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# E-Flash

**e-Flash No. 183 – 17. September 2018**

## **FIATA AND MEMBERS**

### **DSLV (Germany): Axel Plass elected new President; DSLV's "Young Talent Award for Forwarding and Logistics" goes to Marc Bernhardt**

The general meeting of the German Forwarding and Logistics Association (DSLV) held in Munich this year, elected Axel Plass (52) as president on 14 September 2018 by a large majority for the next three years. The Hamburg entrepreneur succeeds Mathias Krage, who led the Federal Association for nine years.

Plass, already a member of the DSLV Presidency since 2016, defined the focus of his term as follows: "The freight forwarding and logistics market represented by the DSLV is part of Germany's third-largest industry with 580,000 employees and more than 100 billion euros in turnover. The systemic importance of logistics must be reflected much more clearly in German and also in European economic policy. For this reason, I see it as my most important task to emphasize the importance of freight forwarding services for our economy and Germany as an economic and logistics location to policy-makers and the public and to assert our demands for a logistics-friendly environment."

This year's DSLV "Young Talent Award for Forwarding and Logistics" goes to Marc Bernhardt. The 21-year-old, who completed his training as a merchant for freight forwarding and logistics services at Kuehne + Nagel in Haiger, was honoured at the Entrepreneurs Day of DSLV on 14 September 2018 in Munich. As a national winner, Bernhardt has qualified for participation in the 'International Young Professionals Award' of FIATA.

For more details, please visit: [https://www.dslv.org/dslv/web.nsf/id/pa\\_de\\_pressemeldungen.html](https://www.dslv.org/dslv/web.nsf/id/pa_de_pressemeldungen.html)

### **BIFA (UK): Changes to the way UK forwarders trade with the European Union**

British International Freight Association reported that the UK government has reached agreement with the EU on the vast majority of withdrawal issues, including the terms of an implementation period. Full agreement on this will mean that trading with the EU during the implementation period would broadly stay the same from the end of March 2019 until 31 December 2020.

If UK leaves the EU without a deal in March 2019, there would be immediate changes to the way UK businesses trade with the EU. This includes:

- . UK businesses having to apply customs, excise and VAT procedures to goods traded with the EU, in the same way that already applies for goods traded outside of the EU.
- . Trading partners in the EU having to apply customs, excise and VAT procedures to goods they receive from you, in the same way that they do for goods received from outside of the EU.

For more details, please visit: <https://www.bifa.org/news/articles/2018/sep/changes-to-the-way-you-trade-with-the-european-union-eu?!=y>

### **SAAFF (South Africa): Freight Forwarders Combat Wildlife Trafficking in Supply Chains**

TRAFFIC through the USAID Wildlife TRAPS (Wildlife Trafficking, Response, Assessment and Priority Setting) project participated in the South African Association of Freight Forwarders (SAAFF) 2018

Congress in Cape Town last week. Freight forwarding plays an essential role in international trade, but the industry is also exploited by wildlife traffickers to move illegal shipments across the globe.

"We are thrilled to work with TRAFFIC to raise awareness of how we freight forwarders can protect our supply chains from wildlife trafficking. SAAFF member companies manage over 80% of South Africa's international trade and together we have the opportunity to spearhead solutions that will protect this country's wildlife for generations to come," said Margaret Ann Kaiser, Executive Assistant with the South African Association of Freight Forwarders.

For more details, please visit: <https://www.traffic.org/news/south-african-freight-forwarders-recognise-opportunities-to-combat-wildlife-trafficking/>

### **AMACARGA (Mexico): TIACA Signs Agreement with AMACARGA**

The International Air Cargo Association (TIACA) is to work closely with AMACARGA, the Mexican Association of Freight Forwarders, in order to grow the Association's presence in Latin America and support the air cargo community throughout the region.

As part of the partnership, the two organizations will cooperate on their signature events including TIACA's Air Cargo Forums 2018 and 2020, as well as explore joint training and networking initiatives.

For more details, please visit: [https://www.aviationpros.com/press\\_release/12429636/tiaca-signs-agreement-with-amacarga](https://www.aviationpros.com/press_release/12429636/tiaca-signs-agreement-with-amacarga)

### **UFFA (Uganda): Freight and logistics through the years**

Uganda's freight and logistics industry started with the building of the Uganda Railway (1896 - 1901). At the time, the major purpose of the railway was to transport copper at Kilembe mines. Coming all the way from Mombasa, the railway made things possible, especially for those along the railway line.

"The biggest challenge is that we don't have a port of our own so we are taxed by Kenya," says Hussein K. Kidedde, chairman of the Uganda Freight Forwarders Association (UFFA), which brings together 114 freight and forwarding companies in the country. Kidedde further notes that unlike other regions with well-established rail transport systems, Uganda uses road transport, which is very costly in terms of transporting cargo. "This complicates the logistics and transport system," Kidedde adds.

For more details, please visit: [https://www.newvision.co.ug/new\\_vision/news/1485303/freight-logistics](https://www.newvision.co.ug/new_vision/news/1485303/freight-logistics)

### **UFFA (Uganda): Uganda set to host second edition of the Global Logistics Convention**

Uganda Freight Forwarders Association (UFFA) in partnership with the National Logistics Platform and the Ministry of Works and Transport is set to host the 2nd edition of the Global Logistics Convention from 17 to September 18, 2018 at Sheraton Hotel, Kampala.

Under the theme: "Freight Logistics: The Edge to Competitiveness", this year's convention, sponsored by the Department for International Development (DFID) through Trade Mark East Africa, will bring together over five hundred (500) participants from across the world who will include logicians, finance institutions, insurance firms, manufacturers and traders, truck and equipment dealers, Government officials, civil Society organizations, development partners, Academicians, and other private sector stakeholders from all over the region.

For more details, please visit: <https://chimpreports.com/uganda-set-to-host-second-edition-of-the-global-logistics-convention/>

## **KIFWA (Kenya): Standard and KIFWA to create a platform to educate viewers**

The Standard Group has partnered with the Kenya international freight and warehousing association (KIFWA) to create a platform to educate viewers on the freight forwarding and logistics industry.

The partnership comes days before the freight forwarding and logistics business summit 2018, the first of its kind in the region seeking to discuss challenges and technology solutions for the industry.

For more details, please visit: <https://www.standardmedia.co.ke/ktnnews/video/2000161050/standard-and-kifwa-to-create-a-platform-to-educate-viewers-on-freight-forwarding-and-logistics>

## **SEA FREIGHT**

### **Europe: Joint industry position on maritime single window**

On 10 September, a coalition of European organisations in maritime logistics including CLECAT, ECASBA, EMPA, ESC, ESPO, FEPORT and IPCSA issued a joint position paper welcoming the Commission proposal for a Regulation which established a European Maritime Single Window environment (EMSWe).

The associations welcome the efforts of the Commission in reducing burdens in maritime transport by repealing the Reporting Formalities Directive (RFD). They also fully endorse the decision to replace the Directive with a Regulation as this truly ensures the harmonisation and interoperability. They also welcome the fact that the chosen policy option respects the existing set-up of National Single Windows and makes use of the investments already made and other important good intentions expressed.

For more details, please visit:

[https://www.dslv.org/dslv/web.nsf/gfx/AD12BC7C292D472BC1258307002DED8C/\\$file/Clecat-Newsletter%2032-2018.pdf](https://www.dslv.org/dslv/web.nsf/gfx/AD12BC7C292D472BC1258307002DED8C/$file/Clecat-Newsletter%2032-2018.pdf)

### **USA: Global Ocean Freight Forwarding Report on and United States Market 2018 Overview**

The Ocean Freight Forwarding Report on and United States Market research report provides an in detail Study of the major Ocean Freight Forwarding Report on and United States industry leading players along with the company profiles and strategies adopted by them.

A separate section with Ocean Freight Forwarding Report on United States industry key manufactures is included in the report, which provides a comprehensive analysis of price, cost, gross, revenue, product picture, specifications, company profile, and contact information. This enables the buyer of the report to gain a telescopic view of the competitive landscape and plan strategies accordingly

For more details, please visit: <https://ourmarketresearch.com/43637/global-ocean-freight-forwarding-report-on-and-united-states-market-2018-overview-size-revenue-demand-end-users-research-finding-and-forecast-to2025/>

### **USA: As Florence approaches, the importance of seaports**

The primary large seaport in the path of Hurricane Florence as of Thursday appears to be the Port of Charleston, though the smaller Port of Wilmington to the north is more likely to suffer a more direct hit, the Port of Virginia is far from off the hook, and the larger Port of Savannah to the south will almost certainly feel the storm's wrath.

These are all important seaports, Charleston for the automotive and aerospace trade, Wilmington for its defense-related trade, Virginia for pharma and automotive trade, and Savannah for its ties to China. All told, they are handling slightly more than 6.4% of all U.S. trade this year and 14% of seaport trade.

For more details, please visit: <https://www.forbes.com/sites/kenroberts/2018/09/13/as-florence-approaches-the-importance-of-seaports-in-charleston-wilmington-savannah-and-virginia/#2564d0bf43d0>

### **China: Typhoon Mangkhut moves into Mainland China after lashing Hong Kong**

Typhoon Mangkhut began weakening after it made landfall in China and left Hong Kong with roads blocked, buildings damaged and low-lying areas flooded. The death toll in the Philippines rose to more than 50.

Almost 900 flights were canceled in Hong Kong on Sunday due to the typhoon, while bus and ferry services as well as express train service to the airport have been suspended, the Hong Kong government said. Underground trains are running at reduced intervals with stations largely empty. In China, all flights at Guangzhou International Airport were canceled from midday Sunday through Monday morning.

For more details, please visit: [http://fortune.com/2018/09/16/typhoon-mangkhut-china/?xid=gn\\_editorspicks](http://fortune.com/2018/09/16/typhoon-mangkhut-china/?xid=gn_editorspicks)

## **AIR FREIGHT**

### **ICAO: Air cargo event underscores pressing need for modernization, liberalization, and new efficiencies**

Air freight volumes will grow at a healthy rate of 4.2 % annually through to 2032, but only if current air cargo modernization continues to be robustly and cooperatively pursued by governments and industry. This was conveyed by ICAO Secretary General Dr. Fang Liu at the latest Air Cargo Development Forum in Zhengzhou, China.

"With current consumer expectations for same day or next day delivery driving a great deal of today's growth in e-commerce and air freight, we cannot allow the speed and efficiency of commercial operations to be impeded due to network capacity shortfalls or other infrastructure-related risks," Dr. Liu said, adding that governments everywhere now have much greater investment certainty thanks to the guidance, targets and indicators reflected in ICAO's strategic global plans.

For more details, please visit: <https://www.icao.int/Newsroom/Pages/ICAO-air-cargo-event-underscores-pressing-need-for-modernization,-liberalization,-and-new-efficiencies.aspx>

### **Moderation in demand momentum amid softer demand drivers**

International Air Transport Association (IATA) reported that: annual growth in air freight tonne kilometres (FTKs) slowed to 2.8% in the three months ended July - its slowest pace on this basis in more than two years. While FTKs are continuing to increase in seasonally adjusted (SA) terms, the upward trend has slowed markedly from that seen during the best of the upturn in air freight last year.

Cargo yields have continued to trend upwards in H2 2018, albeit at a slower pace than a year ago. While the industry-wide load factor is trending down, ongoing high rates of freighter aircraft utilization will continue to help to reduce average costs, and to help offset ongoing upward pressure on costs, particularly from higher fuel prices.

For more details, please visit: <https://www.iata.org/publications/economics/Reports/cargo-chartbook/cargo-chartbook-Q3-2018.pdf>

### **Air freight peak season takes off, with the transpacific off to a strong start**

Peak season has hit the transpacific air freight sector, with forwarders reporting increased rates and tight capacity. "The US market is booming, air freight rates have increased and space is tight," said one Asian forwarder.

The public comment period for the new round of tariffs ended last week and the US government said it was finalising plans to add up to 25% tariffs on \$200bn of Chinese goods.

For more details, please visit: <https://theloadstar.co.uk/air-freight-peak-season-takes-off-transpacific-off-strong-start/>

## **ROAD FREIGHT**

### **European road haulage capacity at 'historically low' level**

Available transport capacity is fluctuating around a historically low level, pushing European road freight rates upwards, while hikes in fuel prices and driver shortages are also driving hauliers' operating costs higher, according to the latest quarterly data published by Capgemini and Transporeon, which tracks transport market dynamics.

"In the second quarter, transportation costs reached the record of Q4 2017. More importantly, the transportation costs could further rise to a new record high in the second half of this year. This is a direct result of continuously rising fuel and driver costs while at the same time transport demand increases across all industries," said Lars Vitters, supply chain manager at Capgemini Consulting.

For more details, please visit: <https://www.lloydsloadinglist.com/freight-directory/news/European-road-haulage-capacity-at-%E2%80%98historically-low%E2%80%99-level/72784.htm#.W5koSej7Qow>

### **IRU: Digital transport rolls out across key trade corridors**

International Road Union reported that the regional trade and transport seminar in Baku, Azerbaijan in beginning of September accelerated the creation of fully digital TIR corridors across Eurasia, with the outcomes of recent pilot operations and TIR's intermodal capacity in the spotlight.

Seminar participants, including senior customs officials and TIR associations, analysed the results and expansion of pilot projects between Turkey and Iran; Georgia and Turkey; Turkey and Ukraine; and along the Batumi corridor (linking Ukraine, Georgia, Azerbaijan and Kazakhstan). Going a step further, there was also work to draft a regional cooperation agreement on TIR digitalisation.

For more details, please visit: <https://www.iru.org/resources/newsroom/digital-transport-rolls-out-across-key-trade-corridors>

## **INNOVATION**

### **Blockchain: Kuehne + Nagel deploys blockchain technology for VGM Portal**

Kuehne + Nagel for the first time leverages the benefits of blockchain technology in a large scale operational environment with 800,000 transactions per month while upgrading its well-established

VGM Portal. The enhanced solution provides shippers with new features that improve the ease of doing business as well as the degree of transparency on the VGM status of all customer shipments and the history of persisted information.

All information submitted via the portal is stored on-chain, which allows for using native blockchain interfaces for data exchange with third parties, removing the need for additional off-chain communication channels.

For more details, please visit: <https://newsroom.kuehne-nagel.com/kuehne--nagel-deploys-blockchain-technology-for-vgm-portal/>

### **Blockchain: UAE forwarders could save up to AED 3.2 million per year with blockchain**

Maqta Gateway CEO says forwarders could save AED 3.2-million on every 50,000 shipments per year with blockchain solution. Abu Dhabi Port Authority announced that they had built the first in-house Blockchain solution called Silsal in June 2018.

The solution is intended to provide access to transaction status updates between importers and exporters and according to Dr. Noura Al Dhaheri, CEO of Maqta Gateway at Abu Dhabi Ports, it can significantly benefit exporters and importers.

For more details, please visit: <https://www.logisticsmiddleeast.com/technology/31330-uae-forwarders-could-save-up-to-aed-32-million-per-year-with-blockchain>

### **The digital age is not quite the disruptor freight forwarders feared, says report**

Online platforms may be improving freight forwarding's front end, but those predicting the demise of the traditional operator may have overestimated the impact of technology.

Transport Intelligence's recently published Global Freight Forwarding 2018 report, which polled 20 major forwarders and several online platforms, believes the tech crowd are not the transformative power many feared.

For more details, please visit: <https://theloadstar.co.uk/digital-age-not-quite-disruptor-freight-forwarders-feared-says-report/>