



*The International Federation of Freight
Forwarders Associations*

*Fédération Internationale des Associations de
Transitaires et Assimilés*

*Internationale Föderation der
Spediteurorganisationen*

FIATA and MULTIMODAL CORIDORS

Marco L. Sorgetti, FIATA, Director General

UN/CEFACT, UNECE, Genève, April 10th 2014

FIATA is 88 year young!

- * FIATA was founded on **31th 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 the 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.

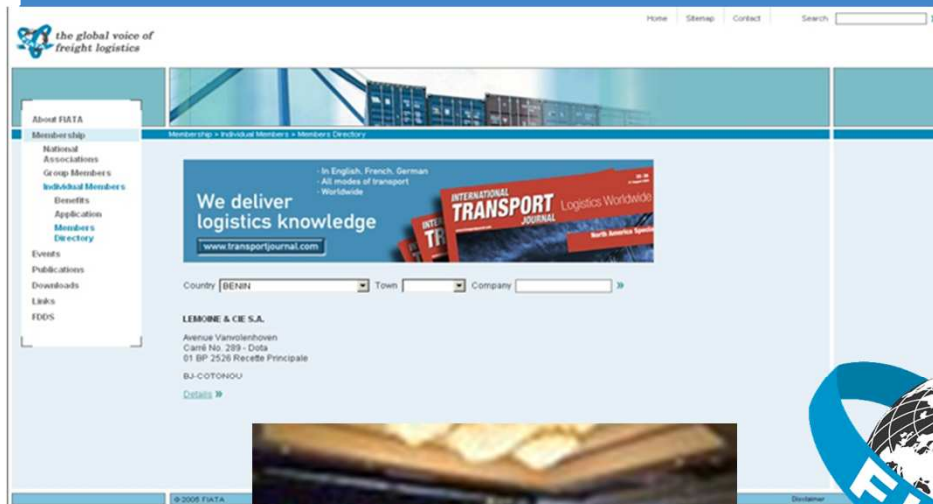


A Global, Unique Constituency

In January 2014 FIATA represents

110 Association Members in 100 countries

5058 direct Individual Members in 160 countries



Official Description of Services

“Freight Forwarding and Logistic Services”

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.

Targeted work

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.

Matter of collaborative environment

- * As a partner of shippers and carriers the freight forwarder conciliates different interests and needs in the transportation chain, deploying its expertise and market competency.
- * Freight forwarders provide brokerage and assistance in Customs, excise, quality assessment, veterinary, phyto-sanitary, safety and security, i.e. **de facto full regulatory compliance**.
- * Freight forwarders facilitate traders' market access by providing consolidations and trade facilitation services.
- * Freight forwarder and Customs agents fill all possible service requirements of shippers' demand, regardless of modes of transport and compliance domains.

Working together in →

Institutes, Advisory Bodies, Working Groups



Airfreight Institute
AFI



Customs Affairs Institute
CAI

Multimodal Transport Institute
MTI



WG
Rail

WG
Road

WG
Sea



Advisory Body
Legal Matters



Advisory Body
Security Matters



Advisory Body
Vocational Training



Advisory Body
Information Technology



Advisory Body
International Affairs

CONSTRUCTIVE DIALOGUE: depends on where you live.....

Multimodal effective corridors need
first and foremost **consensus** and **investments**.

- * Identifying the scope of the project in areas where the availability of **at least three modes of transport co-exists (?)**
- * Identifying the **tools and standards that exist**, or need to be created in order to assist trade facilitation on these trade corridors.
- * Identifying **best practices and benchmarking them**, amongst which tracking and tracing tools and other instruments of automated trade facilitation.
- * Adopting **common methodology for performance KPI's, e.g. infrastructure performance, calculating carbon emissions, availability of modal choice, etc.**

Wish list, anyone?

The eventual objectives of the project should be conducive to practical solutions in



- Finding and mobilizing appropriate investments
- Establishing and maintaining appropriate KPI across different infrastructure performance
- Harmonizing practices among different means of transportation (ideally referencing international standards).
- Comparing and, where appropriate, encouraging best in class trade facilitation instruments, such as SW's, MRA's and FTA's and the carbon footprint of transport
- Reducing the time and resources needed by operators to comply with regulatory requirements

Corridors, anyone?

Questions remain open in regards of the scope of the exercise



- Should the project comprise countries that are distant from each other (e.g. China – European Union...?) or not?
- Should preference be given to addressing practical issues in countries that are low in their logistics performance or avoid any kind of ranking in this regard?
- Should such a project concentrate on recommended practices to regulators, or involve the private sector?
- Should such a project include technical solutions insofar as they are technologically neutral, or remain high level?
- Should the project concentrate on soft functions such as tracing and tracking embrace the issue of the availability and maintenance of infrastructure?
- Will the deliverables be taking the shape of a recommendation to governments or remain as a list of best practices?

Is it all so easy?

But, there is
a BIG but..... What is
the reality of the corridors and
what can regions really absorb?



- FIATA made a small regional inventory with comments and suggestions from its constituents in:
 - AFRICA
 - AMERICAS
 - ASIA
 - EUROPE

COMMENT:

Synchronising initiatives
seems to be the most
important challenge.

From South Africa

“Multi-modal corridors is a term which is used quite often in regional forums, but very little seems to come out of discussions around the subject. It is an objective of most regional and international organizations, but is very difficult to make happen. Most of the initiatives have come from the private sector, particularly large companies such as Imperial, Unitrans and Cargo (e.g. Transnet)”

UNECA's snapshot (2010)

Another UNECA's snapshot (2011)

PIDA <http://www.au-pida.org/transport>

COMMENT:

More public initiatives in
coordination could help,
right?

USA, Intermodal corridors? [2012 snapshot](#)

TIA intermodal transportation [course](#)

The new Obama approach: [the factsheet](#)

The corridors according to ALACAT

From Argentina via Chile towards the Pacific Coast.

From Chile via Argentina and Uruguay to Europe and Africa.

From Brazil, going through Argentina and Chile to the Pacific Coast.

From Europe and Asia to Chile, and then to the west of Argentina.

From Europe or Asia, via Argentina or Uruguay to Paraguay.

From Europe or Asia, via Iquique (Chile) to Paraguay and Bolivia.

From Asia, via Ecuador, to Brazil (up to Manaus)

From South America (Chile, Brazil, Argentina) via Costa Rica to Pacific Coast.

Legal base:

- TRANSPORTE MULTIMODAL DE MERCADERÍAS (Argentina)
- Aspectos jurídicos y operativos
- Mercosur multimodal agreement

COMMENT:

Initiatives galore, mostly
privately led...

From Buenos Aires ON CORRIDOR 1

For the last ten years have been operating with the FIATA BL: fast moving consumer goods company, which sells products for personal hygiene, home care and food - Multimodal transportation has been a fundamental key in this process. In Buenos Aires, Argentina, we load two trucks with 30 pallets each (60 combined) and we send them to San Antonio, Chile for “in transit” storage. After consolidation, 3x40’, each with 20 pallets are sent to different ports located in the Pacific (Callao, Barranquilla, and many others in Central America). Other cargo coming from other South American origins is consolidated in San Antonio.

Another solution is sending consolidated containers to Acajutla Port in El Salvador, from there distributing according to stock requirements.

COMMENT:

Initiatives galore, mostly privately led... (CONT)

Advantages obtained by using multimodal transport with one FBL for each shipment:

- * Reduction of the transit time by 12 days. Crossing the *Estrecho de Magallanes* takes 14 days of sailing, whereas it takes just one day and a half for a truck to get to San Antonio.
- * The total cost of the multimodal transport vs. the direct sea freight is 16% lower.
- * Since we can reduce the transit time by approximately 10 days, there is reduction in stock and inventory (30 days)
- * Avoiding the aging of the products, reductions of waste of products with savings on clearing aged products.
- * Decrease of financial and economic cost that comes from an elevated stock.
- * Savings in the cost of storage and distribution of the products in the local area of destination.
- * Reduction of losses related to deterioration, damage or robbery of products at destination.

COMMENT:

Initiatives galore, mostly
privately led... (CONT)

Some difficulties along the way:

- “Even though multimodal transport has been recognized and accepted by the customs of every country, the FBL is not always as acknowledged as it should be.”
 - The FBL is not issued in every country of the region.
- Brazil, one of the few countries with current legislation is very restrictive to use multimodal transport operators.
 - [Brasil multimodal \(link\)](#)
- Regular shipments are offered by competitors as “multimodal” without being really multimodal, This difference consists in the responsibility that involve issuing the FBL. Instead competitors issue a FCR (forwarder cargo receipt) that has a lower cost.
- Some shipping companies that put up resistance.

Other (older?) South American initiatives

- ANDEAN COUNTRIES

- A "good" example could be the [Andean Countries multimodal regulation](#): This was tailored in a time (1990's) when the 5 countries (Venezuela, Colombia, Ecuador, Peru and Bolivia) were traveling towards a bright integration future. The regulations written are what any integration process must have BUT the real operation never worked as expected.

- IIRSA, A LONG STANDING PROJECT (IIRSA.ORG) ON SOUTH AMERICAN INFRASTRUCTURE INTEGRATION THAT COULD HAVE SOME INFORMATION

- CENTRAL AMERICA

- The INCAE business school (1999) [document](#)
- What happens ON THE MANTA(ECUADOR)/MANAOS [CORRIDOR?](#)

COMMENT:

Waiting for 2015 is
key....

- “So far what valid until now is the Asean Economic Community which will start implement on 31 Dec 2015, which some sector in Asean actually have tried to have a voluntary agreement but so far the progress is slow.”
 - The ASEAN vision
 - The Masterplan
 - Mindanao’s project presentation.
 - THAILAND A HUB FOR CONNECTIVITY.

COMMENT:

The constraints of infrastructure funding

Connecting Europe

http://ec.europa.eu/transport/themes/infrastructure/index_en.htm