Digitalization and logistics resilience: lessons learned from COVID-19 and challenges ahead

International Federation of Freight Forwarders Associations (FIATA)

WTO Webinar
15 October
Introduction to FIATA

• Global voice of the freight forwarding and logistics industry, representing freight forwarders in some 150 countries across all modes of transport

• Composed of 109 Association Members representing 40,000 freight forwarding and logistics firms and 5,500 Individual Members

• Committed to promoting trade facilitation and best practices among the freight forwarding community

• Priority to ensuring business recovery and building a more resilient and sustainable supply chain
The «architects of trade»:
• Key intermediary between all modes of transports
• Facilitating the transport of goods in the increasing complexity of international trading environment

The COVID-19 pandemic has portrayed essential role of freight forwarders in functioning of supply chain:
• Key function of freight forwarders to ensure movement of essential goods
• New role to play within eCommerce exponential growth (B2B -> B2C)

FIATA has extensively advocated for the recognition of freight forwarders as essential services.
COVID-19 impact on the freight-forwarding industry

Pandemic has exacerbated resilience and demonstrated vulnerabilities:

- Maritime: container imbalances, blank sailing, abandoned cargo and ports and terminals congestion severely impacted maritime transport
- Airfreight: a rapid downturn in airfreight capability hindered JIT freight movements
- Road: border difficulties as well as driver shortages impacted road transport significantly, especially in UK and USA
- A general need for further harmonization and simplification of supply chain was emphasized

FIATA worked with its members and stakeholders to ensure aligned and appropriate responses at international and national levels:

- Publication of several positions papers, best practice guides
- Development of FIATA Electronic Bill of Lading through its Digital Strategy
- Contribution to elaboration of common standards to facilitate interoperability and adoption of electronic documents
- Active advocacy for trade facilitation measures
FIATA Digital Strategy: fostering interoperability through collaboration

- FIATA Digital Strategy launched in June 2020
- 6 projects aiming to facilitate the exchange of data between freight-forwarders and their stakeholders
- Collaborative approach to foster interoperability: involving members, key organizations active in the supply chain as well as software providers
FIATA Digital Strategy: fostering interoperability through collaboration

**eFBL project**

**Negotiable FIATA Multimodal Transport Bill of Lading**

- Standard trade document introduced by FIATA, in its paper format, more than 40 years ago
- Only truly multimodal negotiable transport document
- Conform with the UNCTAD/ICC Rules

**Bringing trust and security through digitalization**

- Allowing freight-forwarders to issue eFBLs through their everyday tools
- Strengthening of compliance control over the issuers of the document
- Preventing fraud and ensuring full traceability of the document
- Ensuring interoperability with all modes of transports and different actors of the supply chain through

https://www.youtube.com/watch?v=OEBljq3v1AM
FIATA Digital Strategy: fostering interoperability through collaboration

eFBL Proof of concept
• 7 months POC: Feb – Aug 2021
• 7 software providers tested the technical implementation of the eFBL data model and API
• 19 freight-forwarding companies (FIATA & Nat. Ass. Members) tested the full lifecycle of the document: issuance, sharing and verification process

Next steps
• Implementation started – launch planned for early 2022
• Possible extension to other FIATA documents (FWB, FCR, FWR) and non FIATA documents (House Bill of Lading)
• In parallel, working with other key actors of the supply chain on development and adoption of relevant standards to facilitate the use & acceptance of electronic bills of lading worldwide
Importance of the trade facilitation measures

Need for level playing field and harmonized global approach:

• Effective implementation of the WTO Trade Facilitation Agreement (TFA)
  • Trade facilitation measures will help the industry recover
  • Ensuring regulatory and business practices on the movement of goods, conveyances and people
  • Facilitating a more harmonized and supporting legal overarching framework

• Development of a legal framework on digitalization of the supply chain, such as MLETR (recognition of electronic transferable documents)

FIATA has strongly advocated for the implementation of the WTO TFA and WCO SAFE Framework of Standards to facilitate global trade.
Thank you