



*The International Federation of Freight
Forwarders Associations*

*Fédération Internationale des Associations de
Transitaires et Assimilés*

*Internationale Föderation der
Spediteurorganisationen*

The Role of Freight Forwarders and Logistics In Intermodal Supply Chains

W.P. 24 Workshop

Marco L. Sorgetti, FIATA, Director -General

FIATA is 88 years young!

- * FIATA was founded on **31st 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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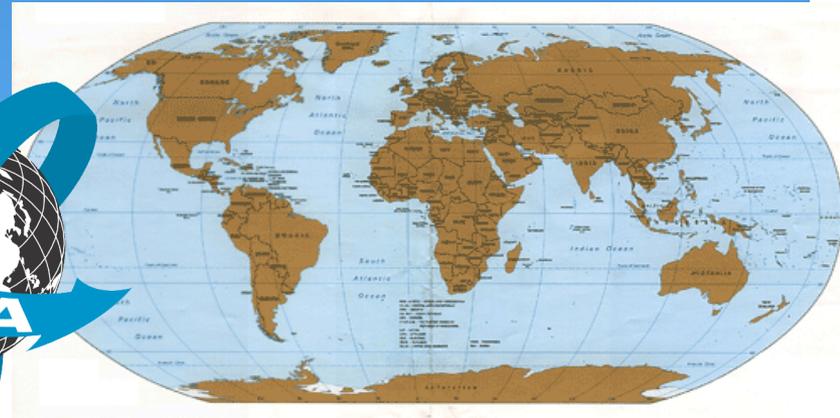
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FIATA's Role

FIATA's statutes' objectives (article 2):

The purpose of FIATA is to act as an umbrella organisation for the national and regional associations of freight forwarders throughout the world; to safeguard, promote and co-ordinate professional and branch interests on an international plane, in particular by:

- *Maintaining contacts with international and supra-national authority organisations and associations of transport and commercial*
- *Being active in the determination of customary usage/regulations in international business.*



FIATA encourages all efforts deployed to create additional facilitation for traders in general and logistics service providers in particular. It creates instruments and standards for members and third parties, shippers, governments, etc.

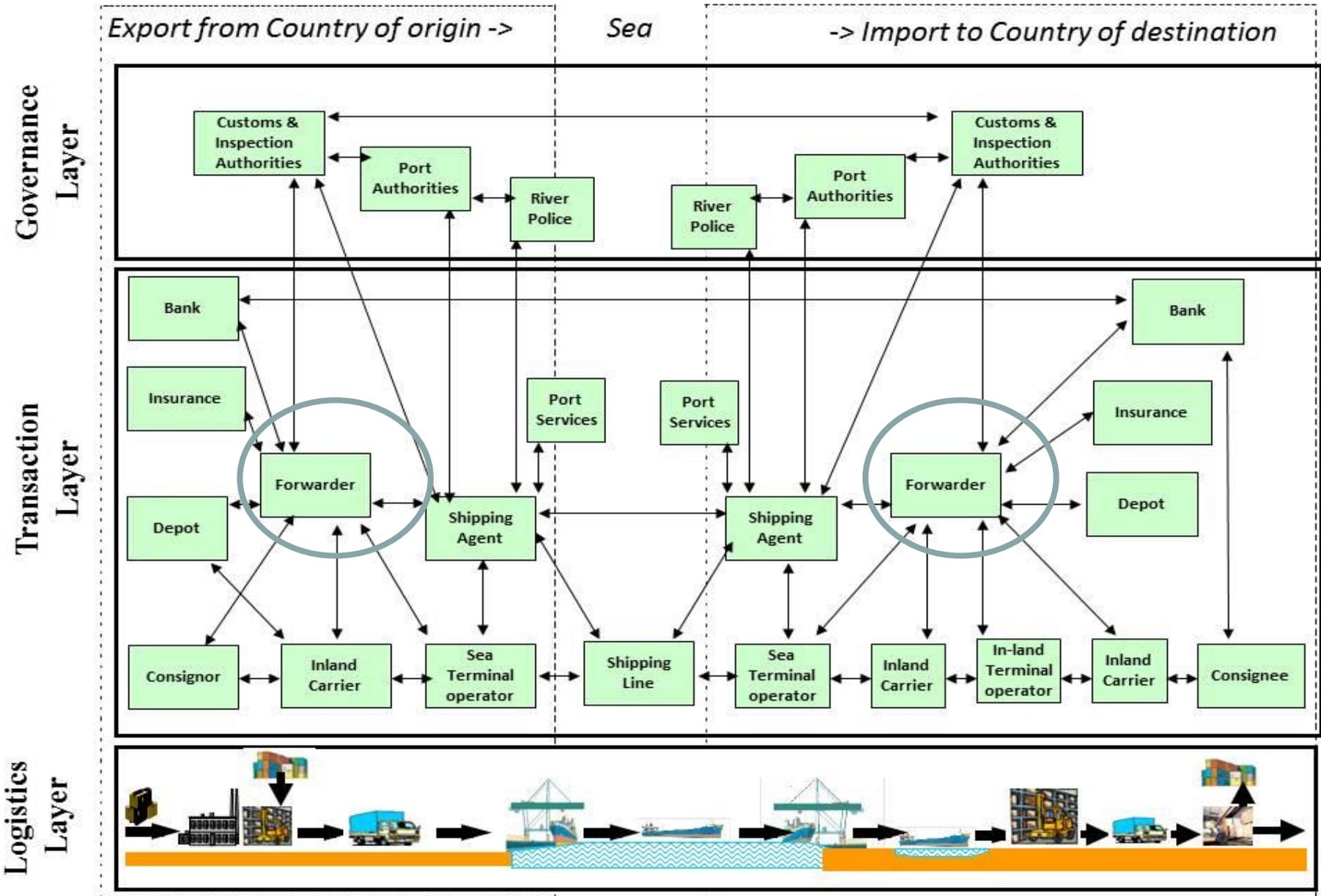
Official Description of Services

“Freight Forwarding and Logistic Services”, ad. 2004

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.

Freight Forwarder = Essential Trade Service

- * **Partner of shippers and carriers - the freight forwarder**
 - * Conciliates different interests and needs in the supply chain,
 - * Deploys expertise and market competency,
 - * Facilitates traders by providing value added services.
- * Freight forwarders provide brokerage and assistance in Customs, excise, quality assessment, veterinary, phytosanitary, safety and security, dual use, etc.
i.e. de facto full regulatory compliance.
- * Freight forwarders facilitate traders' market access by providing consolidations and trade facilitation services, regardless of modal choice.
- * Freight forwarder and Customs agents fill all possible service requirements of shippers' demand, with a view to increasing efficiency.



Source: Oosterhout et al, 2000

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The Complexities of the Supply Chain

- * Supply chains do not stop at national or regional borders and rarely use one mode of transport only.
- * FF think of supply chain in a holistic manner, from both sides.
- * Continuous changes have changed the face of trade and – with it – freight forwarders and logistics.
- * Policies of other countries can significantly affect supply chain efficiency and impose costs on firms that are so high that they suppress business activity

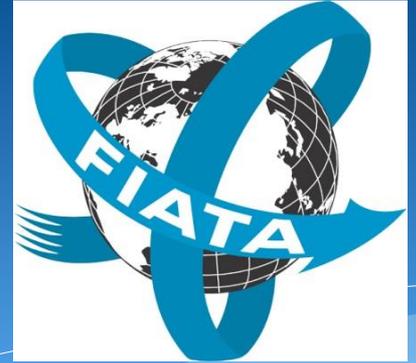
→ The importance of ensuring logistics connectivity

- * Logistics efficiency heavily depends on **investments (infrastructure and trade facilitation instruments)** to allow efficient deliveries
- * Policies enforced at borders (customs, safety and security) can significantly fragment and lower the quality of service on operations

The View from the Control Cabin

- * FIATA is a supporter for the adoption of the WTO BALI agreement on trade facilitation as the instruments afforded by the agreement can become a significant game changer.
- * Short/medium term improvements:
 - * Freight forwarders eye smart, seamless networks of interconnected corridors and hubs supporting advanced services, **where regulatory bottlenecks are removed**
 - * Forwarders require better data management to provide end-to-end visibility of manufacturing capacity, inventory holdings, transport availability and all the necessary metrics on a global visibility scheme.
 - * More cross border continuity and reliability within the supply chain is required through facilitation tools such a Single Window for Customs, safety and security.
- * Long term initiatives:
 - * Updating, upgrading and maintaining infrastructure
 - * Promoting infrastructure development as a means to the end of ending stagnation and promoting growth and jobs.

Targeted Transport Policy



- * **Transport policy is not only about taxes and emissions: it is supposed to be also about development and prosperity**
- * Restrictive policies on trucking companies affects their ability to interact in an interconnected system
- * Restrictive or insufficient policy, e.g. shortage of skilled labour, puts pressure on the user
- * Rail services are falling behind their potential and are allowed to take distance from their cargo customers
- * Policy from government is extremely helpful to **remove impeding barriers**; there is a concern for uncalled for desire to “set the rules of the game”
- * **Top intervention areas:** infrastructure policy, research, education and awareness.

Awareness & Education



- * There is a need to enhance the public perception of the economic significance of freight transport and logistics
 - * Awareness programmes should be created with a view to improving the perception of the crucial importance of logistics
 - * The main policy objective on freight staff training should make the industry more attractive for the young and enterprising as well as people re-entering the labour market.
- * Can/will there be “logistics specialist” curriculum?
 - * **The Role of FIATA Minimum Standards (FMST).**
 - * FIATA could assist with its successful vocational training programmes that are delivered in nearly 100 countries and ensure a common qualification standards that are conducive to a portable “competency certificate” in logistics all over the world

Practical and Conducive



1. **Monitoring and analysis of performance standards** for infrastructure and border management processes would assist developing better services
2. **Carrots, not sticks** – incentives work better than sanctions, sanctions are also difficult to implement and monitor
3. **Completion of the single market**, further liberalise and approximate legislation
4. **Boldly remove bottlenecks**, immediately those than would be removed at zero cost.

FIATA documents

- FIATA has created transport documents and uniform standards and good practice for forwarders worldwide
- All FIATA documents will be made **available electronically**



FIATA documents are multimodal native

Consignee

Origin of Goods

FBL

NEGOTIABLE FIATA MULTIMODAL TRANSPORT BILL OF LADING

Issue subject to INCOTERMS Rules for Multimodal Transport Documents (ICC Publication 481)

Consigned to order of

Notify address

Place of receipt

Ocean vessel

Part of loading

Part of discharge

Place of delivery

Marks and numbers

Number and kind of packages

Description of goods

Gross weight

Measurement

according to the declaration of the consignee

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

Declared value for all relevant rates according to the declaration of the consignee (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 noted 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

Number of Original Bills

Stamp and signature

not covered covered according to attached Policy

For the delivery of goods please apply to:

Shippers or Forwarders Principals

Origin of Goods

FIATA FCR

Forwarders Certificate of Receipt

ORIGINAL

Form No.

Consignee

Marks and numbers

Number and kind of packages

Description of goods

Gross weight

Measurement

according to the declaration of the consignee

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

Place and date of issue

Stamp and signature

The Digital Age



The digital age is critical for the freight forwarding industry and their **interaction with shippers**

- The majority of Freight Forwarders are multinational in spirit and global in outreach, but deal with **local** needs requiring creative IT solutions.
- Shippers are **critical** in the adoption of digital instruments in modern logistics
- A question remains on core components, still important or the market approach will suffice?

Making is believing in the making

- * Technology tools provide actionable data for supply chain improvements, cost efficiencies, on-time performance, and customer satisfaction.
- * IT saves time and money by ensuring the seamless movement of goods, resulting in lower administrative costs, automatically reconciled accounts, quick turnaround management reports, immediate compliance with retailers' mandates.
- * Electronic bill of lading technology reduces inaccuracies, time, and costs, and provides instantaneous online shipment details.
- * Smart use of IT enables more efficient, cost-effective movement of product through the supply chain

Avoiding marginality & ineffectiveness

- * Logistics has a key role to play in increasing the competitiveness of our economies in a sustainable way and a role to promote sustainable growth
 - ➔ for this **there is no requirement of additional regulation** at international level
- * The role of governments is best deployed in
 - * Cutting red tape and creating facilitation opportunities
 - * Enhancing harmonisation, implementing international agreements
 - * Investing in education, promoting skills' creation and quality of study
 - * Updating, upgrading and maintaining infrastructure
 - * Promoting public and private investment in key infrastructure
 - * Seek international coordination, not regional segregation.

MORE INFORMATION?

www.fiata.com



Thank you!