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SPRING 2023

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AT A GLANCE

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SPRING FORWARD '23 EDITORIAL

Dear CIFFA Members,

Welcome to the Spring edition of the Forwarder. When considering themes for this issue, it felt timely and appropriate to do an update on the economic climate and trade environment that we find ourselves in.

As such, this issue is dedicated to updates on the economic front, thanks in part to a recent presentation and article by Pedro Antunes, Chief Economist with the Conference Board of Canada.

CIFFA had the opportunity this year to attend the Transpacific Maritime Conference in Long Beach, California. From that event, we bring you a series of updates from experts in marine shipping, economics, labour and trade.

CIFFA's seven national committees meet several times a year to discuss relevant issues or developments that may affect member companies. We have included the latest of what's been discussed and decided at their most-recent meetings, and ongoing goals for the year.

As well, a summary from the FIATA HQ meetings this March in Geneva.

Our advocacy efforts with government, on behalf of our members and issued faced, have been intense and continue to be busy, as you will read in our Advocacy report.

Much focus this year will be on residual effects from demurrage and detention charges, and best practices for forwarders on keeping their clients informed.

This issue, we hear from one of our young freight forwarders about a new opportunity and adventure abroad, working in Europe.

We also feature an interview with the National Maritime Group, and an introduction to our newest members.

We hope that you'll find the issue informative and interesting, and we welcome your comments at juliak@ciffa.com TF

Thanks,

Julia Kuzeljevich,
Director, Policy and
Regulatory Affairs, CIFFA

ADVOCACY UPDATE

From the CIFFA Secretariat office, the latest in our advocacy work:

1. Release of Commercial Goods regs, CIFFA's request for changes

In the fall of 2022 CIFFA initiated a request to the CBSA to implement a change to the Release of Commercial Goods regulations, which CIFFA felt would improve fluidity and increase efficiencies for the movement of containers to an inland rail terminal.

In its letter dated September 19, 2022, CIFFA requested changes to the Release of Commercial Goods documentation, in particular, relating to the Timeframes for the Release of Goods and limited specifically for cargo arriving via vessel at a Canadian seaport for movement to an inland Rail terminal for customs clearance purposes. In a January 12, 2023 response, the CBSA indicated that reverting to the old timeframes would reintroduce inconsistency and would create situations where carriers would be unable to meet their obligation under Section 12(1) if the CBSA systems automatically triggered release at 12:01. CIFFA's position remains consistent, that there are opportunities in which to improve the clearance process and increase fluidity, without jeopardizing carrier obligations. We will work with relevant stakeholders in which to the reposition this matter in the interests of supply chain efficiencies.

- In November 2022, CIFFA brought forward its concerns to the Commissioner of Competition regarding **costs imposed** to its members. The role of the Competition Bureau ("Bureau"), as an independent law enforcement agency, is to ensure that Canadian businesses and consumers prosper in a competitive and innovative marketplace. In its response, the Bureau indicated that "While charging high prices is not in itself an offence under the *Competition Act* ("Act"), the Bureau will scrutinize any evidence that companies or individuals have violated Canada's competition laws. Where there is evidence that prices have been affected by anti-competitive conduct, the Bureau will not hesitate to take appropriate action to protect Canadians."

2. Pre-Budget consultation brief

The federal government, ahead of Budget 2023, has asked to hear ideas about how to help Canadians succeed "while building stronger, greener, more competitive, more innovative, and more inclusive Canadian economy." In **January 2023, CIFFA submitted its pre-budget brief**, noting that supply chain problems are far from being resolved, and they constitute an ongoing financial drain on the Canadian economy. "Although we commend the Minister and Department of Transport for the Supply Chain Task force report, it's essential that the recommendations they've endorsed become part of the government's budget priorities."

The uncertainty of supply chains impacts the economy at myriad levels- undercutting investor confidence, limiting business growth, and preventing Canadians from capitalizing on market opportunities. This should be one of the highest priority files of a national government. Two factors are critical to an efficient, competitive transportation system: a skilled workforce and excellent infrastructure.

2. CIFFA's Commentary on the 2023 Federal Budget:

Budget 2023 does respond to a number of urgent demands made by CIFFA through the past year; it's obvious our voice was heard. A couple of gratifying examples: Our testimony in Parliamentary committees focused on the lack of a national strategy to guide the considerable amount of money pledged for transport and trade infrastructure and we are delighted to see a commitment in this budget to "Establishing a National Supply Chain Strategy with strategic trade corridor investments."

We also protested vigorously the continued exemption from competition laws which is enjoyed by ocean shipping cartels. In meetings and submissions to Transport Canada and the Competition Bureau, as well as myriad Members of Parliament, we identified this situation as contributing to the abuse of Canadian shippers we've witnessed in recent years and again we see a response in Ottawa: the budget announced a promise to launch a "review" of the Shipping Conferences Exemption Act to improve marine shipping competition." We will be monitoring this pledge closely.

Perhaps impressed with the US President's State of the Union speech last month, the federal government threw a bone to consumers which included one of our favourite issues: "Budget 2023 announces the government's intention to work with regulatory agencies, provinces, and territories to reduce junk fees for Canadians. This could include higher telecom roaming charges, event and concert fees, excessive baggage fees, and unjustified shipping and freight fees."

We noted also that the recommendations of the National Supply Chain Task Force are referenced in the budget, although only generally. (We have urged the opposition politicians to hold the government's feet to the fire and actually implement some measures.)

The one specific recommendation that is referenced is the plan to create a Transportation Supply Chain Office to coordinate federal efforts, especially in a crisis. We remain unconvinced this will have a significant impact, but we'll engage with it as soon as we can and offer CIFFA's support to their efforts.

The budget certainly says more about supply chain issues and infrastructure than we have ever seen before from this government.

"Canadians expect and deserve a transportation and supply chain system that reliably delivers goods and people to our cities and towns, provides businesses with access to global markets, and safely and efficiently connects our communities. Our economy depends on it, too."

"Canada's trade corridors keep our economy moving. From ports, to airports, to railways and highways, they are the backbone of the supply chains that bring goods to our communities and enable our businesses to export their products around the world."

- In March of 2023 CIFFA held a meeting attended by Conservative Shadow Minister Mark Strahl. CIFFA asked to be included on the witness list when the TRANS Committee begins deliberations on Bill C33, *Strengthening the Port System and Railway Safety in Canada Act*.

  CIFFA will be looking to comment on changes to Transportation of Dangerous Goods Act, The Customs Act, Transportation Security Clearances and the Canada Transportation Act and associated regulations. CIFFA is also supportive of the repeal of the Canada Shipping Conferences Exemption Act. There is a direct relationship between the cost of doing business in Canada and the abuse of dominance of shipping conferences. The Government recently undertook a review of the Competition Act where the CIFFA raised this issue. The CIFFA submits that repealing the Shipping Conference Exemption Act would bring positive relief to consumer prices as a companion to reduced taxes.

COMMITTEE GOALS FOR 2023

Airfreight Committee

One of the Airfreight Committee's major responsibilities is to provide and prepare members to participate in the Canadian Air Cargo Program Joint Council with IATA. Through this council, Canadian freight forwarders meet twice a year with representatives of airlines serving the Canadian market to discuss and decide on matters of procedure and policy. The committee will also continue to discuss and advise CIFFA on government-related initiatives affecting industry, such as the Pre-load Air Cargo Targeting (PACT) program, canine screening, and dangerous goods competency-based training (CBT).

The Airfreight Committee's responsibilities include:

To review issues coming before the Canadian Air Cargo Program Joint Council, an IATA governance body of airline and forwarder industry representatives. The committee assists in preparation of forwarder proposals and positions. The council meets twice yearly and may also create working groups, to discuss matters of procedure and policy effecting the airfreight industry and the relationship between airlines and forwarders.

To receive CIFFA member's feedback and provide support, on issues pertaining to the operation of the IATA Cargo Account Settlement System (CASS) and the registration and training requirements for forwarders applying for or participating in the IATA Air Cargo Intermediaries Program, or the IATA CASS Associates Program. To support sustainability actions, and efforts to improve efficiencies through digitalization, in collaboration and cooperation with all stakeholders in the air cargo supply chain.

Customs Committee

The committee plans to continue to watch for member penalties in eHBL; members anticipate that CBSA will move from informed compliance to assessing more penalties. Given the CBSA's current focus on CARM, the committee does not anticipate any progress on outstanding eHBL issues in 2023.

CARM will be the most-watched issue this year in the customs arena. The regulatory package is expected to be issued in late spring. Release 2, scheduled for the end of October, will make many aspects of CARM mandatory.

Drayage Committee

The Drayage Committee continues to look at ways to offer value to dray operators in Canada. Among its primary activities is meeting with CN and CP on a regular basis through the year to discuss operations issues at the railways' terminals, particularly in Toronto at this time. The committee will also continue to advise CIFFA on topics that might be raised with the federal government as it works to address supply chain challenges across the country.

Freight Brokers Committee

Last year was the first full year that freight brokers were members of CIFFA. The committee's main focus during that year was on bringing in new broker members to the association and the committee itself. Now with six members, the committee has moved more of its focus to address the needs and concerns of brokers in Canada, while it also continues to grow freight broker membership.

Also last year, the team created the CIFFA broker-carrier contract, which is available for free to all CIFFA members. Later this year, it will be introducing a BMC-84 surety bond program to offer discounted surety bonds to CIFFA member companies. The program will be managed by Roanoke Insurance Group Canada.

Seafreight Committee

The Seafreight Committee expects its priorities this year to be in four areas. It will continue to explore and pursue additional options to provide relief to the over-capacity supply chain; facilitate discussions between various stakeholders in the supply chain to increase efficiencies and collaboration; continue to assist in resolving new obstacles (e.g., current empty-return issues); and provide oversight on vendor policies to ensure they are fair and reasonable.

Sustainability Committee

The Sustainability Committee is looking this year at preparing a document to provide a strategic overview of sustainability – goals, objectives and KPIs – for the association; completing CIFFA's report on progress related to its commitments in the UN Global Compact (this is an annual submission, tracking the association's progress); developing a sustainability course for members; preparing an equity, diversity and inclusion statement for the website and a policy statement for internal reference; and issuing a sustainability blueprint document for members.

Technology Committee

Last year, the CIFFA Technology Committee focused on cybersecurity and its impact on our industry. The committee issued a paper highlighting the *10 Best Cybersecurity Practices for 2022* and offered members a webinar on *Cybersecurity: How to protect your business*.

This year, the committee is shifting its focus to workflow automation. In 2023, it is crucial for companies to embrace technology to enhance their operations and address ongoing labour constraints. Workflow automation can play a significant role in improving productivity, meeting customer expectations and increasing visibility.

To assist members in optimizing their technology investments, the Technology Committee is conducting research on the strategic implications of workflow automation and common use cases, such as auto-billing/tariff management, document management and payables automation. The committee will release a workflow automation paper, highlighting the importance of automation and addressing how automation projects can be influenced by company size and culture. Additionally, the paper will provide best practices on managing new projects and avoiding common mistakes and pitfalls. Finally, the paper will detail the features and business benefits of common workflow automation tools and how they can enhance productivity and service quality. TF

CIFFA Committee Meetings Summer 2023

CIFFA's seven national committees meet several times a year to discuss relevant issues or developments that may affect member companies. Following is a look at what committee members discussed and decided at their most-recent meetings.

Airfreight Committee – Chair Bill Gottlieb

- In conjunction with **IATA**, airlines and committee members reviewed the new EU Import Control System (ICS2) and readiness for the extended July 1, 2023 implementation date. This enhanced initiative permits foreign forwarders to **apply to be self-filers** in the countries to which they are shipping cargo. Transport Canada has also requested **CIFFA's input on the impact of ICS2** from the perspective of Canadian freight forwarders.
- Draft regulations are due to be published by the end of March on **Transport Canada's Pre-load Air Cargo Targeting Program (PACT)**. Canadian forwarders will need to prepare how to register and remain in compliance with the regulations.
- Vancouver International Airport and Kale Info Solutions have entered the proof-of-concept phase of a **digital cargo community system project** that will last four to six months. After its review of Canadian supply chain challenges, the federal government is pushing ports and airports toward implementing systems to increase transparency, security and data sharing.

Customs Committee – Chair Paul Courtney

The committee continues to work on initiatives affecting cargo fluidity. Some of the significant initiatives include:

eHBL

- CBSA has cautioned CIFFA several times that **penalties will soon be regularly charged** to freight forwarders that do not comply with eHBL filing requirements. So far, CBSA has issued penalties mainly to those companies that repeatedly fail to comply, even after CBSA outreach.

CBSA Assessment and Revenue Management (CARM)

- CBSA received numerous responses to its call for comments on the **draft regulatory package** for CARM, which is schedules for release October 2023.
- The committee is working on a white paper summary of what forwarders need to know about CARM, which will be made available in the Resource section of the CIFFA website.

Trusted Trader program

- Continue to work with the CBSA on additional benefits that could be gained by companies joining the programs. The committee is also engaged in the completion of the revised freight forwarder Minimum Security Requirements (MSR) document.

Drayage Committee – Chair Chris Ford

- Committee members have been dealing with **continuing congestion** and increased costs at rail terminals, which leaves truck drivers waiting sometimes for hours to pick up and drop off cargo especially in Toronto.
- The committee is also concerned with the Vancouver Fraser Port Authority (VFPA) which recently **postponed its planned Rolling Truck Age Program** for a third time. In an effort to reduce emissions at the Port of Vancouver, the VFPA introduced the program, initially mandating that trucks entering port grounds be no more than 10 years old. After significant industry pushback and consultation, the port authority revised the plan to allow trucks up to 12 years old to access the port. Most dray operators had prepared; fewer than 130 trucks that serve the port were older than 12 years as the program was scheduled to start. A small but vocal group of truckers against the program has gained political and media support for their cause and won the program postponement. The dray operators that have invested in new trucks are disappointed with the port authority's decision.

Freight Brokers Committee – Chair Joel MacKay

- CIFFA approached the National Transportation Brokerage Association to see if its members could join CIFFA, becoming the primary association for Canadian freight brokers.
- The committee has raised concerns about government compliance with its own stated time frame on the issuance of permits for over-dimensional loads.

CONNECTING COMMERCE

Cargo at YYC Calgary International Airport

YYC CALGARY INTERNATIONAL AIRPORT

- The committee is increasingly concerned about double brokering and is commissioning a white paper on best practices. This document will be posted on the CIFFA website upon completion.
- The committee is also supporting a **U.S. Federal Motor Carrier Safety Administration (FMCSA)** proposed rule change that would require **brokers and forwarders to replenish their $75,000 surety bonds** (which all brokers/forwarders must post to move freight to, from or within the U.S.) whenever they are reduced. Carriers that are not paid can seek payment from the surety holder and, if approved, receive funds from the bond. In such cases, brokers must add funds to the bond to return to $75,000 within seven days.

Seafreight Committee – Chair Martin Schultz

- **The committee is concerned about costs for reservations** to pick up and drop off containers, while free time has been reduced.
- Ongoing **congestion in Vancouver** continues to be an issue, as is the problem with returning empty containers.
- The committee heard a presentation from the **Hamilton-Oshawa Port Authority** (HOPA) which is looking to expand its handling of containers by developing a rail transload facility and a short sea service between Hamilton and Montreal and becoming a first port of arrival for direct shipments from Europe. HOPA is waiting for approvals from CBSA of its sufferance area applications.

Sustainability Committee – Chair Christina Fisker

- The Committee was created to support CIFFA members increasing interests in sustainable business practices. The committee is focused on developing a blueprint document for action, which will soon be released on the CIFFA website.
- **CIFFA has joined the Smart Freight Centre** (www.smartfreightcentre.org), a Europe-based organization, primarily to gain access to its Global Logistics Emissions Council (GLEC), which vets and validates emissions calculators. GLEC has validated CIFFA's emissions-calculator repository.
- Edmonton International Airport – represented on the Sustainability Committee – has discovered that it is **valuable to have a person on staff dedicated to the sustainability development process**, rather than sharing the responsibility among several people who may not have time to learn what is required to do the job well.
- **Becoming carbon neutral by purchasing carbon offsets** is a relatively simple process until other options become more available for reducing carbon footprint. The Committee will provide further guidance once measures become known.

Technology Committee – Chair Marc Bibeau

- The committee is **planning its next report**, workflow automation, which is expected to be issued in the spring. This topic is becoming crucial for forwarders to embrace technology to enhance their operations and address ongoing labor constraints. Workflow automation can play a significant role in improving productivity, meeting customer expectations, and increasing visibility. TF

If you are interested in joining any of the national committees, please send your request to either admin@ciffa.com or the Regional Chair for your area, whose contact details can be found in the National Board of Directors listing on the CIFFA website.

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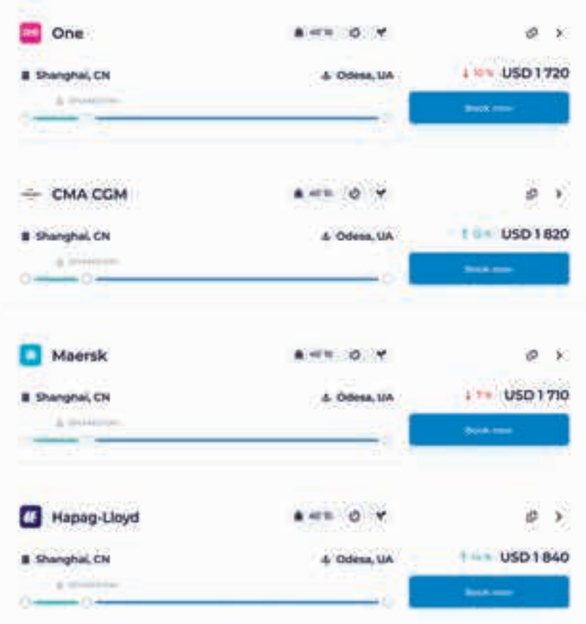

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ECONOMIC UPDATE

The Stakes are High for Monetary Policy

By Pedro Antunes

Central bankers in Canada, the United States and many other developed economies are nervous, anxious to see if the rapid increase in interest rates over the past year will have the intended outcome—slow economic activity and douse inflation.

The U.S. Federal Reserve and the Bank of Canada have increased their key lending rate by over 4 percentage points in record time over the past year. This has resulted in a similar rise in lending rates for households and businesses. The intent is to encourage households to spend less, lower economic activity and take further pressure off prices. Thus far, the policy is working in Canada. The volume of retail sales flattened over the last few months of 2022 and home sales and existing home prices have dropped sharply from the frothy activity we were seeing about this time last year.

More recently though, the rapid rise in interest rates has added another layer to market jitters. While all eyes were on the still-resilient consumer sector, the financial system came under strain as a few banks in the United States and Europe failed. Evidence suggests that these banks were mismanaged, such that the pressure of higher interest rates simply exposed existing problems, but the situation has nonetheless shaken confidence in the global banking system.

Fearing a much wider spread of financial panic, U.S. and European authorities have stepped in quickly to guarantee deposits and ensure liquidity to other banks to prevent the crisis from widening. One bank's failure can lead to knock on effects at other banks as finances are interrelated. The immediate concern is that there will be more public (and social media) driven scrutiny of other banks. And no bank has enough liquidity to survive a bank run if concerns surface and depositors start withdrawing.

The turmoil had temporarily sent market interest rates plunging, even after a hawkish Fed chair Jerome Powell had signalled that benchmark rates would continue rising in a speech only a few days earlier. We believe Fed rate increases will resume, but that the peak is nearly here. The banking mini crisis has raised recession odds and probably ended up aiding central banks efforts to bring inflation rates down, but more progress needs to be made on that front before rates can be brought back down to neutral territory.

The inflation story is still with us, but progress is apparent. The price shocks brought on by the war in Ukraine started to subside in late spring 2022, helping inflation rates in the United States and Canada ease to below 6 per cent in the first months of 2023. Even Europe, where war impacts are highest, has seen recent progress on taming price growth. The Bank of Canada can afford to pause interest rate increases while it checks to ensure price pressures don't reignite. We see consumer prices growing within the Bank of Canada's targeted 1-3 per cent band by early next year, which will allow for neutral or at least positive real wage growth going forward.

The labour market made an impressive start to 2023, marked by a rise in labour force participation and significant employment gains. Large employment gains are being fuelled by an uptick in population growth. International migration to Canada has risen sharply over recent quarters driven by record immigration targets and increased admissions of non-permanent residents, including temporary foreign workers. The rise in migration will contribute to employment and population growth in excess of 2 per cent in 2023.

Expanding labour supply is helping to soak up unmet labour demand in the Canadian economy, which surged in 2022 as pandemic restrictions fell away. Today, downward trending job postings and job vacancy data indicate that labour demand in the economy is moderating. As labour demand falls further over 2023, employment gains are forecast to soften, resulting in a modest rise in the unemployment rate.

We anticipate that oil prices will continue to soften throughout this year due to the ongoing global economic slowdown. With many developed economies facing high inflation and rising interest rates, we expect the demand growth for crude oil to remain sluggish, while output and inventories increase at a faster pace. As a result, we predict that the WTI price per barrel will average US$78.80 this year. Looking further ahead, we anticipate that inventories will continue to rise, leading to a further decrease in oil prices. Specifically, we project that the WTI price will average US$76.2 in 2024.

Through all this, our forecast for real GDP is keeping to the pattern of growth slowing through 2023 to a virtual standstill, with an eventual recovery beginning in early 2024. For the year, real GDP will expand by 0.9 per cent in 2023, followed by 1.4 per cent growth in 2024. A stronger 2.5 per cent rebound is expected in 2025 once the effect of rates falling back to neutral levels takes effect. TF

Pedro Antunes
Chief Economist, The Conference Board of Canada

Pedro Antunes is the thought leader and spokesperson for the Conference Board's suite of economic forecast products, as well as other reports and economic indicators that relate to Canada and its regions. Mr. Antunes has provided expert testimony before parliamentary committees. He makes numerous presentations on economic topics and dialogues with Canadian leaders, the public and media about issues important to Canada.

Mr. Antunes joined the Conference Board in 1991 after working with the Canadian Forecasting Group at the Bank of Canada. In addition to his contribution to regular forecast products, Mr. Antunes led research on the impact of demographic change on the financial sustainability of public health care, productivity and other issues affecting the long-term economic growth for Canada and its provinces. He also worked on several international projects, helping decision-makers in Tunisia, Morocco, Jordan and Ukraine develop appropriate forecasting and policy analysis tools.

Pedro is fluent in both official languages. He is married with one son and enjoys hikes with his dog and playing soccer.

Mr. Antunes holds an M.A. (Economics) from Queen's University and a B.A. (Honours Economics) from Bishop's University.

Detention and Demurrage: Due Diligence

On February 22, Julia Kuzeljevich, CIFFA's Director, Policy and Regulatory Affairs, presented at the Gardiner Roberts law firm's Transportation and Logistics Group seminar. The topic was Supply Chain Disruption – Detention and Demurrage Claims, and the panel also featured Andrea Fernandes, Associate with Gardiner Roberts LLP.

The CIFFA Secretariat has been dealing with the effects of several years of supply chain issues, beginning with the rail blockades between January and March 2020, followed by labour disruption at the Port of Montreal in August 2020, the pandemic (and the resulting blank sailings, with ports out of commission due to Covid lockdowns).

CIFFA lobbied government at the provincial and federal levels to make sure that, during the lockdowns, logistics services were considered essential.

Governments were providing lots of financial support as pandemic relief, and there was a great exodus from the job markets in many cases, leading to labour adjustments and acute labour shortages in many sectors.

Many verticals were affected in consumer sourcing. The pandemic spending led to a rise of e-commerce imports, and "just in case" inventory. Inflation rose. Add to this the geopolitical conflicts of war and the resulting insecurity, and the effects multiplied.

As the attendees were informed, detention and demurrage practices by the ocean liners were used as a deterrent to importers to expedite the return of empty containers. Containers were required to balance trade (get them back to Asia to load more imports). Their timely return was required to control volumes in and out of the ports. Demurrage charges are a way to incentivize the shippers to avoid bringing goods to ports too early and getting them out of ports as quickly as possible. A detention fee is assessed on containers that are outside of ports and facilities. It is charged for the time cargo leaves the terminal until it is returned empty. When you do not return your container within the agreed upon time, it delays the carrier from allowing another company to utilize it. Detention fees are applied to offset that loss and to discourage shippers from using storage containers for extended periods of time.

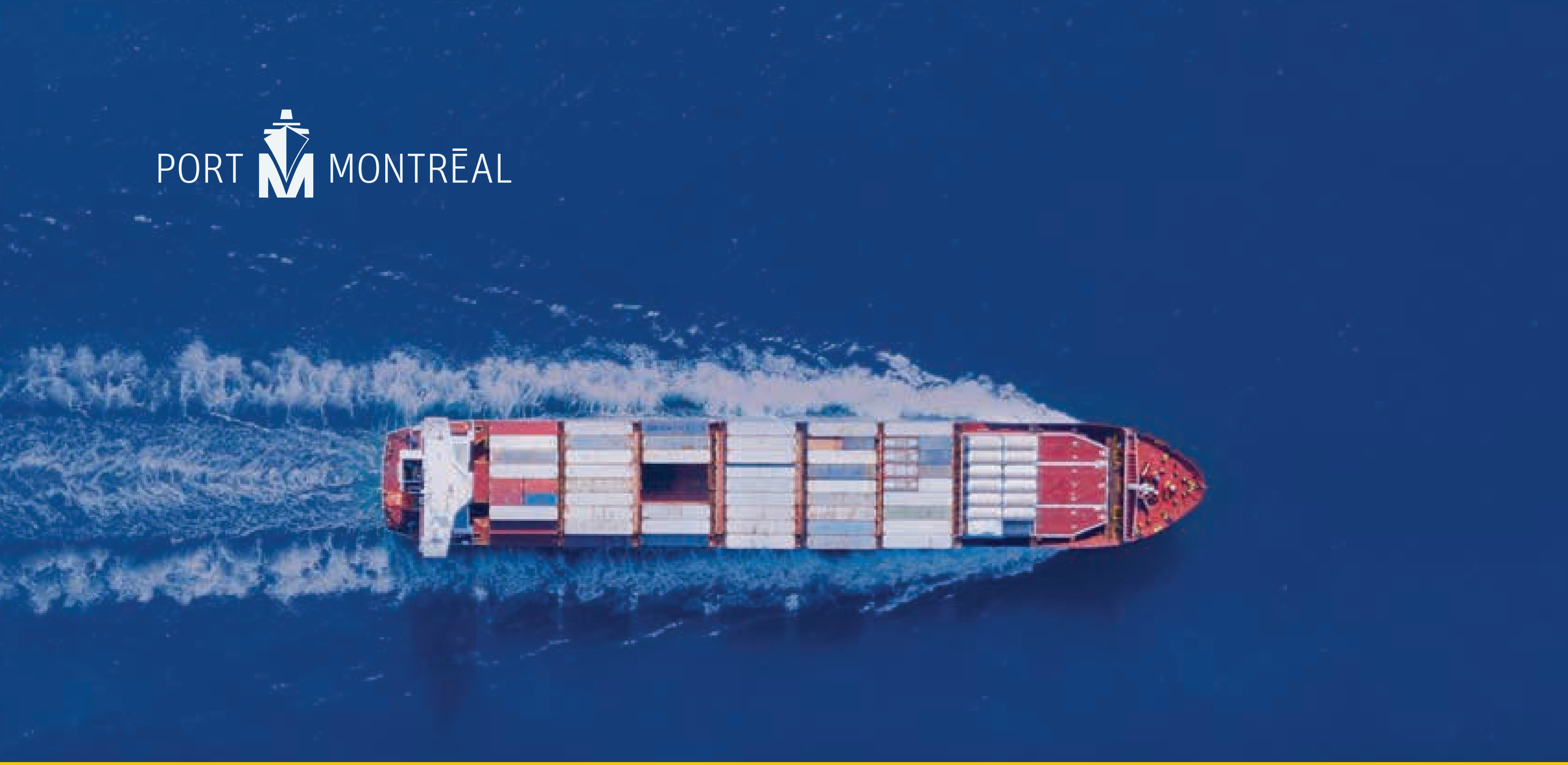
During the pandemic there was an influx of containers due to high demand, and increased manufacturing. Port rail yards became congested, the containers were not required to balance trade, and the detention and demurrage practices became punitive in nature.

A demurrage rate is a fee that is applied to containers if goods are not taken from the terminal or the port within the predetermined period of time. Terminals and ports are responsible for high amounts of cargo moving in and out daily.

In Canada, the effect of a global problem was the following: In August 2022 the Transport Minister pushed to clear Vancouver port congestion and relieve ships sitting at anchor. This resulted in moving the problem inland. The railways opened additional container yards due to increased volume. There was a lack of proper equipment to efficiently handle the surge. The containers were becoming buried and stuck (in a first in-last out scenario).

Currently, consumers are changing their buying habits from Covid e-commerce spending to less consumption due to an uncertain economy.

Inflation is now suppressing demand for imports. Inland terminal congestion remains, as importers left stock there that they ordered "just in case."


PORT MONTRĒAL

Meanwhile, poor cargo demand in China and falling ocean spot freight rates have led to significant changes in global container fleet deployment.

On the legal side of things, noted Andrea Fernandes in her presentation, "in avoiding the pinch" in detention/demurrage contracts it is important to know your customer, and remind the customer of your terms and conditions. Contracts must be up to date and fit for purpose, with the demurrage and detention rules spelled out to the customer every time the rules change.

Part of knowing your customer is doing due diligence on credit applications and checks, and making notes at every meeting. Is this a first-time customer, first-time shipper?

Beware of the Ocean Carrier Merchant Clause!

Every person defined as "Merchant" is jointly and severally liable to the Carrier for the payment of all freight and charges and for the performance of the obligations of each of them. 'Merchant' includes the Booking Party, Shipper, Consignee, holder of a Bill of Lading, the receiver of the Goods and any person owning, entitled to or claiming the possession of the Goods or the corresponding Bill of Lading or any party acting on behalf of such Person.

Have a signed contract that makes the customer responsible for detention and demurrage, i.e.:

"The Customer shall indemnify Broker/Forwarder against all duties, taxes, payments, fines, expenses, losses, damages (including physical damage) and liabilities in excess of the liability of Broker/Forwarder in accordance with the Terms and Conditions, suffered or incurred by Broker/Forwarder in the performance of its obligations under any contract to which the Terms and Conditions apply."

Remind your customers of your terms and conditions at the bottom of every email. Reference terms in all quotes, booking confirmations, arrival notices, and invoices. Make the terms and conditions available on the website.

An example was cited of a case where the shipper was held liable for demurrage under the extended definition of merchant in the bill of lading:

MSC Mediterranean Shipping Company SA v Cottonex Anstalt, 2015 English High Court

- 35 containers of raw cotton shipped from the Middle East to Bangladesh in mid 2011
- Purchaser paid the purchase price to the shipper but then did not collect the cargo from the port
- The carrier's bill of lading entitled it to a recovery of demurrage from the shipper.
- A strict application of the bill of lading provisions would have led to the shipper being liable for over US $1m plus interest, despite the replacement value of each of the containers being no more than US $3262.00 ie a maximum of US $114,170 for all 35.
- The Court agreed with the carrier that the shipper was liable for demurrage under the extended definition of "Merchant" in the bill of lading.
- The Court also agreed that demurrage had started to run at the end of the free period, being 14 days after the discharge of the containers from their respective carrying vessels.
- However, the bill of lading provisions said nothing about when the demurrage obligation would cease, meaning that if read literally, the obligation to pay would be completely open-ended.
- The Court determined that correct interpretation was that demurrage would continue until the containers were either redelivered to the carrier, or the carrier exercised its contractual right to unpack the containers itself due to the consignee's default, or the contract was terminated.
- The contracts of carriage had been repudiated by the shipper by the end of September 2011. ie. the shipper was not intending to complete performance.
- It was not legitimate for the carrier to keep the contracts in force for the sole purpose of claiming demurrage if, in fact, no loss was being suffered. (There was no evidence of any loss being suffered by the carrier as at the end of September 2011)
- The fact that demurrage did not have an end point and was going to exceed the cost of replacing the containers, meant that it was a penalty and was unenforceable.
- The Court accordingly held that the carrier was entitled to demurrage until the end of September 2011 but not for any further period.

If there are changes to the rules, be careful to spell out the demurrage and detention rules to customers every time they change, by notifying the customers in writing. Do not bury the change in an appendix or attachment, but bring it specifically to their attention, said Fernandes.

In terms of mitigation efforts, it's important to act quickly, to offer less expensive options (if available), and to remove the goods. TF


PORT of vancouver
Breaking
Bottlenecks
SEASON 2

Courtesy: FIATA

FIATA Report

FIATA's HQ meeting took place this March in Geneva, March 18-21. The following are highlights from the meeting:

- FIATA President Ivan Petrov opened the FIATA HQ Meeting sharing FIATA's key priorities for 2023, and aims of navigating uncertainty. Jan Hoffmann, Head of Trade Logistics at UNCTAD, provided a keynote speech, presenting an outlook on trade and logistics. He noted that in the past, the industry spent more money on inventory holding than transport, but now it spends twice as much on transport than inventory holding, and not because transporting is more expensive. Dr Hoffmann gave an analysis of the evolution of cargo shipping, noting that the size of ships has increased, and that fewer companies are serving the global supply chain with their services due to this, and larger shipping companies vertically integrating. He also shared results of economic research showing the supply-demand curve evolution over the last years. It was noted that the cost of transport would have to change a lot before a change in supply-demand would be seen. Freight rates have increased since 2021, but the cost of chartering ships has gone up even more.

- HQ Meeting participants were asked by poll to rank their anticipated main challenges for the year 2023. Inflation was ranked as number one, followed by competition, economic evolution, digitalization, compliance, regulation and decarbonization. Dr Hoffmann shared of his surprise at the low ranking of decarbonization considering the current global situation with calls for net-zero and IMO goals of 40% reduction of CO2 emissions by 2030, but it became clear in discussion that freight forwarders, who have very little say in global decision-making, are not yet affected by changing government regulation.

- 'Addressing challenges for multimodal transport': In this first HQ Meeting session, Roel Janssens of the UNECE shared the accomplishments of the work of the Commission's Inland Transport Committee, which has worked to identify strategic road and rail corridors between Europe and Asia. Nine corridors were prioritized for development from 2005-2020, and successfully reduced transport time from 36 days in 2006 to 16 days and less now.

- Jens Hügel of the IRU highlighted the driver workforce shortage, noting a 2.6 million driver shortage worldwide. Young people are particularly missing from the workforce, and it is the IRU's message that the industry is made more attractive not only to young people but also women. Mr Hügel shared the proposition of reducing the legal minimum truck driver age to 18, which currently stands at 21 years old, in order to catch school-leavers before they begin to make decisions to enter other apprenticeships and education. FIATA echoes the importance to make the industry more attractive and particularly to improve treatment of drivers, who often experience poor working conditions.

- The final session of the day was a panel discussion entitled 'Sustainability at what cost?'. With the aim of demystifying the approach of actors from the commodities, bunkering and shipping sectors who will drive the energy transition, FIATA brought together stakeholders from across the supply chain. The panel, moderated by Ms Andrea Tang (MTI Manager), comprised: commodity industry veteran and biofuels expert Mr Pedro Nonay, Dr James Corbett (World Shipping Council - WSC), Mr Tyler Baron (Minerva Bunkering), and Mr Jens Roemer (FIATA Senior Vice President and Working Group Sea Chair). The panel explored the nature of new fuel options and their preliminary assessment, including methanol, biofuels, ammonia and LNG, their scalability and the infrastructure that will be needed to support their bunkering. Advances in the shipping sector were noted, and whilst freight forwarders are not directly implementing these new fuel options in vessels, it was noted that all stakeholders will be impacted by the new technologies, and collaboration is needed to achieve the ambitious climate targets. Polls from the audience showed that cost and resistance to change were primary challenges, while Mr Roemer noted that customer requests for emissions calculators and options for carbon offsets or more sustainable fuel options will be a key driver. Mr. Roemer highlighted FIATA's work to provide forwarders with the necessary information to be prepared, and the necessary tools to enable sufficient options for forwarders to offer their customers, including carbon offset options.

- Dr Corbett highlighted the decarbonization mandates at the EU and IMO levels, and shared its envisaged pathways to meet those targets. Mr Roemer emphasised the importance of ensuring that small and medium-sized enterprises (SMEs) are properly considered in the energy transition, with speakers noting that the move to low-carbon, hard to access fuels could lead to significant price hikes before a market-determined equilibrium is reached.

'FIATA involvement in Trade Facilitation, including regional AEO programmes and data set standardisation'

- The Customs Affairs Institute (CAI) Chair Steve Parker gave reports on the continued collaboration with the World Customs Organization, cross-collaboration with the FIATA Advisory Body for Safety and Security and Airfreight Institute on Advanced Cargo Information (ACI) filing, as well as new EU ICS2 regulations. Parker also announced the publication of the new FIATA 'Business Continuity Planning: Guidance for customs and border clearance' which harnesses lessons learned from the pandemic and other crises for future resilience, especially for customs procedures.

- Participants then heard from Miguel Espinosa of the Colombian Freight Forwarding Association (FITAC), who shared on Latam AEO programmes and their current challenges. He also enlightened participants on the practicality of Mutual Recognition Agreements, stating that local policies can interfere with harmonization.

- Ms Nadia Belkebir, Manager of Cargo Border Management at IATA, then brought forward the work of IATA on trade facilitation within air cargo processes. The work focuses on paperless and harmonised trade, private-public sector collaboration and risk management. Ms Belkebir went on to highlight the benefits of AEO programmes, which reduce the need for physical inspections, simplify procedures, and improve communications with customs authorities.

- With reference to Pre-Loading Advanced Cargo Information (PLACI) filing, Ms Belkebir raised to participants' attention the reaction by the WCO and ICAO in jointly introducing an additional layer in the management of air cargo security risk, stating also that customs and aviation authorities are increasingly enforcing new security protocols to mitigate 'bomb in the box' from being loaded onto aircrafts. She called freight forwarders to ensure their compliance with these diverse new security derivatives in order to avoid consequences.

'UNCITRAL work on negotiable multimodal transport documents': Tracking progress on negotiable documents, rail corridors and more!

- The Advisory Body on Legal Matters (ABLM) meeting held its session focusing on the work undertaken at UNCITRAL Working Group VI on a text to facilitate a legal framework for Negotiable Multimodal Transport Documents (NMTD). The panel consisted of Yuntao Yang (ABLM Chairperson), Yangying Li (UNCITRAL), Richard Gluck (ABLM Member) and Joost Sitskoorn (Evofedenex).

FIATA provided updates on its work and contribution to these developments. UNCITRAL's Ms Li, highlighted the Commission's 40 years of association with FIATA. She noted the importance of separating the discussion on negotiability from that of cargo liability for the work to find more acceptance, and which follows a dual-track approach for these negotiations to complement the existing frameworks. FIATA President, Ivan Petrov intervened noting the benefits of the FIATA Bill of Lading to support multimodal transport under the dual-track approach. Sinotrans also noted the launch of its rail bill of lading in 2019 to enhance transport between Asia and Europe.

- FIATA highlighted a recent consultation with the Intergovernmental Organisation for International Carriage by Rail (OTIF), to implement negotiable documents in rail transport. Joost Sitskoorn noted the need for shippers to have more certainty in rail transport, as most often, there is no direct contact between the shipper and the rail companies, as bookings are normally made on a half or full train basis, a volume requirement that is excessive for SME shippers who inevitably turn to forwarders!

'Combatting Cybercrime - Best Practices for a More Resilient Business'

- The session, moderated by Advisory Body for Safety and Security Chair, Niels Beuck, was a revealing insight into freight forwarders' preparedness for cyberattacks, and was utilised as an open cyberawareness discussion with FIATA members. One live poll showed that on average, 2.6% of freight forwarding companies are not well prepared for a cybersecurity attack. The discussion highlighted the importance of cybersecurity training within companies for both employees and top management. The experts also provided important advice for the audience, pressing the importance of the fast mobilisation of a crisis team in case of a cyberattack, and most importantly the involvement of top management, and not only IT specialists, considering the consequences of such attacks.

'Development of a Global Air Cargo Programme for all regions'

- FIATA's Airfreight Institute addressed its work towards a Global Air Cargo Programme which responds to practical commercial realities in the interests of the global airfreight industry, and the importance of global collaboration and unity. In particular, the session provided the possibility for open discussion and input from all regions around the world to make this vision a success. Speakers Markus Muecke, Chair of the European Air Cargo Programme Regional Joint Council, shared on the status of the European situation, Keshav Tanna, FIATA representative to the International Air Transport Association (IATA)-FIATA Consultative Council, on Asia's air cargo situation, Paul Cheetham spoke on behalf of Region Africa and Middle East, and Jorge Heinermann, FIATA Region Americas Chair, gave an overview of the Latam participation in IATA discussions and need for global collaboration.

- Mr Tanna emphasised the industry's need for one single programme, rather than various, where knowledge exchange could be shared with all regions. Mr Cheetham likewise noted the need for a more modernised air cargo programme, sharing that RAME consists of 47 countries, and seeks global collective work.

'Effective Handling and Transportation of ULDs: Addressing Safety, Security and Best Practices in Airfreight'

- In a cross panel with FIATA's Advisory Body for Safety and Security, and AFI, guest speakers Christopher Licht of Celebi Aviation Holding and Andre Majeres of the International Air Transport Association (IATA) discussed effective handling and transportation of unit load devices (ULDs). The panel addressed general airfreight safety, security, and best practices, with moderation by ABSS Chair Niels Beuck of DSLV sharing also from a forwarders perspective, and Dawit Woubishet AFI Chair providing input on air cargo in Africa. A key outcome of the session was the enhancement of awareness of all stakeholders in the supply chain on the topic of effective ULD handling, considering that when done so incorrectly, it is the leading cause of aircraft damage. TF

CIFFA was pleased to attend the Transpacific Maritime Conference, TPM23, this year in Long Beach, California. The following report provides highlights of the speakers and presentations, key trends and forecasts.

In the TPM Conference opening remarks, while supply chain disruption has diminished, and fluidity for the most part has normalized, there are three specific reasons why we can consider ourselves to be in a "new era" in terms of global trade, said Peter Tirschwell, Vice President within the Maritime & Trade business of S&P Global Market Intelligence.

1) Our perception of risk has likely changed forever. Geopolitics is now a topic of discussion that was barely discussed over the last 22 years. While geopolitics in the past typically involved a series of unrelated incidents, now we can consider them "a series of interconnected narratives".
2) The political environment surrounding shipping now has extremely disruptive outcomes, meaning that there is more agreement in government about its further involvement in supply chain. The U.S. OCEAN SHIPPING REFORM ACT OF 2022 is an example of a bill passing even with the objection of the carrier lines.
3) The 2M breakup: two carriers that were large enough to operate independently is an "entirely new reality".

In the lull right now, there is fertile ground for relationship-building.

Former United States Army General David Petraeus, Partner, KKR and Chairman, KKR Global Institute, was the keynote speaker on February 27, opening the day at the TPM conference in Long Beach, California.

Over the last 10 years of geopolitical risk analysis, there has been a transformation from benign globalization to the current era of "great power rivalries". Barriers have begun to go back up, said Petraeus. "Globalization has become slowbalization. The implications of this-concerns about robots, dual-use technology, have profound impacts on risk.

Ukraine's war of independence is a "throwback" to the cold war turning hot.

How does the war end? "Costly fighting will be here for awhile," he said.

The U.S. will play a key role as the country that "keeps the plates spinning", while the China plate continues to be a key relationship in all respects, as well as the Iran/North Korea relationships, with cyber and populist threats.

When looking at shifts in supply chain, one shift becomes that not all manufacturing is centered in one region. Just in time logistics may not be as solid an idea as it used to be.

As labour costs go up, labour-intensive industries migrate elsewhere.

There are rising concerns about dual-use technologies, i.e. things used in the military sphere that are not to be exported to China.

We can't decouple from China, even as China has begun its great decoupling of the Internet-through "the great firewall" of China.

Trying to understand the opportunities, not just the risks, is what we need to do.

The "China Plate": we are in a strategic competition for the future international order.

What is the future? It depends on the trajectory decided in Beijing, said Petraeus, and our job should be to determine that competition doesn't turn into confrontation. TF

The Global Economic and Trade Outlook: How Container Shipping Demand is Shaping Up

Nariman Behravesh, Former Chief Economist, IHS Markit, presented his view of the economic outlook and what it means for international logistics and supply chains.

Meltdown of the New Economy, Revenge of the Old Economy, and the Remarkable Resilience of the Rest

Looking back on 2022, we have witnessed three big developments: the meltdown of the "new economy" (crypto and high tech), the revenge of the "old economy", (pestilence, war, and an oil shock), and the remarkable resilience of the rest (including consumer and business spending and trade). Despite dire predictions last spring and summer, much of the world economy may able to muddle through without a deep downturn in 2023. Even pessimists are starting to use phrases such as "soft landing." The good news is that the spillovers from the implosion of the new economy have been limited, and the damage from the old economy shockshave been contained. But it's too soon to celebrate!

Looking forward, as the multiple shocks (from old and new) begin to ease, four trends are likely to play out: 1) inflationary pressures will continue to decrease gradually: 2) central banks will raise interest rates a little more and keep them high for a while; 3) growth will rapidly decelerate, with recessions possible but not inevitable; and 4) world trade will be helped by the de-congestion in global supply chains, but hurt by slower growth.

Inflation will keep trending down—But probably too slowly for the comfort of central banks.

- The rapid rise in inflation during 2021 2022 was a worldwide phenomenon. While US inflation rose first, it was soon joined (and in some cases surpassed) by the rate of price increases in other economies.
- Upward pressures on the prices came from both the demand side of the economy (a post-Covid bounce, boosted by fiscal and monetary stimulus) and the supply side (massive snarls in supply chains and a war-induced energy shock). A recent study by the Federal Reserve Bank of San Francisco estimated that over 50% of the rise in US inflation was due to supply-side pressures, while only a third was due to demand-side pressures.
- As growth has slowed and the supply chain issues have been resolved, both headline and core inflation (excluding volatile energy and food prices) have fallen.
- The initial surge in goods inflation has faded rapidly, to be followed by a much more gradual cooling of service sector price increases—especially housing-related costs.
- Commodity prices have plunged by around 30%, on average, since last summer. Oil prices have fallen from over $120 per barrel (dated Brent) after the Russian invasion of Ukraine to around $85 in mid-February, while average US gasoline prices have dropped from over $5.00 a gallon to about $3.50 recently.
- Whether commodity prices see a revival will depend on how rapidly China's re-opening affects global growth. Similarly, the path of oil and natural gas prices over the coming year will depend on Chinese growth, European conservation measures, Russia's response to energy sanctions, and the increase in US energy production. So far, ample reserves and warm weather have offset the ban on Russian energy exports. Along with weakening global demand, this means that a sustained increase in oil prices above $100 per barrel in 2023 and 2024 is unlikely.
- The 2023 outlook for price inflation will also depend on wage inflation, which has decelerated a little in recent months and continues to fall in real (inflation adjusted) terms—despite pervasive labor shortages. Wage inflation may decline more slowly in Europe than in the United States, because of higher levels of unionization and the recent wave of strikes.

- All this means that global consumer price increases can be expected to fall from an annual rate of around 7.5% in 2022 to 5% in 2023 and 3% in 2024. While this slowing will be more pronounced in the developed world (including the United States), inflation will remain above the central banks' 2% target for much of the next two years. Interest rates will rise a little more, before peaking at the end of this year or early in 2024.

- Central banks have come under intense criticism for not raising interest rates sooner and faster, in the face of rapidly rising inflation. This seems unfair, since monetary policy can't do much about energy shocks and other supply side disruptions. More recently, some have suggested that the Federal Reserve, Bank of England and the European Central Bank have been too aggressive in tightening policy and have been too willing to plunge their respective economies into recession, in order to tame inflation. Again, to be fair, while monetary tightening has hit housing hard and burst the bubbles in crypto, high-tech and niche parts of finance (e.g. Special Purpose Acquisition Companies—SPACs), the impact on the broader economies and financial markets has been much more muted.

- While central banks are far from declaring victory over inflation, some investors are betting that the policy focus will shift from inflation to growth and put interest rates on a shallower upward trajectory in 2023 compared with 2022. Some investors are even expecting that policy rates could get cut in the second half of this year.

- Financial markets have incorporated these expectations of central bank "pivots" in 2023 by bidding down long-term interest rates (including mortgage rates) over the past few months. This means that, despite the best efforts of monetary authorities around the world, financial conditions have actually eased recently. How this dissonance is resolved is one of the bigger uncertainties in the coming year.

- Central banks will probably raise interest rates a little more in the first half 2023, and keep them high for much of the second half, before beginning to lower them—assuming inflation rates continue to ease. Peak short-term (overnight) rates will probably be in excess of 5.5% in the United States, 4.5% in the United Kingdom and 3.5% in the Eurozone. The Bank of Japan is predicted to keep its policy interest rate close to zero for a while.

- In anticipation of the Fed slowing the pace of interest rate hikes, as well as the expectation of further monetary tightening in Europe, the US dollar has begun to depreciate, reversing some of the surge of the past couple of years.

This will relieve the pressure on other central banks, making it less necessary for them to tighten as much. Moreover a weaker greenback is both an indicator that fears about the global economy may be diminishing and a contributing factor to the easing of financial conditions in the US economy.

Growth will slow—Recessions are not a sure bet, and any downturns will probably be mild.

- After a post-Covid bounce of 6.0% in 2021, global growth slowed to 3.0% in 2022 and will likely fall further to around 2.0% this year, before rebounding in 2024. With the exception of China, all major economies will experience a growth slump in 2023. For China, the end of the zero-Covid policy will bring about an acceleration of growth from 3.0% in 2022 to around 5% in 2023 and 6.0% in 2024, before resuming a long-term downward trend.

- One of the sectors hardest hit by the global monetary tightening cycle has been housing, where large price drops have been occurring in Australia, Canada, New Zealand, Sweden, the United Kingdom and, to a lesser extent, in the United States.

- Despite two quarters of negative real GDP growth in the first half of 2022, the United States was not in recession—an outcome that is inconsistent with a five-decade-low unemployment rate. A strong labor market and robust household and corporate finances underpin the resilience of the American economy—and will help sustain consumer and business spending. Massive layoffs and collapsing stock prices in the high-tech industry have been more than offset by strength elsewhere, especially in the service sectors. A recent Bloomberg market survey assessed the probability of a 2023 recession at more than 50%, with growth expected to be less than half the 2.1% seen in 2022, before a recovery in 2024. One of the biggest risks facing the United Stated is the dangerous and unnecessary political confrontation over increasing the debt ceiling—which has been raised over 100 times in the past century. The last major standoff in 2011 resulted in a plunge in stock prices, a drop in growth, and a downgrade of US government debt.

- The risk of a recession is somewhat higher for Europe than the United States—the former is a net importer of energy, while the latter is a net exporter. The spike in oil and gas prices over the past year has been a major supply-side shock for the Eurozone and the United Kingdom. However, European economies may also be able to avoid recessions or only suffer mild downturns, thanks to warm weather, ample oil and gas reserves, industrial resilience, and government support. The UK economy faces the additional headwinds of Brexit and widespread strikes. It is the only G7 economy with output still below pre-covid levels.

- Despite the expected post-zero-Covid bounce (so far, fairly patchy), China faces major economic challenges, which can be summed up as the "Five Ds" and which will mean steadily declining growth rates in the coming decades.

➔ Disease: If Covid cases and mortality rates explode in the coming months, any growth spurt may evaporate. Low vaccination rates and overwhelmed hospitals will make controlling the pandemic problematic.

➔ Demographics: China's population is estimated to have peaked last year and is projected to decline substantially in the coming decades. Combined with poor productivity growth, this means that the potential for the economy to grow will be severely limited.

➔ Debt: China has one of the highest debt-to-GDP ratios in the world. Much of this debt is tied, directly or indirectly, to real estate. The high-profile failures of large real estate developers in the past couple of years highlights the big risk that this sector poses for the Chinese economy.

➔ Deflation: Over the past five years, China's producer prices have drifted in and out of deflation territory. For much of 2019 and 2020, producer prices fell. With Covid lockdowns and supply chain disruptions, prices surged in 2022. In the last few months disinflationary forces have intensified. With the recent opening up of China's economy, whether this new bout of disinflation/deflation will be reversed could have major ramifications for the path of inflation in China and the rest of the world.

➔ De-coupling: The growing assertiveness of China in the realms of geopolitics and commerce has raised concerns among Western governments and companies regarding depending too heavily on Chinese imports and sharing too much technology with Chinese firms. This has led to growing protectionism in key industries such as memory chips. These types of trade restrictions could hurt both

China's growth potential, lead to further trade tensions, and hurt global trade.

- Emerging markets are being buffeted by a variety of forces. High oil prices are helping the oil exporting countries, but hurting the oil importers. The global slowdown in 2023 will constrain exports, but a rebound in China could be a counterbalance. Higher global interest rates will have a negative effect on growth, especially for the highly-indebted countries. One bright spot is India, where growth in the next decade is expected to be among the highest among the large economies. India is now the fifth largest economy in the world, having recently surpassed the UK. At the other extreme, war damage, sanctions and a failed attempt to weaponize energy exports mean that Russia's economy will contract for at least two years running. Trade will be helped by the untangling of supply chains, but hurt by the fall in global growth.

- One of the most optimistic developments over the past year has been dramatic easing of supply chain blockages and the plunge in shipping costs to pre-covid levels. This has been a factor behind the decline in rates of inflation and the continued robust growth in global trade in 2022. As world GDP growth slows in 2023, so will the increase in export and import volumes—from around 7% in 2022 to about 3% in 2023.

- The investments made by shipping and logistics companies and ports over the past year have made global supply chains more flexible and reliable. A testament to this robustness has been the ability of the global system to withstand the oil and food shocks of 2022, and of the microchip market to overcome the shortages of 2021 and early 2022. More broadly, inventories are more balanced now than they have been since 2020.

- Notwithstanding repeated (and wrong) predictions about the demise of globalization, multiple crises over the past three decades have not led to a sustained reversal in global integration.

- In the 1990s and 2000s, globalization accelerated sharply. The ratio of world imports-to-GDP rose from 13% in the early 1990s to 24% in the late 2000s. Trade liberalization and the integration of the Chinese economy into the world trade system were among the key factors behind rapidly expanding world trade. Since 2010, however, the trade share of GDP has levelled off and has been fluctuating—at a historically high level—between 20% and 23%.

- During the boom years, the rapidly rising trade share meant that global trade grew at about twice the rate of global GDP. Since 2010, with a flat share, trade growth has been approximately the same as GDP growth—and is likely to remain at this lower rate for the coming decade.

- While globalization is alive and well, it is changing. Trade flows are shifting from China to Europe and the rest of Asia. A similar realignment can be seen in oil markets, where Russian oil and gas is being replace by supplies from Africa, the Middle East and North America. In the United States, West Coast ports seem to be losing market share to East Coast and Gulf ports.

- One of the most profound and promising changes in globalization may be the rapid rise (from a low base) of the trade in services, especially those related to data and technology.

No shortage of risks—Both positive and negative

- China—A strong recovery of growth will help the global economy, but could reverse some of the recent declines in inflation rates. The strength or weakness of China's inflation "pull" will depend on whether the rebound is centered on investment and infrastructure or consumer spending and services (most likely).

- Covid redux—A new (big) wave of infections will hurt growth in China and elsewhere.

- War—While the most likely scenario for the Russia/Ukraine war is for a long and hard slog, a dangerous escalation would be very bad news for everyone.

- Debt—The immediate threat is the political fight over the US debt ceiling, but high debt levels are an ongoing danger in most parts of the world.

- Central bank mistakes—Reversing course too soon could mean that the fight against inflation will only be partially successful; overtightening will hasten recessions and do extensive financial damage.

- Protectionism—Green subsidies in the US Inflation Reduction Act could lead to either retaliation by trading partners (bad news) or to mutual incentives to boost investment in climate policies (good news).

- Climate—The recent oil shock has set back climate goals by encouraging the use of coal and other high-carbon fuels; however, elevated energy prices may also boost investment in renewable energy sources in the longer-run.

Bottom line: The very good news is that multiple crises have not derailed the US and global economies, but the level of uncertainty remains at near-record levels.

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Container Shipping Outlook

A TPM panel discussion looked at the Container Shipping Outlook for 2023, and featured Randy Chen, Vice Chairman, Wan Hai Lines, Alexia Dogani, Director, Equity Research/European Transport, Barclays, Alan Murphy, Co-Founder and CEO, Sea-Intelligence Consulting, and Rachel Shames, Vice President-Pricing and Procurement, CV International.

The moderator was Mark Szakonyi, Executive Editor, Journal of Commerce.

What is the outlook for container shipping in 2023?

According to Alan Murphy, Co-Founder and CEO, Sea-Intelligence Consulting, we are not yet at the level of the average 75% on-time performance for ocean carrier sailings.

Transpacific utilization has been trending back to pre-pandemic levels, and we can expect lots of blank sailings ahead to bring capacity in line with demand. Are we heading into scary times through more consolidation in the industry, and carriers buying bigger ships? He noted that carriers "might be better off investing in reliability and customer service."

Overnight changes are not possible in container shipping, and 6-12 weeks are typically required to ramp up services. There has been a haphazard approach to capacity management, he said.

According to Randy Chen, Vice Chairman, Wan Hai Lines, in 2021 when volumes really started to get crazy, when transit times were doubling and ships were sitting at anchorage, "the only way we could offer more customer service was to put more ships into the system. We are going towards a normal market, i.e. predictable capacity week in and week out. Operational requirements on the land side is what we need, warehousing etc."

According to Alexia Dogani, from a period of supernormal profitability we are now entering a challenging earnings environment for the container shipping lines. Spot freight rates have been heading close to pre-pandemic levels, which we estimate may reach 2019 levels by April/ May 2023, with scope for them to fall below that as oversupply is likely ahead. The industry continues to lack discipline, Dogani said, given the significant acceleration in orderbook activity in good years for future capacity levels that seem optimistic as demand is now tracking below pre-pandemic levels. In terms of financial outlook, the challenge now is that some ocean liners have limited ability to reduce unit costs near term, as unit costs are tracking significantly above pre-pandemic levels, which could pressure earnings if current spot rate trends continue, leading to cashflow burn, given capital investment commitments with balance sheet risk in focus again for this highly volatile and cyclical industry. Global sea freight volumes are tracking 3% below pre-pandemic levels, while supply is set to grow by c. 30% vs. pre-pandemic by 2025 following uptick in re-ordering, she added.

Rachel Shames Vice President, Pricing and Procurement CV International, Inc., noted that there is uncertainty in the post-pandemic era, with mixed economic messages making it difficult to forecast volumes.

Considering the unresolved labor negotiations, and carrier alliance/ service changes – will preferred routings be practical, reliable? What will the breakup of the 2M alliance mean?

Shippers have most of their leverage back, but must navigate a much more complex supply chain. It is still significantly difficult to get shipping lines on the phone to fix an issue. There are still lots of inefficiencies, and lack of transparency on invoicing, she said.

Shippers aim to diversify across the supply chain, with increased sourcing options, gateway/routing flexibility, and engaging multiple providers across the supply chain.

Alliances: What's Next?

Former Maersk executive, shipping entrepreneur, author, and, most recently, Vespucci Maritime founder Lars Jensen provided commentary on what is next for the global containerized shipping market.

Jensen said that The Ocean Alliance could be the next major ship-sharing agreement to come apart with members charting different strategies to gain market share.

He said that ocean carriers face a market similar to the one seen during the 2008-09 financial crisis with a massive buildup of ship capacity coming up against weakening demand.

Demand could recover as inventory winds down but there are other issues such as scrutiny over alliances' anti-trust exemptions and higher costs from stringent carbon emissions rules. The result, he added, is that carriers are thinking more about who they want to spend the next few years with.

"It's a normal downcycle we are going through, then there are some elements that are slightly different," Jensen said. "Rates are coming down faster than they went up. It is a rate war."

"2M is the just the first domino to fall," he added. "When it was formed, you had two parties with the same strategic interest. Now you have two parties whose interests are no longer aligned." TF


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A conversation with FMC Commissioner Daniel Maffei

Daniel Maffei is one of five U.S. Federal Maritime Commission Commissioners. At TPM 23 he sat for a discussion on the U.S. Ocean Shipping Reform Act of 2022, which passed in Congress in June.

Background: Daniel B. Maffei, of New York, was designated by President Biden as Chairman of the Federal Maritime Commission (FMC) on March 29, 2021. He was first nominated to serve on the Federal Maritime Commission (FMC) by President Barack Obama and was confirmed by the United States Senate on June 29, 2016. He was then nominated by President Donald Trump and confirmed by the United States Senate on January 2, 2019.

The U.S. Ocean Shipping Reform Act of 2022 revises requirements governing ocean shipping to increase the authority of the Federal Maritime Commission (FMC) to promote the growth and development of U.S. exports through an ocean transportation system that is competitive, efficient, and economical. For example, the bill requires the FMC to (1) investigate complaints about detention and demurrage charges (i.e., late fees) charged by common ocean carriers, (2) determine whether those charges are reasonable, and (3) order refunds for unreasonable charges. It also prohibits common ocean carriers, marine terminal operators, or ocean transportation intermediaries from unreasonably refusing cargo space when available or resorting to other unfair or unjustly discriminatory methods.

The FMC is an independent agency, and Maffei noted that some 238 complaints have been filed since the Act was passed, more than 70 completed and filed and more than USD $800,000 resolved, not counting the money that the agency's Consumer Affairs division was able to set aside.

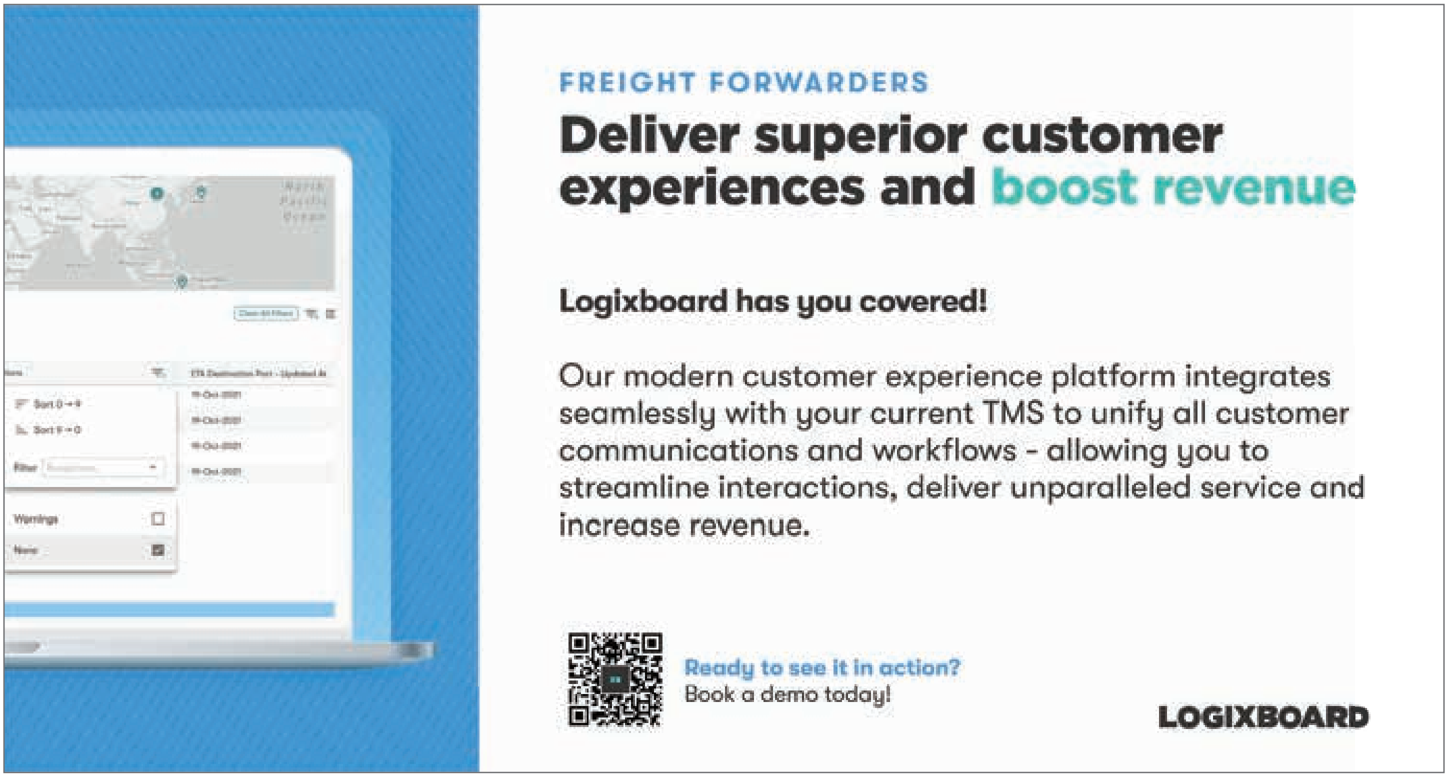
Funding increases will allow the FMC to expand its roughly 130-person workforce by about one-third and to boost its oversight, enforcement and investigative activity.

The expedited complaints process applies only to charges assessed after the shipping act was passed. But shippers are still able to challenge fees that predate the law under earlier FMC rules. OSRA overall will continue to empower shippers and ocean intermediaries to stay within the rules, Maffei said. And he added that the OSRA is not a "reregulation of the industry". The main remedy is still market choice.

"And if for some reason you don't have a choice we would want to know about that," he said.

The components to the OSRA Act include detention and demurrage-"The goal is to move cargo-we are within a couple of months of putting out the final rule once we hear from all the stakeholders". But Maffei noted the final rule won't answer all the detention/demurrage questions.

"The whole detention demurrage issue is very complex. We are trying to re-establish a system of credibility. You can't eliminate detention and demurrage, but it can't be used as a revenue-raiser. I'm OK with a multi-step process-but don't see the carriers/terminals as enemies". TF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Labor Update: What Now and What's Ahead

Port of Los Angeles Executive Director Gene Seroka told attendees that the Port of Los Angeles needs to be more business-friendly, to attract cargo back. He spoke on a panel at the TPM with Jonathan Gold, VP, Supply Chain and Customs Policy, National Retail Federation, moderated by Bill Mongeluzzo: West Coast Editor, JOC/ IHS Markit.

Negotiations between West Coast longshore workers (ILWU) and their marine terminal employers (the PMA) have been stalled for a long time. President Joe Biden nominated Julie Su as Labour Secretary to replace outgoing Secretary of Labor Marty Walsh. Prior to assuming her current role as Walsh's deputy secretary in July 2021, Su was California's labour secretary. There is hope that her appointment could kick start a resolution.

The ILWU and PMA are continuing to negotiate on a new contract and remain "hopeful of reaching a deal soon." Talks between the two sides began in May 2022.

Seroka commented that the trend of lost market share in West Coast ports is not a new one.

"Three things we know: we are too expensive, we have complex labour issues, regulation is an issue. How do we become more competitive? With regulation that does not have debilitating effect. California is the #4 economy in the world, leapfrogging Germany-30% of the workforce in California works in transportation. No one company has more than a 5% share. It's not just one labour contract negotiation. At the same time our contemporaries have created very competitive business environments that are aided by the cargo revenues that goes through LA/Long Beach," he said.

These two sides have not bargained collectively for over 8 years-collective bargaining is hard. Not only is there a coastal framework that is needed, but 29 local smaller ports need sub-agreements in parallel with the main port agreement.

"These longshoremen, during the pandemic, were on the job 6 days a week. The DNA of both organizations is to get the best collective bargaining. On the ground, everybody's working," Seroka said.

How will West Coast ports recapture some of the discretionary cargo that they lost?

Jonathan Gold, VP, Supply Chain and Customs Policy, National Retail Federation, said that his members are trying to diversify as much risk as possible. Nobody wants to go to a store and see nothing on the shelves.

There are a lot of other issues happening out west in California that are making it more difficult to do business (i.e. bans on new warehouse, truck hours etc.)

We have continuously called on the parties to get to the table earlier. Folks are looking at alternate routes-that's having an impact as well. For the retailers and other shippers-they are looking for certainty.

They can't go to their CEOs and say "it happened again-we can't move cargo".

As we get into peak shipping season, they want to have the certainty of where the cargo will go.

"How do we create competitiveness? Number one is value. The average lift on and lift off cost in Los Angeles is double what it is in Savannah. The bricks and mortar effect is that 60% of our available truck gates go unused each day. This creates latent capacity and ships are backed up. Dwell times locally have gotten really good. But the street dwell of container and chassis are at 8 days-they are using them as mobile warehouses, and there is only a 1% vacancy in the warehouses. Many of the importers are asking for that extended free time. On the labour piece-we are not immune from any part of this market. I cannot go and speak in front of policy makers and not have anyone else behind me from the private sector. I need the approvals from the C-Suite. This loss of market share show we are missing out on 170,000 jobs a year because we have not kept up with market growth," he commented.

Ports are just one component of a competitive marketplace.

Cargo handling automation is the single largest issue at play.

"Automation technology should not leave the worker behind-that's what automation means here so long as the protocols and the business case is in place. You have to pay these people what they are worth, and that way we can move forward quickly," Seroka said.

Press Time Labour Update: The two sides have reached agreement on manning needs at the three automated terminals in Southern California.

Coastwide negotiations in San Francisco will now turn in earnest to the two major issues yet to be settled — wages and pension benefits. West Coast labor contract negotiations began on May 10, 2022.

E-BL

A panel discussion on February 28 at the Transpacific Maritime conference, moderated by Eric Johnson, S&P Global Senior Editor, Logistics Technology- Journal of Commerce, looked at the prospects for adoption of electronic bills of lading.

The session intro noted that the world has dispensed with paper versions of documents in dozens of high-value, high-importance scenarios, including bidding on houses. Yet eBLs account for only a tiny percentage of overall bills of lading each year.

The barriers to adoption actually are numerous: no single eBL product; diverse pilots involving different container lines; unique banking regulations in each country touching international shipments; and a lack of priority among shippers to force service providers to change. In 2022, however, some strides were made that might end up being seen as a true fork in the road. The Digital Container Shipping Association convened numerous eBL software vendors in a pilot that seeks to create interoperability among the various products. This is key because shippers don't want to be forced into several eBL formats depending on the shipping lines they use. And progress has come in terms of making banks more comfortable with the creation and transfer of eBLs.

Thomas Bagge, CEO and Statutory Director, Digital Container Shipping Association, Digital Container Shipping Association (DCSA), noted that only about 1.5 % of bills of lading are currently electronic.

On February 15 the Digital Container Shipping Association (DCSA) said that nine major ocean carriers have committed to issuing half of bills of lading electronically within five years and 100% in ten years.

The DCSA has developed the industry standards for eBL, which the cargo carriers have agreed to adopt. The shipping firms that signed up are MSC, Maersk, CMA CGM, Hapag Lloyd, ONE, Evergreen Marine, Yang Ming, HMM and ZIM. These represent eight of the ten largest container shippers, with China's COSCO as the one big omission.

Electronic bills of lading are critical documents in international trade, representing ownership of the goods in transit. They are a foundational document for trade finance. Despite most businesses going digital, eBL accounts for a tiny fraction of issued bills of lading.

Paul Mallon, WiseTech Global's Commercial Executive, told the panel that more robust investment will be needed from eBL providers.

People moved to eBL during the Covid period because there was no one at the office-there was significant upsweep in paperless investment. That acceleration has leveled off a little bit but there is still some growth, and more government support for trade documentation.

Mickey Diaz, Chief Operating Officer, Unique Logistics International (NYC) LLC, said that Covid advanced things about 10 years-but that in many cases things have gone back to being paper-based.

"It will take more shippers becoming interested to shift that. A lot of the trade processes mandate documents, Physical PODs. Supplier requirements need to change and suppliers need to be on board. It's a hard road. When validation becomes more credible electronically it will be a game changer," she said.

Bertrand Chen, CEO, Global Shipping Business Network (GSBN), said that in order to facilitate the path to integration you want to have something simple. In the next 24 months we will have more solutions coming up, aligned with the work the DCSA is doing.

Mallon, when asked by Johnson how the banks are treating this in different regions, said that there is a recognition that digital documentation is coming but there is not as strong a commitment as there is from the carrier industry.

"When you get down to the operational level you find resistance. If you have a large enough BCO they will make it happen but otherwise it's often an issue," he said.

The early adopters on the shipper side are the retail industry, i.e. clothing/apparel/textile that pushes it more so than any other, said Diaz.

EBL could also offer an immediate benefit where sustainability goals come into play.

"Where things aren't quite right, the electronic solution tends to fix things a lot quicker. EBL on its own is not that valuable. It needs to be linked with other products and services and needs to offer value," said Mallon.

"In 15 years I am hoping we don't have specific documents, ie letters of credit, I'm hoping it's data.

Customs will change as well. And when we are looking for documents we can produce them when there is a need," he said.

There may not yet be a playing field at the moment for multiple vendors.

But EBL may work well offered as part of another solution, said Diaz.


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DIARY OF A FORWARDER IN EUROPE

Hello, I'm Rachael van Harmelen, the 2019 Americas winner of the YIFFY competition. I went to Cape Town to represent Canada on the global stage and it was truly a life changing experience. This competition helped prepare me to be a freight forwarder. The amount of research and out-of-the- box thinking that went into the planning of the case studies was something I will never forget and I can say it was a rewarding experience. I came back to Canada and felt inspired to reach for the stars.

Fast forward to today. As the title says it, I'm living the dream in Amsterdam. Hellmann Worldwide Logistics hired me over 2 years ago, during one of the craziest times in our industry where I was not able to even meet the people who were hiring me. I was later approached about taking on a new responsibility within a new vertical, Consumer Goods, that was being launched. Consumer Goods. I had a good background at this point in retail and fashion, so thought it would be a great challenge to build something up. I was told the position would be based in Europe, so my only question was when I could start. And so, my new adventure and role of Director of Global Key Accounts, Consumer Goods had officially begun Jan 1, 2023.

Like a true Canadian, let's start off with complaining about the weather. I've never seen so many shades of grey, while trying to survive the non-stop rain and cold. Yes I'm from Canada but this is a different kind of cold. Survival guide 101 for Amsterdam in January consists of a raincoat, a waterproof backpack, a bicycle, and really good thermals. Biking in the rain is still more convenient than trying to park anywhere in Amsterdam, so I'm embracing the extra workout. Driving in Europe and not knowing how to parallel park has been entertaining for everyone. Just picture Mr. Bean. I've already paid my first ever speeding ticket, which is a rite of passage apparently, and a sign that technology is not always our friend. Speaking of fines, I've also been fined for not checking out on the train and received a warning from the bicycle police for illegal parking. As a Canadian, breaking so many rules has been very uncomfortable. I've stirred up some controversy already by wearing a Feyenoord jersey in Amsterdam during an intense Ajax-Feyenoord match. Feyenoord won 3-2 by the way. Just saying. Soccer, I mean football is a whole religion here. Lastly is my fascination and borderline obsession with the Dutch cats. Here most are outdoor cats, and they go outside when they want through the little cat doors that a lot of homes have.

So here is my report from the ground. Being in the Netherlands, I'm at the heart of all modes of transportation. There's the Schiphol airport in Amsterdam, the sea port in Rotterdam and logistics hub in Venlo for contract logistics. It's a perfect location for someone in Freight Forwarding and Logistics. The difference is Canada also has a large transportation network, but it is spread out over a larger land area and includes more remote regions, which can present logistical challenges for freight forwarding companies. I don't know if the Netherlands would have a show about ice truckers for instance.

I was able to attend the 15-year anniversary of the Rotterdam Havenvereniging's "Young Port Association". They have built up an impressive membership, and have planned fun social events, port tours, and mentorship programs. It's great to see so much talent in our industry and the enthusiasm they have for it. Like in Canada, there is great effort to encourage the younger talent to join and keep things interesting in our industry.

The political and economic climate is quite intense. Driving along the highways you see signs of farmer protests, the upside down Dutch flag which is symbolic in this movement. Russia's war on Ukraine has had a direct impact on business in our industry in Europe, particularly for the rail solutions that exist. This has also impacted everyday life, with clear encouragement of keeping the temperatures low to manage the energy supply. Also many companies including Hellmann have put in place temporary salary increases to help employees manage the rising cost of energy/living.

In regard to my new role so far, let's just say in this industry, we survive by being agile and embracing constant change. In addition to my new position, I've been responsible for carrying out a vertical strategy and acting as interim head of the vertical. This is where studying the market, value-add industry solutions, marketing needs, team building is all integral to success. I've been getting my leadership feet wet and so far I'm learning by making some mistakes, which some would argue is the best way to learn, I hope. I'm also getting coaching and mentoring from my wonderful colleagues. Doing business in the Netherlands, I notice a more direct communication style. While it's abrupt, it's honest and being in sales we all prefer straight honesty at the end of the day. Also something noticeable is in Europe many have studied supply chain and logistics in university and are incredibly knowledgeable and strategic in their roles. From colleagues to customers, it's a very professional environment to be a part of.

I'm so excited for what's to come, this is just the beginning. While everyday has been uncomfortable and I sometimes question my intelligence (trying to find the button to exit a train for example, true story), it's been a big growth experience for me personally. I want to thank CIFFA for always supporting me and young talent in the industry. Also thanks to Hellmann Worldwide Logistics for believing in my potential for the future. As a family owned company, Hellmann has taken real care of someone who is new to the European Family. TF

An Interview with the National Maritime Group

The National Maritime Group represents nearly 100 private sector maritime employers and operators from coast to coast and through the St. Lawrence, moving over $790 million worth of cargo daily. More than 213,000 jobs at 14 Canadian ports, across five provinces, depend on coalition member operations.

Our industry and members exist to keep workers safe and ensure that vital commodities, such as critical minerals, food and medicine are supplied to the nation or exported in a safe and efficient manner. We ultimately pride ourselves on being trade enablers, employers, and industry conveners.

NMG members directly contribute $4.3 billion annually to the national GDP and $8.5 billion in economic output -- playing a key role in ensuring vital imported products make their way to Canadians and crucial Canadian exports make their way around the world.

This group includes executives from the British Columbia Maritime Employers Association (BCMEA), Maritime Employers Association (MEA), Halifax Employers Association (HEA) and the Port of Saint John Employers Association (PSJEA).

The coalition forms a national voice that represents and supports Canada's private sector maritime operators through education and federal solutions-based policy focused on shared priorities such as supply chain stability, resilience, and port competitiveness.

What were some reasons behind the founding of the National Maritime Group? Why the coalition?

In November 2019, maritime transportation industry leaders from across Canada met in Vancouver with the objective of increasing industry competitiveness and enhancing industry alignment at the national level. Despite facing shared operational and regulatory challenges, there had never been a sustained effort to come together around a common purpose.

It was at this meeting the concept of a national coalition representing private-sector maritime interests was proposed to advocate and work collaboratively with decision-makers at the federal level.

As COVID waves and supply chain disruptions came and went, the need for a nationally aligned voice became even more apparent and the priority of national alignment continued to be top of mind and priority for the Boards of Directors and members of the MEAs.

As we stand today, we work hard to spread awareness among federal policy-makers of the underlying causes of our supply chain challenges and, most importantly, the solutions to address them and increase Canada's global competitiveness. Our coalition understands these solutions as we live these issues 24 hours a day, 365 days a year.

We created this national coalition to speak with a consolidated voice on the top issues facing our industry, supply chains and economy.

What sort of reactions/impact have the results of the National Economic Impact Study by InterVISTAS had so far on your advocacy efforts? AND/OR Was there anything surprising that emerged from the results of the study for your membership and stakeholders?

With our members safely and efficiently handling over 21% of Canada's total traded goods each day, the Economic Impact Study confirmed that where ships meet shore, Canada's private sector maritime employers and operators play a crucial role in the national supply chain.

The ability to accurately capture our group's significant role in the national supply chain and economy, coast to coast and through the St. Lawrence, tells a compelling story. The coalition's membership contributes $4.3 billion annually to the national GDP, over $8.5 billion in economic output and more than 213,000 jobs at Canada's ports depend on coalition member operations.

It is safe to say that many government and industry stakeholders who work within the transport, trade and commodities space were likely surprised by the gravity of some of the numbers within the impact study. The data has allowed our group to confidently weigh in on certain matters related to supply chain resilience and port competitiveness, with a national and unified voice.

The data has helped make the case that as the government looks to optimize and maximize supply chain efficiency and reliability, it will be crucial to not only listen to our voices, but also to act on our real-world experience, expertise and perspective. That is the only way to ensure our national supply chain system remains globally competitive.

The final report highlighted the crucial role of coalition members in driving Canada's overall economic and social prosperity, including:

- Directly employing 14,810 workers earning close to $1.6 billion in direct wages and other labour income including generous benefits packages.
- More than 213,000 jobs at Canada's ports depend on coalition member operations.
- Investing over $48 million in training and upskilling and recruiting over 800 longshore workers to meet the current and forecasted needs of Canadian ports in 2022.
- Directly contributing $2.1 billion annually to the national GDP and $4.3 billion in economic output.
- Contributing over $1 billion in tax revenues annually to all levels of government including Canadian port authority fees and land lease payments.

What are some of the top priorities for you over 2023 as a national coalition?

We plan to continue advocating and educating on port competitiveness, supply chain resilience, labour stability and the overall role the maritime private sector plays in Canada from coast to coast.

The federal transportation and supply chain landscape, from a policy and regulatory perspective, is busy with a focus on Bill C-33, implementing the Supply Chain Task Force recommendations and the forthcoming goals of Budget 2023 – to name a few.

Our overall focus is to continue taking a collaborative, solutions-oriented approach with stakeholders and government – maximizing our unique network of partners with incomparable industry knowledge, expertise and strong fact-based data.

What do you hope to see emerge as policy out of the recent Supply Chain Task Force Report?

We were pleased to see the recent Supply Chain Task Force's final report highlight the urgency with which collaborative action must be taken if we are to successfully cope with the challenges facing us as a nation.

Repairing our supply chain demands a more streamlined, efficient, and pro-growth approach to governance and regulation of Canada's ports; this is only possible with the maritime industry private sector at the table.

We support the concept of the task force recommendation of the creation of a Supply Chain Office (SCO) to streamline the federal government's responsibility and authority over supply chain management. With that said, we acknowledge this would be an important step, as long as the SCO doesn't simply become another level of bureaucracy or gatekeeping. It must have clear decision-making authority across departments, be able to solve problems in realtime, and involve private sector operators from the start, with a dedicated maritime desk to address marine and terminal issues.

If ports are to remain competitive and supply chain disruption minimized, governments and industry must work together in new ways.

We see three immediate solution-focused priorities:

First, the federal government must overhaul the current system of administration and oversight, which does little to ensure quick, effective solutions to supply chain tangles. We need streamlined and smarter regulations that support Canadian operators by removing trade-inhibiting policies and ensure modernized governance and resilience of our national ports. This means consulting with and keeping the private sector engaged with government decision-making, especially when it comes to developing solutions.

Second, the federal government must increase investments in trade-enabling infrastructure at ports, marine terminals, inland terminals, and railways, with prioritization for projects that address bottlenecks and build surge capacity in collaboration with private sector partners. By expediting private sector partnerships, Ottawa can leverage the big investments Canadian taxpayers have made in their national transportation network.

Third, we must collectively address labour shortages in skilled trades through training and up-skilling programs. By partnering with the private sector, unions, provinces and trade schools, we can collectively enhance skills and training and nurture the next generation of leaders in the maritime industry. In 2022 alone, our coalition members budgeted over $48-million in training and upskilling and recruiting over 800 longshore workers to meet the current and forecasted needs of Canadian ports. Further partnerships with the federal and provincial governments could further leverage these important investments. TF

National Maritime Group | Coalition maritime canadienne

New Members 2023

ASSOCIATE MEMBERS

ACI Air Cargo Inc.

6500 Silver Dart Drive, Core C, Mississauga, ON L5P 1B1, 905-671-4688, selina@acisafe.ca (Selina Marshall, Director, Cargo Handling Operations), https://atlantisairlink.com/we-do-handling/

ACI Air Cargo Inc. is the air handling division of Atlantis Transportation Services Inc. The company is a regulated agent for Transport Canada and offers third-party screening services at its facilities in Toronto, Montreal and Vancouver. Its services also include ramp and freight handling for airlines and forwarders, export and import document handling, deconsolidation, build up and break down of ULDs, and more.

Airline Services International Inc.

4 - 5160 Explorer Drive, Mississauga, ON L4W 4T7, 905-629-4522, asi@airlineservices.com / trina@airlineservices.com (Trina Reynolds, Office Manager), https://airlineservices.com/

Airline Services International Inc. (ASI) is a GSSA with over 30 years of experience and a well-established list of principal airlines and customer forwarders. Since it was established in 1989, ASI has grown to include operations throughout North America, Asia, Africa, India and the Caribbean.

Atlantis Transportation Services Inc.

6500 Silver Dart Drive, Core C, Mississauga, ON L5P 1B1, 905-671-5171, selina@atlantisairlink.com, (Selina Marshall, Director, Cargo Handling Operations, 905-671-4688), https://www.atlantisairlink.com

With more than 35 power units and 50 trailers, Atlantis specializes in the transportation of air cargo in Canada and the United States. The company has bonded warehouse facilities dedicated to airfreight handling and offers customers a full-service logistics program in Montreal, Toronto and Vancouver.

Buffalo Airways Ltd.

108 Berry Street, Yellowknife, NT X1A 2R3, 867-873-6112, buffalo@buffaloairways.com / smacpherson@buffaloairways.com (Sandy Macpherson, Manager, Business Development, 867-765-6020), https://www.buffaloairways.com

Buffalo Airways was the subject of the History Television reality series Ice Pilots NWT. The company has operated its own courier service, Buffalo Air Express, since 1982. It is the largest courier service in the Northwest Territories, providing a door-to-door network with over 400 communities in Northern Alberta. Working with the Global Interline Network, Buffalo Airways ships nationally and internationally from its bases in Yellowknife, Hay River and Edmonton.

Compliant Business Processing

Level 1, 29 Kiora Road, Miranda, NSW 2228 Australia, 61 2 9525 9500, Matthew@thecompliantgroup.com (Matthew Brown, Sales Director), https://www.compliantbusinessprocessing.com

CBP is a business process outsourcing (BPO) organization that specializes in supporting the international and multimodal freight and logistics industry. 100% Australian owned and managed & located in Manila, Philippines, CBP services clients situated in the UK, USA, New Zealand and Australia. The CBP management team possess a combined 122 years of direct international freight, logistics and customs experience. Outsourcing with CBP is designed to enable companies to gain access to resources not available internally, lower labour costs and give local teams time to focus on higher-value tasks.

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GoFreight offers freight forwarding business management software that automates shipment operations and customer support. More than a thousand freight forwarding businesses rely on GoFreight for daily business operations. The software is designed to help freight forwarding businesses increase internal operation efficiency and minimize human errors, boost internal cross-team communication, and save time and money, including for their customers.

KlearNow

3945 Freedom Circle, Suite 400, Santa Clara, CA 95054, 415-360-5177, info@klearnow.com / kelsey.cruz@klearnow.com (Kelsey Cruz, Growth Marketing Manager), www.klearnow.com

KlearNow is a proprietary artificial intelligence and machine learning powered platform that helps importers, exporters, shippers, carriers and logistics professionals manage supply chains by delivering visibility, workflow and insights for goods in transit. The company's objective is to build a world of paperless trade on a single global platform that digitizes customs clearance, automates essential logistics processes, simplifies workflows with connected information and more.

Mytigate GmbH

Im Wingert 27, Eschborn, 65760, Germany, +49 (0) 172 2693329, sarra.rachdi@mytigate.com (Sarra Rachdi, Sales Manager), https://www.mytigate.com

Mytigate GmbH started operations in April 2020 to commercialize the results of a pharma supply chain risk management research project. The company offers a web-based platform for data related to pharma supply chain risks and performance. The risk management platform provides risk metrics to pharmaceutical producers, wholesalers, forwarders and carriers based on the capabilities and performance of potential supply chain partners on a specific lane, along with a standardized risk analysis and suggestions for risk mitigation measures. It verifies new lanes with regard to regulatory compliance (e.g., EU GDP, FDA, IATA) and generates documentation for regulatory authorities.

National Bank of Canada

350 Burnhamthorpe Road West, Mississauga, ON L5B 3J1, 905-270-9660, W.Wong@nbc.ca (William Wong, Director, Commercial Banking), https://www.nbc.ca

National Bank helps SMEs grow their businesses, with banking solutions and expert advice. It offers solutions for accounts receivable and payable, cash management, payroll and more. Special offers from partner companies include discounts on legal advice, mentorship, accounting services and HR management services.

Network Cargo Systems International Inc.

934 The East Mall, Toronto, ON M9B 6J9, 416-622-9450, yyz@networkcargo.com / Mabel.himely@networkcargo.com (Mabel Himely, Carrier Sales Manager), https://www.ncs.ca

Network Cargo Systems, part of the Network Aviation Group, has been in business for 30 years, offering a variety of cargo sales and services to client airlines. The company currently has 13 employees in four offices. It has provided solutions for shipping such things as locomotive machinery, factory assembly machinery and parts, aircraft engines and parts, helicopters and movie screens. Demand volatility and the forecasting challenges it creates focus the company on finding solutions to prevent service shortfalls.

As well as utilizing technologies for automation, tracking and accountability, Network Cargo Systems recognizes its role in a people industry, so provides ongoing training and apprenticeship opportunities to motivate both new and seasoned employees.

The company has joined CIFFA to engage with and support "a well-known and respected organization that sets industry standards, strives to keep our industry united in knowledge, expertise, innovation and training, and projects a desire to grow and engage back with its members."

Unicorn Experts

437-887-3400, info@unicornexperts.com / tatiana@unicornexperts.com (Tatiana Lazareva, Director), https://www.unicornexperts.com

Unicorn Experts is a small recruitment firm, a one-woman company, that has been helping organizations in various industries fulfill their hiring needs in supply chain and logistics since 2019. In the current candidate-driven market, Unicorn strives for perfect matches of people to jobs; candidates are then motivated to choose clients' offers and clients save time, avoiding having to screen numerous applicants. That said, though, "I love when my clients hire two candidates instead of one, simply because they couldn't choose between two great professionals," says Tatiana Lazareva.

The company has joined CIFFA because, "I see how CIFFA is recognized by my clients, and I hope to strengthen my network in the field and give back to the membership community in the form of consultations, industry updates and/or seminars."

W2C Custom Trade Management Inc.

1919 Lionel Bertrand, Suite 104, Boisbriand, QC J7H 1N8, 514-368-2637, claire@w2c.ca (Claire Brochu, Senior Advisor), https://w2c.ca/

W2C is a customs broker located at the Montreal airport. Led by a team of experienced specialists, W2C is equipped to meet customs management needs quickly and professionally, no matter how complex.

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400 Boulevard Saint Martin Ouest, Laval, QC H7M 3Y8, 514-316-6496, pdecapua@atl-canada.com (Patricia De Capua, Director, Operations), https://www.atl-canada.com

AT&L's team of logistics and transportation professionals have extensive experience spanning a variety of industries. As required, the team aims to provide all-in-one solutions – from sourcing to last-mile delivery – to meet customers' supply chain and transportation needs, using a network of more than 450 freight forwarders and carriers.

Enroll in CIFFA's online courses in *international freight forwarding today! These courses are certified*, flexible, and focused on the competencies and skills, that 300 CIFFA member companies are looking for in an employee*.

Achieve the **CIFFA Certificate** in as little as 2 months. Then complete your **FIATA Diploma Course - Advanced Freight Services**, and work toward a designation as a **Professional Freight Forwarder (PFF).**

Visit www.ciffa.com for information on all of our educational offerings, and designations.

CIFFA

Cargopedia Inc.

769A Pape Avenue, Toronto, ON M4K 3T2, 416-221-6066/888-247-1683, info@Cargopedia.com, https://www.cargopedia.com

Based in Toronto, Cargopedia is a freight forwarding and international shipping company that provides services including freight brokerage, customs clearance (origin and destination), inland transportation, warehousing and palletization, and project shipping and consulting.

Complete Shipping Solutions

12759 - 149 Street, Edmonton, AB T5L 4M9, 780-733-7525, mark@completeshipping.ca (Mark Evans, Director of Carrier Relations), https://www.completeshipping.ca

Complete Shipping Solutions is a 3PL solutions provider that specializes in logistics, shipping and warehousing. It has developed an easy-to-use web-based platform called SMARTT Shipping technology that gives instant freight quotes from multiple LTL and courier companies. The company serves both the domestic and international sectors and assists with shipping needs from basic to complex. In collaboration with its partners, the company's logistics team crafts individual solutions for customers backed by over 90 years of combined industry experience. Located in Edmonton, the company offers more than 100,000 sq ft of space for storage and order fulfillment.

FA International Logistics

165 The Queensway, #311, Etobicoke, ON M8Y 1H8, 416-640-7001, contact@fainlogistics.com / andrea@fainlogistics.com (Andrea Stirling, Director of Marketing & Administration), https://www.fainlogistics.com

FA International offers a full suite of global third-party logistics services. It combines intercontinental air, ocean, road and intermodal freight with comprehensive value-added logistics and supply chain services. The company became ISO certified in 2022.

Ghost Transportation Services

715E 46th Street West, Saskatoon, SK S7L 6A1, 306-249-3515, customerservice@ghosttrans.com, https://www.ghosttrans.com

Ghost Transportation Services has been in business for 35 years, providing logistics solutions to customers locally and around the world since 1987. Its 55 employees work from the head office in Saskatoon and other offices in Winnipeg and Toronto. The company has figured out how to move mining equipment from Saskatchewan to the Middle East and provided warehousing and distribution services for major hotel upgrades in Saskatoon. Generally, though, it helps meet the ongoing needs of small businesses. Ghost has joined CIFFA to broaden its horizons and utilize the resources the association can provide.

Hemisphere Freight & Brokerage Services Inc

21 Goodrich Road, Unit 3, Etobicoke, ON M8Z 6A3, 416-252-5661, employees@hfcan.com, https://www.hfcan.com

Hemisphere offers services in three areas: customs brokerage, freight forwarding and warehousing & last-mile fulfilment. It provides both Canadian and U.S. customs brokerage services. The company adds value with such services as kitting and final assembly, contract packaging, product inspection and compliance, foreign trade zone consultations, import staging, consolidation and deconsolidation, vendor managed inventory, returns and more.

The Logistics Factory Limited

120 West Beaver Creek Road, Unit 12, Richmond Hill, ON L4B 1C6, 905-707-5558, info@thelogisticsfactory.com, https://www.thelogisticsfactory.com

Started in 2013, The Logistics Factory Limited now has a team of 10 experienced employees. One of its noteworthy projects involved helping a customer to relocate an entire factory (over 140 machineries and accessories) from Vancouver Island to Chong Qing, an inland city in China, over a two-year period. The company has joined CIFFA to both bolster its image with its domestic and international customers and access international network resources.

Mosaic Logistics Inc.

2-884 Ford Street, Peterborough, ON K9J 2V4, 888-291-4442, info@mosaiclogistics.com, https://www.mosaiclogistics.com

Mosaic Logistics was founded in 2001 as part of the Meyers Transportation Services Group of Companies. In 2017, Jacquie Meyers purchased Mosaic and began to invest in technology, aiming to boost the company's value proposition. In 2018, Mosaic acquired IQ Freight Management Services (IQF) and its customized LTL management technology. Clients can thus access free LTL transportation management software that automates paperwork, and allows one-click dispatching to all carriers, easy tracking and tracing, live in-order chat, and freight audit tools. Mosaic service coverage includes less-than-truckload and truckload within Canada and the U.S., and cross-border between Canada and the U.S.

Peerless Logistics

3200 Dufferin Street, Suite 202, North York, ON M6A 3B2, 416-577-7670, info@peerlesslogistics.com, www.peerlesslogistics.com

Peerless Logistics offers a wide range of trucking services with a fleet of carrier partners that are equipped with modern and well-maintained trucks. The company is committed to provide customers 24/7 service to answer any concerns and provides regular updates on shipments.

Pride Group Logistics International Ltd.

6050 Dixie Road, Mississauga, ON L5T 1A6, 905-654-7458, sales@pridegrouplogistics.com / cbrady@pridegrouplogistics.com (Catherine Brady, Director of International Freight Forwarding), https://shipwithpride.com/en/

Pride Group Logistics/Pride Group Logistics International Ltd., founded in 2014, is a North American asset-based carrier, transport broker and international freight forwarder, offering air, inland, rail, warehouse and ocean logistics services. The company has 11 terminals and over 500 employees. It is currently developing fleet electrification infrastructure. In its preliminary build-out, it has equipped five locations with a line of ABB rapid chargers. The company joined CIFFA because "applicants are put through a vigorous onboarding process and must have all the required certifications and insurance policies to become members. Only qualified freight forwarders/brokers can be considered for a CIFFA membership. Clients and overseas agents recognize that [CIFFA members are] trained professionals that carry the required insurance, certifications and standard trading terms." TF

CIFFA 2023 DONNA LETTERIO LEADERSHIP AWARD WINNERS: JANET WALLACE & CHRISTINA FORTH

TORONTO, April 28, 2023. - CIFFA, the Canadian International Freight Forwarders Association, is pleased to announce two winners for its 2023 Donna Letterio Leadership Award this year: Janet Wallace, Managing Director, Cargo Operations and Transformation, with Air Canada Cargo, and Christina Forth, Director of Logistics Canada, Mass Logistik Inc.

CIFFA introduced the annual Donna Letterio Leadership Award in December 2015. The award is granted annually in memory of former CIFFA President Donna Letterio, who passed away in August 2013. The award recognizes a woman in the global freight logistics sector who has demonstrated, as Donna did, professionalism, commitment, leadership and a passion for excellence in her career and in her life. In addition to the award, CIFFA will prepare a cheque in each winner's name for $1,000, which will be presented to Bladder Cancer Canada.

About the Winners

In her role as Managing Director, Cargo Operations and Transformation, with Air Canada Cargo in Montreal, Quebec, Janet Wallace shares her knowledge and commitment to detailed, well-informed processes and procedures, improving customer service and satisfaction as well as the quality of the workplace experience. Janet has a deep understanding of Air Canada's passenger and cargo operations, which she draws on to support operations, commercial goals, and lead the engineering, procedures, regulatory, training and quality assurance teams. Under her guidance, Air Canada Cargo obtained two CEIV certifications from IATA, ensuring international and national compliance to safeguard product integrity. She is known throughout the company and among partners and customers for her knowledge, experience and personal approach.

Janet Wallace

With an extensive list of volunteer experience in her Alberta community of Leduc, serving on various boards, Christina Forth's commitment to the industry, colleagues, career, customers and family is well-evidenced.

At Mass Logistik she has provided nonstop support to grow the business in the industry, getting the local and overseas teams educated in Canadian Freight Forwarding requirements, driving cost savings initiatives, mentoring the logistics staff, bringing encyclopedic knowledge to the job, and fully implementing the e-manifest system including training all staff and SOP development. She was also involved in early-stage advising and testing of the e-manifest portal as an industry representative. She has been the President of the Edmonton International Oilmen's Curling Tournament since 2016 also serves on that board.

"CIFFA is very proud to continue with this very prestigious award, recognizing women of influence in our industry, which will also inspire the next generation of women leaders. We are very pleased to present this award to both Janet and Christina, who exhibited all the qualities that the award represents," said Bruce Rodgers, Executive Director, CIFFA. TF

Christina Forth