele. Dealing with different customer needs, expectations and the volatile economic situation in which business operates have been amongst the main challenges.

FIATA connects an extensive network of freight forwarders in the industry, and this is a great platform for Enos to contribute to industry journals, an opportunity to keep abreast with technological and other developments and to create mutual trust for global connections in the sector.

One of the challenges that freight forwarders face in the industry is recognition as professionals in their line of business. Platforms such as the YIFFA competition help in enlightening and changing the perceptions that emanate from the business community. Enos wants to pursue a doctorate in logistics and transport after attaining his master’s degree, to contribute towards the industry’s untapped areas of research and also to help improve areas that have already been researched.

HINTERLAND COMPLEXITIES AND CHALLENGES FOR EXPORTS AND IMPORTS IN A LANDLOCKED COUNTRY – THE CASE OF ZIMBABWE

Enos’ dissertation outlines the challenges and complexities of exporting and importing goods in landlocked developing countries. The export voyage saw the transportation of live African elephants from Hwange National Park (Zimbabwe) to Shanghai Wild Parks (China), in compliance with the Convention on the International Trade in Endangered Species of Wild Fauna and Flora (CITES).

From exporting giants from the wild, Enos went on to import a giant in the mining industry – a bucket wheel excavator, model SRs 1400.23/2.0 (900 kW) with 5,200 cbl/h capacity, from Germany. Amongst the many challenges he faced there was the overarching imperative to avoid project delays; others included the effects of Cyclone Idai in Mozambique, limited road infrastructure as well as derailments. Proactive measures and strategic decision-making were key in overcoming these challenges.

The major strategic role of the freight forwarding sector is one of the keys to solving logistics challenges that are experienced during the movement of cargo in developing countries.
A new Memorandum of Understanding (MOU) has been signed between the Singapore Logistics Association (SLA) and the National University of Singapore’s School of Continuing and Lifelong Education (NUS-SCALE). Mr. Thomas Sim, Chairman of FIATA’s Advisory Body Vocational Training (ABVT), explained the background of this alliance in education. He is certain that the MoU will certainly enhance SLA’s educational and training offerings for its members and the industry to be future-ready.

There is not only the upscale going on such as Industry 4.0, but also Education 4.0. Mr. Thomas Sim, ABVT, said that in order to transform their current education and training methodologies and curricula to be relevant and ahead of coming changes, validated association members may capitalise on the wide proliferation of Industry 4.0. Moreover, validated members need to establish affiliations with institutes of higher learning in augmenting knowledge, skills and attributes (KSA), so as to develop relevant training curricula for their industry learners.

Hi, Thomas. We have heard about a new Memorandum of Understanding (MOU) signed between the Singapore Logistics Association (SLA) and the National University of Singapore’s School of Continuing and Lifelong Education, Professor Wei Kwok Kee, for strategic collaboration in educational activities. Could you elaborate on the MOU’s objective?

The MOU between the Singapore Logistics Association (SLA) and the National University of Singapore’s School of Continuing and Lifelong Education (NUS-SCALE) signifies recognition of the values of promoting mutual cooperation for the advancement of SLA’s members and the logistics industry in Singapore. It aims to promote thought leadership in lifelong learning and talent development for logistics companies and professionals in the industry, by collaborating on initiatives and projects that will enable logistics companies and industry professionals to stay relevant with the right knowledge and skills. It promotes the industry, talent outreach and continuing education, and facilitates growth of the logistics industry in Singapore. Structured training and education events will be jointly organised to ensure industry practitioners’ participation in jointly certified training and educational programmes offered by both NUS-SCALE and SLA, with such collaboration benefiting member companies and learners.

Why are linkages between private sector education and academia so important?

Many countries have taken the notion of the marketisation of higher education on board. A commodity economy driven by a market ideology motivates...
students to perceive higher education as a medium to gain meaningful employment, attain professional growth and social status. Market ethics as an ideological force in higher education policy have enhanced participation rates, but equity in educational opportunities has come under threat in many economies.

Another challenge that higher education systems across the world face today is that of quality education. The need to align KSAs that are relevant to changing industry practices that can be used in current and future workplaces informs the need and importance of establishing linkages between private sector education and the academia.


What could other validated association members do to take their vocational training programmes to the next level?

FIATA-validated association members may wish to evaluate their local industry and their members’ human capital and workplace needs, and then establish affiliations with institutes of higher learning in augmenting KSAs, so as to develop relevant training curricula for their industry learners.

Will this MOU change the training programmes offered by SLA?

SLA continuously seeks quality curricula for the Singaporean transport logistics industry’s practitioners. In line with unprecedented disruptions in the industry, and moving towards the new information age, the strategic MOU with NUS-SCALE will certainly enhance SLA’s educational and training offerings for its members and help the industry to be future-ready.

With the fourth industrial revolution – key words include AI, big data and the IoT – how should validated association members adapt their programmes to upscale and rescale industry practitioners?

Validated association members may capitalise on the wide proliferation of Industry 4.0 – AI, big data, IoT, blockchain, automation, seamless payment gateways and the like – to transform their current education and training methodologies and curricula to be relevant and ahead of coming changes (Education 4.0). This will provide sufficient quality for industry practitioners to upscale and rescale their KSAs to meet the demands of ever-more discerning customers in new economies. The initiative is also another important effort to curate a culture of lifelong learning in this competitive and dynamic sector.

The linkage between growth and development has always been tenuous. Education in the form of human capital and knowledge contribute to growth, and at the same time it is central to the process of human development. An exploration of possible linkages between growth and development requires an examination of the roles played by education in the economy and society and in human flourishing and citizenship.
SOUTH AFRICA

A world in one country

Tropical to desert, misty mountains to unspoilt beaches, some of the best wildlife and botanical nature reserves in the world, world-class unique cuisine and brimming with opportunity – that’s South Africa.

South Africa, officially the Republic of South Africa (RSA), is the southernmost country in Africa. It is bounded to the south by 2,798 km of coastline, stretching along the South Atlantic and Indian Oceans. To the north it is bounded by the neighbouring countries of Namibia, Botswana, and Zimbabwe (from the west); and to the east and northeast by Mozambique and Eswatini (Swaziland). Last but not least, it surrounds the land-locked enclave Lesotho.

South Africa is the largest country in Southern Africa and the 25th-largest in the world by land area. Its population of 58 million people makes it the world’s 24th-most populous nation.

South Africa is a multi-ethnic society, with a broad range of cultures, languages and religions. Its multi-ethnic population is reflected by the constitution recognising no less than eleven official languages, which is the fourth-highest number of official national languages in the world. Two of these languages are of European origin, namely Afrikaans, which developed from Dutch and serves as the first language of most coloured and white South Africans; and English, which reflects the legacy of British colonialism and is commonly used in public and commercial life, though it is ranked fourth as a spoken first language.

Since 1994 all ethnic and linguistic groups have held political representation in the parliamentary republic with nine provinces and a liberal democratic system. South Africa is often referred to as the ‘rainbow nation’, which describes its multicultural diversity. The World Bank classifies South Africa as an upper-middle-income economy, and a newly-industrialised country. Its economy is the second-largest in Africa, and the most industrialised, making it the 33rd-largest in the world. In terms of purchasing power parity, South Africa has the seventh-highest per capita income in Africa; it has been identified as a middle power in international affairs, with significant regional influence.

THE ECONOMY

South Africa’s economy is the second largest in Africa, after Nigeria’s. As a regional manufacturing hub, it is the most industrialised and diversified economy on the continent. After 1996, when more than twelve years of international sanctions came to an end, South Africa’s gross domestic product almost tripled, to peak at USD 400 billion in 2011. It has since declined again slightly to roughly USD 385 billion in 2019. In the same
period, foreign exchange reserves increased from USD 3 billion to nearly USD 50 billion, creating a diversified economy with a growing and sizable middle class in just two decades of full democracy. South African state-owned enterprises play a significant role in the country’s economy, with the government owning stakes in around 700 state-owned enterprises working in a wide array of key economic activities.

South Africa has a comparative advantage in the agricultural, mining and manufacturing sectors, and shifted from a primary/secondary economy in the mid-twentieth century to an economy with a strong industrial and financial services base. The country’s economy is diversified, with key economic sectors including mining, agriculture and fishing, vehicle manufacturing and assembly, food processing, clothing and textiles, telecommunication, energy, financial and business services, real estate, tourism, transportation, and wholesale and retail trade.

INFRASTRUCTURE

Visitors are usually surprised by South Africa’s sophisticated first-world standard roads, ports, telecom, railway and airport infrastructure. The transport sector stands out in the continent. The air and rail networks are the largest and most extensive, and the roads are generally in a good condition.

South Africa has ten major airports, three of which have international status – O.R. Tambo airport in Johannesburg, Cape Town airport and King Shaka airport in Durban. Six domestic hubs serve urban centres; they are Port Elizabeth airport, Bram Fisher airport (Bloemfontein), East London airport, George airport, Kimberley airport and Upington airport. These world-class gateways are equipped with all of the latest requisite high-tech facilities.

There are eight major state-owned commercial maritime ports in South Africa, they are run by the Transnet National Ports Authority (TNPA); they are Richards Bay, Durban (both KwaZulu-Natal), Port Elizabeth, East London, the port of Ngqura (all Eastern Cape), Mossel Bay, Cape Town and Saldanha Bay (Western Cape). Ngqura is the African container terminal with the deepest waters. Durban is the busiest port and largest container facility in Southern Africa, and Richards Bay is the world’s largest bulk coal terminal.

South Africa’s rail infrastructure is the 14th-longest in the world; it includes an extensive railroad network, connecting the nation’s ports with destinations all across the country as well as all of Sub-Saharan Africa. The network includes 21,000 km of railroads, with 1,500 km designated for heavy haulage and 8,200 km electrified.

Telecommunications is one of the fastest growing industries across South Africa; it is powered by the meteoric development and the overall growth of mobile telecoms and high-speed broadband connectivity. With the latest in satellite, wireless and fixed-line technology, the country’s telecom network is almost 100% digital; it compares favourably with the best in the world.

LOGISTICS PERFORMANCE

The World Bank’s latest Logistics Performance Index (LPI) was published recently, with a view on trade logistics performance across many countries of the world, as assessed by logistics professionals that reside in a country as well as by outsiders. The study’s latest results show that the South African logistics sector is still performing well in terms of the LPI. South Africa’s aggregated LPI ranking is 29th and its LPI score is 3.38. The LPI score is the most important indicator, as it is more accurate and gives a better basis for comparison.

Over a period of eleven years there has not been much change in the LPI for South Africa, indicating that the overall logistics performance of the country has remained relatively stable. In the 2018 survey, like in most of the previous surveys, South Africa features in the top ten of the top performing upper-middle-income economies, with China (with a score of 3.61) and Thailand (3.41) ahead of South Africa in this group.

SOUTH AFRICA – FACTS & FIGURES

Official name Republic of South Africa
Capital Pretoria (executive), Bloemfontein (judicial), Cape Town (legislative)
Form of government Constitutional parliamentary republic
Area 1,221,037 sqkm
Coastline 2,798 km
Population 58,112,114
Ethnic groups 76.4% Black, 9.1% White, 8.9% Coloured, 2.5% Asian
Official languages Afrikaans, English, Ndebele, Northern Sotho, Sotho, Swazi, Tswana, Tsonga, Venda, Xhosa and Zulu
Administrative divisions 9 provinces

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A good mood prevailed at the field meeting (above), with RAME Acting Chairman and FIATA Senior Vice President Mr. Basil Pietersen (centre) and RAME Manager Mr. Bassil Eid (left).

2019 RAME FIELD MEETING

Infrastructure set to make a pivotal leap forward

FIATA’s Africa and Middle East regional meeting (RAME) was hosted by the Lebanese Forwarders Syndicate in Beirut in 2019. Besides major investment in the transport and logistics infrastructure and many other issues, Lebanon’s important logistics role in the reconstruction of Syria was highlighted.

The Lebanese Forwarders Syndicate (LFS) hosted a fantastic 2019 RAME Field Meeting in Beirut. This was not the first time the small but mighty nation of Lebanon hosted the field meeting, having already welcomed the event’s delegates 17 years ago, in 2002. This time around the host nation also welcomed FIATA President Mr. Babar Badat and presidency members Mr. Basil Pietersen and Mr. Ivan Petrov.

FIATA President Mr. Babar Badat stated that “the Syndicate has organised a regional meeting for the industry that provides opportunities for every participant to discuss key topics, leading to the development of interregional trade between the very many prominent institutions as well as delegates participating in this important meeting.”

Organising this conference in Beirut represented a big achievement for the LFS, due to the meeting’s importance in refocusing the strategic role of Lebanon in shipping operations in the region, and especially the country’s role as an even stronger liaison in future between east and west.

A GREAT LEAP FORWARD

The Lebanese Forwarders Syndicate President, Mr. Amer Al-Kaissi, reaffirmed this. “We strongly believe that hosting productive conferences such as ours today will, in turn, stimulate the creation of new long-lasting relationships between local and...
regional partners that will inevitably help our collective economies to prosper.”

The World Bank’s Logistics Performance Index is a great indicator for Lebanon’s development over a short period. In 2018 Lebanon ranked 79th in the world in the LPI, up from 82nd place in 2016. It currently sits as eighth among the Arab countries. Lebanon is preparing to take a pivotal leap forward in its infrastructure sector, especially transportation and shipping, including ports, airports, highway network and railroads. This comes with the success of the government in securing USD 11.8 billion from Cedre, to launch the biggest operation to redevelop Lebanon’s infrastructure.

A key minister, His Excellency the Minister of Telecommunications, Mr. Mohamad Choucair, advised his audience that “the sector is very important; and it is in good hands. We’re proud of the achievements attained by the ministry of transport in this field.”

A representative of H.E. the Prime Minister, Mr. Saad Hariri, H.E. the Minister of Transport, Mr. Youssef Finianos, stated that “the Silk Road mentioned by FIATA’s President is being thoroughly taken care of; the ports of Beirut, Tripoli and Saida are amongst the main destinations in the Silk Road. This is a promise I will not break.”

**A GEOSTRATEGIC ROLE**

As it stands today, Lebanon holds immense geographical advantages, which can open up opportunities for faster and more efficient trade lanes. Being centred perfectly in the middle between Africa, Europe and the Gulf states, Lebanon can serve as a catalyst for trade across these three regions. “We are already seeing signs of investments in Lebanon to help achieve trade growth through the port of Tripoli. The hub currently receives approximately 75 vessels with around 10,000 containers a month, of which only 4,000 are destined for the Lebanese market. The rest is destined for surrounding states in the region.”

Before closing it was noted many times that Lebanon’s logistics efforts will also play a factor in the reconstruction of Syria. It is estimated that Syria’s reconstruction will require 40 million t of products a year, while Syrian ports have the capacity to receive only 15 million t. The rest will be absorbed by the surrounding region’s ports, including Tripoli.

FIATA and the Region Africa Middle East (RAME) view Lebanon as a key pillar to trade growth through the Lebanese Forwarders Syndicate, acting as a regional supplier of programmes and initiatives to neighbouring states. One area where FIATA can support regional developments is training, through its network of national associations which offer the FIATA Diploma and FIATA Higher Diploma in Supply Chain, a globally-recognised certificate that equips logisticians with the skills needed to participate and develop business outcomes for clients.

RAME’s Acting Chairman, Mr. Basil Pietersen, closed the meeting by stating that “governments should be congratulated in the region; as for the Lebanese Forwarders Syndicate, it should continue to strive to provide excellence and exceptional services to all sectors of the economy. The future of the industry is in your hands; you don’t want to be accused by future generations that you did not pay attention to skills development.”
THE CHALLENGES OF WILDLIFE TRADE IN THE TRANSPORT SECTOR

New e-learning course on preventing illegal wildlife trade

The transport sector plays a vitally important role in the preservation of nature, especially of wildlife. Monica Zavagli and Claire Beastall, experts with the NGO TRAFFIC who have called FIATA “an early leader to combat wildlife trafficking,” gave us an interview on how the industry can avoid the risks of wildlife trafficking.

Hi, Claire and Monica. Can you tell us a little about TRAFFIC? What’s your mission?

TRAFFIC, a wildlife-trade monitoring network, is a leading non-governmental organisation working globally on the trade in wild animals and plants, in the context both of biodiversity conservation as well as sustainable development. Our mission is to ensure that the trade in wild plants and animals is not a threat to the conservation of nature.

How does wildlife trade affect the transport industry?

Legal wildlife trade is at the heart of global economies and is an important pillar of international trade. Unfortunately, the trafficking of illegal wildlife products has become one of the most prominent forms of international crime globally, comparable – and sometimes linked – to the trafficking of other illicit goods.

More than 7,000 species are affected by the illegal wildlife trade, often with devastating effects on wildlife populations and local economies. Wildlife poaching and trafficking is the most imminent threat to some of the world’s most iconic species, including elephants, rhinos and tigers, amongst many other mammal, bird, reptile and marine species.

To reach international markets, traffickers regularly utilise legal transport supply chains. Every successful smuggling operation puts the transport sector at risk of reputational risk from negative press coverage and negative reports, legal risk from a lack of due diligence, business and operational risks if legal and safety issues result in financial loss, and health and safety risks, since trafficked wildlife can carry diseases or even be poisonous or otherwise dangerous.

Looking at the broad world of wildlife trafficking, what progress or potential progress has excited you most lately?

The role of the transport sector is often overlooked, but it is a critical area, where we are seeing exciting progress as well as collaboration. Wildlife trafficking is a transport-intensive crime, and companies that are not aware of the risks that wild-
life traffickers pose and do not have targeted policies and protocols in place are particularly vulnerable to exploitation. In recent years, the air transport, shipping, and freight forwarding communities have stepped up efforts to increase awareness and drive actions that can protect their supply chains. We’re delighted to be working with FIATA, which was an early leader in helping to combat wildlife trafficking. As an international organisation, FIATA is well-positioned, through its global membership, to drive ahead with increased awareness and capacity for freight forwarders around the world.

Can you tell us about the collaboration between FIATA and TRAFFIC, how it started, what’s been achieved and what’s in the pipeline?

FIATA and TRAFFIC have been working together for almost five years now. In 2017, FIATA included wildlife trafficking in the minimum standards for FIATA’s Diploma in International Freight Forwarding. The 2019 the FIATA World Congress in Cape Town will see the launch of a new e-learning course for freight forwarders; it focuses on preventing illegal wildlife trade. Incorporating wildlife trafficking awareness into staff training is one of the most significant actions a company or association can take to protect its supply chains, and we are excited that the new digital course will make this step easier than ever for FIATA members.

Claire, as you are the overall subject matter expert for the new digital course on wildlife trafficking, can you tell us a little more about the learning objectives and the structure of the course?

The three-hour course aims to arm freight forwarders with the information they need to protect themselves from inadvertently transporting smuggled wildlife goods, and illustrate how to report and respond to instances of wildlife trafficking.

The course is split into three modules. The first module provides background and information on the illegal wildlife trade, including how wildlife trafficking impacts freight forwarding supply chains and which national and international laws govern trade in endangered species. The second module teaches freight forwarders some of the ‘red flags’ they might encounter and focuses on some of the most commonly trafficked species and the common routes and methods that traffickers abuse. The final module explains how freight forwarders can help to prevent wildlife trafficking, minimise health and safety risks from trafficked wildlife, and finally outlines when and how suspected incidences of wildlife trafficking should be reported.

What inspired this course and what do you hope to accomplish through it?

It is important for freight forwarders to know that wildlife trafficking matters, not just for the survival of the world’s wild animals and plants, but also in terms of the risks it poses to everyday business operations. We are keen to reach out to FIATA’s global membership to ensure that it knows what wildlife trafficking looks like and what you should do when you encounter it. Everyone has a role to play in combating wildlife trafficking, and we are here to help firms easily and seamlessly join the fight to protect both wildlife and their supply chains.

The sponsorship of the joint FIATA-TRAFFIC course has been funded with the generous support of the American people through the United States Agency for International Development (USAID).

For more information, please contact Monica Zavagli (monica.zavagli@traffic.org) or Claire Beastall (claire.beastall@traffic.org).
FIATA PLEDGES TO LEAD FORWARDERS THROUGH THE DIGITAL AGE

How to cope best with the new digital world order

It is not common that an international body such as FIATA is openly challenged by a veteran of the industry. Yet Steve Walker, a British executive formerly with SBS and DSV, has cast doubt on FIATA’s ability to pave the way for the industry in the digital age. FIATA Acting Director General Steve Morris picked up the gauntlet.

On 16th July this year Steve Walker, a former executive with DSV, called on FIATA to “become a safe haven for freight forwarders to discuss a wider new industry strategy” – in the face of vertical consolidation by shipping lines and the attempt to control data via platforms such as TradeLens, a joint partnership between IBM and Maersk.

He challenged FIATA’s relevance, citing that 15% of his most avid followers on social media are freight forwarding CEOs – and not one of them follows FIATA, which had 221 followers on its twitter account on 29th July. Mr. Walker’s article asked whether FIATA is “still fit for purpose.” He cited the fact that if one was to mention FIATA to any young forwarder, who predominantly obtains his information through online sources stemming from social media, he probably thinks it is an events company for old forwarders.

Acting Director General Steve Morris was broadly in agreement in his reply to The Loadstar in regards to Mr. Walker’s comments. “FIATA is fit for purpose.” He cited the fact that if one was to mention FIATA to any young forwarder, who predominantly obtains his information through online sources stemming from social media, he probably thinks it is an events company for old forwarders.

“The challenges for freight forwarders of what Maersk is doing cannot be underestimated,” Mr. Morris continued; “it is integrating vertically, as it has realised that it could not do much alone as a shipping line. In many places, companies such as Uber are getting rid of the middle man – which in the supply chain is the freight forwarder. But forwarders have been part of the process for a long time. Do forwarders need to see this as a challenge? Yes. Is FIATA aware? Yes, we are.” If you control the data, you control your destiny. Give away the data, you give away the destiny.

ADDITIONAL SERVICES

FIATA was already ahead of this development in 2017, when Working Sea Chairman Jens Roemer argued, at the 2017 FIATA World Congress in Kuala Lumpur, that FIATA and forwarders should make better use of supply chain data or risk losing out to shipping lines and IT-driven logistics start-ups.

At that time, Mr. Roemer outlined the fact that Maersk had officially announced its strategy of offering more services along the supply chain by enhancing transparency through the development of a technology platform. One could deduce from these additional services that shipping lines wanted forwarders out of the supply chain.

Today, in fact, priority is given to BCOs. Shipping lines provide more competitive rates to BCOs, in comparison with forwarders, in an attempt to bypass freight forwarders and develop relationships directly with shippers. We see this prevalent in recent actions that penalise merchant haulage.

For example, empty pick up or empty returns are selectively offered by shipping lines, with a high preference to BCOs, in comparison with forwarders, in an attempt to bypass freight forwarders and develop relationships directly with shippers. We see this prevalent in recent actions that penalise merchant haulage.

Another important point Mr. Walker addressed in his piece is in regard to data ownership and utilisation. Today, shipping lines operate in an oligopoly and share data, in an attempt to give their sector a competitive edge. We have seen this in the TradeLens initiative and in the formation of the Digital Container Shipping Association. Even with this new found collaboration and technical advances in collecting data, shipping lines find...
it challenging to articulate insights from data that would allow them to provide the enhanced services they hope would attract shippers directly.

One hypothesis is that the fragmented collection of data from each stakeholder in the supply chain creates gaps, and limits one stakeholder’s capability to tell the full story, as many parts are missing.

The ITF/OECD projected their vision for the sharing of data in the supply chain under their initiative, entitled ‘Global Maritime Logistics Dialogue’. Their theory was that each and every stakeholder of the logistics chain must exchange data, across all industries, in order to paint the entire picture and allow supply chain stakeholders the ability to act on data collected and improve the efficiency and lead-time in the supply chain.

Mr. Walker challenged FIATA, posing the question of a unified freight forwarders’ platform and asking whether “forwarders could consider supporting K+N’s/Accenture’s platform through FIATA?” An interconnected platform, incorporating all stakeholders in the supply chain and their siloed technologies, would be ideal, especially from a non-commercial entity seeking not to make a profit from such technology, but merely to enhance all members of the supply chain’s ability to compete. The question stands – could FIATA be that body, or are we too late and must we now work with entities that are further along in terms of practical applications that already exist in the market?

**SEIZING THE MOMENT**

Mr. Morris commented that the pace at which FIATA moves “is slower than a business. International bodies are at times slow to move, whilst business entities seize the moment – it is a very different thought process.” As an international body, FIATA needs to achieve consensus through a truly democratic process involving FIATA’s 106 national forwarding associations and simultaneously being aware of the needs of its more than 50,000 business members.

“National associations dictate policy,” Mr. Morris emphasised, “and they all have very different interests. Everything takes a while and time becomes an enemy. But we can tell our members that there is an issue we should invest and be a leader in, rather than remaining passive.”

Mr. Walker said he was delighted by FIATA’s response, but said the association had to ensure it changed. “I am anticipating change at FIATA. It is too bureaucratic, but it has offered a way forward. In five years’ time, FIATA will have little purpose if it carries on only talking about things like bills of lading. No one will be talking about that then except in history lessons.”

On these issues Mr. Morris saw change as being the key driver in FIATA in 2020 and beyond. Mr. Morris confirmed that he will have discussions on this particular subject in the UK in August this year, but the topic will not be covered at 2019 FIATA World Congress meetings in October, as the content has already been decided.

“Everything points towards forwarders being under huge pressure from the outside.” Therefore, FIATA is aware of its need to equip members and the forwarding community at large with tools, training, platforms, expertise and much more, to ensure a healthy and competitive industry that continues to promote trade and provide economic prosperity.
The negotiable FIATA Multimodal Transport Bill of Lading (abbreviated as FMTBL or FBL) is a critical transport document designed by FIATA to be used by forwarders in both multimodal transport as well as in single modes of transport. According to a survey FIATA conducted this year, the number of FMTBLs used every year comes to around 90,000 – 100,000. Apart from continuing the work of digitalisation the FMTBL, FIATA is currently also promoting at various events the use of the FMTBL together with other non-
Below is the statement made by FIATA’s Senior Vice President Dr. Ivan Petrov to the 52nd UNCITRAL session, introducing the use of the FMTBL in trade financing.

Statement by FIATA’s Senior Vice President Dr. Ivan Petrov at the 52nd session of UNCITRAL, in Vienna, Austria.

On behalf of FIATA, the International Federation of Freight Forwarders Associations, I would like to present briefly our view of China’s proposal concerning UNCITRAL’s future work regarding railway consignment notes.

FIATA is the umbrella association for national freight forwarders’ associations from 96 countries around the world. Over the last few years we have observed the development of railfreight along the Eurasian overland transport corridor. FIATA supports the efforts of China to further promote rail transport by facilitating trade financing, especially by identifying proper transport documentation to support Letter of Credit transactions. The practice FIATA deems most feasible is to combine the use of a negotiable multimodal bill of lading with non-negotiable transport documents, such as rail consignment notes.

The negotiable FIATA Multimodal Transport Bill of Lading (FMTBL) was designed for use by freight forwarders acting as multimodal transport operators. It has been in use worldwide since the 1990s. By issuing an FMTBL, a freight forwarder assumes liability as the contractual carrier for the carriage of the goods. The forwarder then performs the carriage itself, or contracts it out to underlying maritime, inland or air carriers, and acts as consignee and/or consignor in the corresponding transport documents, such as the master bill of lading, consignment note and waybill. When the goods arrive at the destination, one original copy of the FMTBL must imperatively be presented in exchange for the goods.

The FMTBL is deemed by the ICC to be in conformity with the UNCTAD/ICC Rules.
Credit’s, and is widely accepted by banking institutions around the world for Letter of Credit transactions.

FIATA sees that the combined use of the negotiable FIATA Multimodal Transport Bill of Lading and non-negotiable transport documents would provide a possible solution to the need of trade financing for rail transport under the current regime of international conventions and private banking rules. FIATA members in some countries have been practicing it for years.

**EXPLORATORY WORK**
We have also observed, however, that its application is limited currently, as the customs, taxation and other authorities in some countries may not accept freight forwarder bills of lading for customs clearance, tax rebates or other purposes in international rail transport.

To support the effort of China and other UNCITRAL member countries to promote railfreight, we suggest that UNCITRAL consider the combined use of a multimodal bill of lading and non-negotiable transport documents. This 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.

Consideration might begin with some exploratory work, or with a symposium organised by the secretariat. This first step would help UNCITRAL to determine what further action is best suited to meet the needs of all the parties involved in international multimodal shipments that includes railway transport.

FIATA will naturally offer its full support to carry this initiative forward.
Happy Birthday!

FIATA congratulates four well-known delegates on their birthdays. We wish them many more years of good health and happiness.

Mr. Krishnan Chelliah, (Malaysia) celebrated his 70th birthday on 17th August 2019. He has been a FIATA delegate since 2006 and a FIATA Vice President since 2013.

Mr. Jean Chabrerie, (France) will celebrate his 80th birthday on 10th September 2019. He has been a FIATA Delegate since 1979 and a FIATA Honorary Member since 1997.

Mr. Tilman Schumacher (Mexico) will celebrate his 75th birthday on 17th October 2019. He has been a FIATA Delegate since 1989, a Senior Vice President from 1999–2001 and an Honorary Member since 2001.

Ms. Nadia Abdul Aziz (United Arab Emirates) celebrated a special birthday on 21st August 2019. She has been a FIATA Delegate since 2013 and a FIATA Vice President since 2017.

Forthcoming Events

25th–27th March 2020
Zurich, Switzerland
FIATA Headquarters’ Session
REGISTRATION OPENS!
in October 2019

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.

**National Logistics Industry**
- Korea’s logistics industry was valued at about 44 billion 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

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