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COMING UP

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FIATA President adresses the maritime crisis with WTO Director General

On 21 March 2022, the FIATA President took part in a closed CEO high-level dialogue with the Director General of the World Trade Organisation (WTO), as a side meeting to the WTO Global Supply Chains Forum. The meeting brought together CEOs and leaders from shipping, logistics, and trading to build a 360-degree picture of the challenges and opportunities facing global supply chain partners, with the aim of fostering dialogue and engagement to shape resilient, sustainable and inclusive solutions.

During the discussions, the need for data governance, transparency and visibility of data exchange was underlined by many participants as being key, as well as the need for greater interconnectivity and infrastructural investments. The FIATA President provided a picture of the current situation, pointing to the current market structure and the recent practices of shipping lines, the obstacles it creates for free market competition, and the knock-on implications for the global economy. In particular, he underlined the significant impacts on small and

medium-sized enterprises (SMEs) which form the backbone of many national economies.

A key element of the discussions was the focus on what the WTO can do to help the situation. The participants welcomed the efforts of the WTO to engage with the private sector, and encouraged the WTO to continue such efforts and to use its position to share data and knowledge. Some of the solutions called for by the participants, including FIATA, notably involved the WTO fostering multilateral cooperation and leveraging the existing WTO frameworks, including the WTO Trade Facilitation Agreement and the WTO General Agreement on Trade and Services. There were also proposals for the WTO to create mechanisms to protect SMEs and fair trade.

The logistical chaos in Ukraine adds to supply chain challenges

The Ukrainian conflict has severely affected multimodal transport for Ukrainian exports and imports, according to a delegate of FIATA Multimodal Transport Institute and member of Working Group Sea. The Ukrainian seaports and ports of the Dnieper River are practically blocked from the sea, while the Danube ports of Reni and Izmail remain open. These ports are however unable to handle the whole Ukrainian import and export cargo flows and are reduced due to the conflict, firstly in terms of capacity and secondly due to the caution of foreign carriers. Most calls are by Ukrainian-flagged vessels, which are currently not allowed to leave the country with Ukrainian male crew members under the age of 65. The same holds true for the alternative transport by road, which is also more expensive.

FIATA has been informed that a multimodal corridor currently exists, with a rail leg in Ukraine, passing through Moldova and entering Romania before ending in Galati (Port Bazinul Nou terminal). Port Bazinul Nou could additionally accommodate around 50,000 tonnes of transit cargo at open storage, subject to obtaining permission from the Romanian customs authorities. The Romanian

freight forwarders have been actively working at facilitating this with the authorities. The possibility to reach ports on the western European coast through the connection of the Danube inland, with the Main and Rhine rivers, is also noted.

Finally, there are implications for neighbouring countries including Bulgaria, where there is an increase in requests for moving transit cargo through the land bridge connecting the ports of Varna and Ruse, which has always been considered a potential transit corridor. So far, that corridor was not busy enough and regarded only as an alternative in case of overload of the intensively used waterway shortcut through the Cherna Voda - Constanta canal.

In general, the situation is extremely dynamic and significant changes could occur at any time, requiring lots of flexibility and adaptation for freight forwarders.

IFCC Extended Session ends with positive outcome

FIATA achieved another step forward in making the voice of freight forwarders heard at the 83rd IATA/FIATA Consultative Council (IFCC) meeting last week, after the important decision to suspend the effectiveness of the V8 and V9 items of the Special CAC48 agenda (submitted by IFCC) was made. In the extended session that took place on 14 March 2022, FIATA managed to obtain the following:

- FIATA agenda item submission on "Incorrect application of Resolution 811e regarding the Cargo Agency Commissioner's revisions to decisions affecting agents" to be sent to the CAC/49 as a joint recommendation
- FIATA submission on "Definition of Remittance Date related to V2 of the Special CAC49" to be presented to the CAC as a late document.

• Agreement to work towards a clarified wording of Resolution 801r to be submitted to a mail vote later this year.

These items will now be submitted to the next Cargo Agency Conference (CAC) taking place on 23 and 24 March 2022, and FIATA very much hopes that the IFCC airline representatives will agree with the merits of these proposals.

FIATA would like to thank the new IFCC team for their hard work on this important project and will continue to work towards ensuring the voice of freight forwarders is heard.

For more information, please contact legal@fiata.org.

HQ Meeting 2022: It is time to register!

FIATA invites its Members to the 2022 HQ Meeting titled "Reconnect".

The FIATA HQ Meeting is one of FIATA's flagship events dedicated to FIATA Members, with a timely and informative <u>programme</u>. The Meeting will provide the opportunity for exchanges between FIATA Members, with dedicated sessions for all FIATA Institutes, Advisory Bodies, and Regions.

During the sessions, delegates will be able to exchange with high-level stakeholders who have a crucial impact on FIATA Members' activity. Delegates from UNCTAD, WCO, UNECE, UNCITRAL, and representatives from IATA, IRU, to name a few, will participate in the HQ meeting.

More information about the logistics of the event can be found through this link.

Register ONLINE or IN-PERSON below for this yearly event dedicated to FIATA Members and be sure to share with your members.