

# Intermodal Africa / March 2018 - Beira

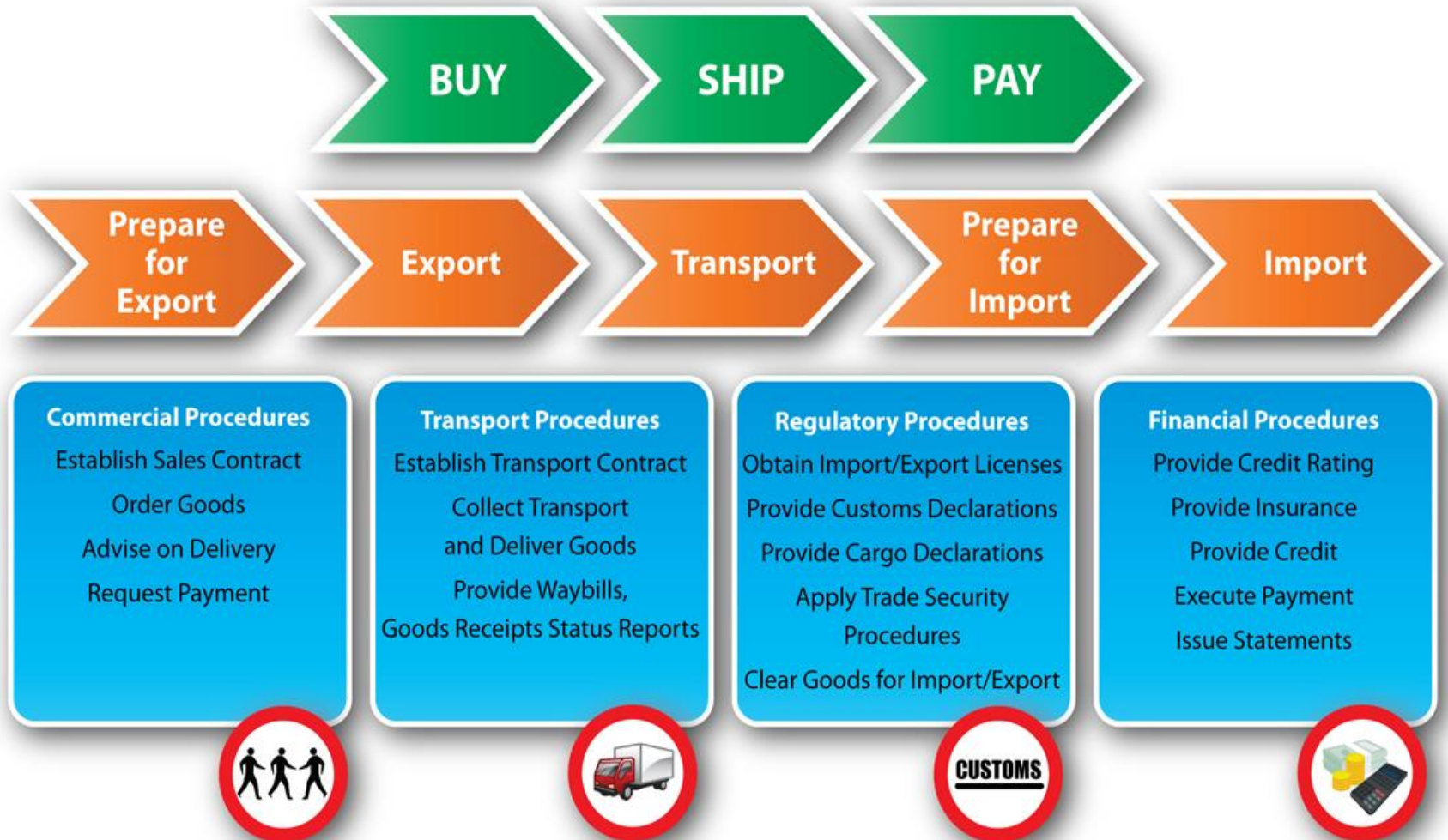
“Developing a winning supply chain strategy – the trade facilitation imperatives”

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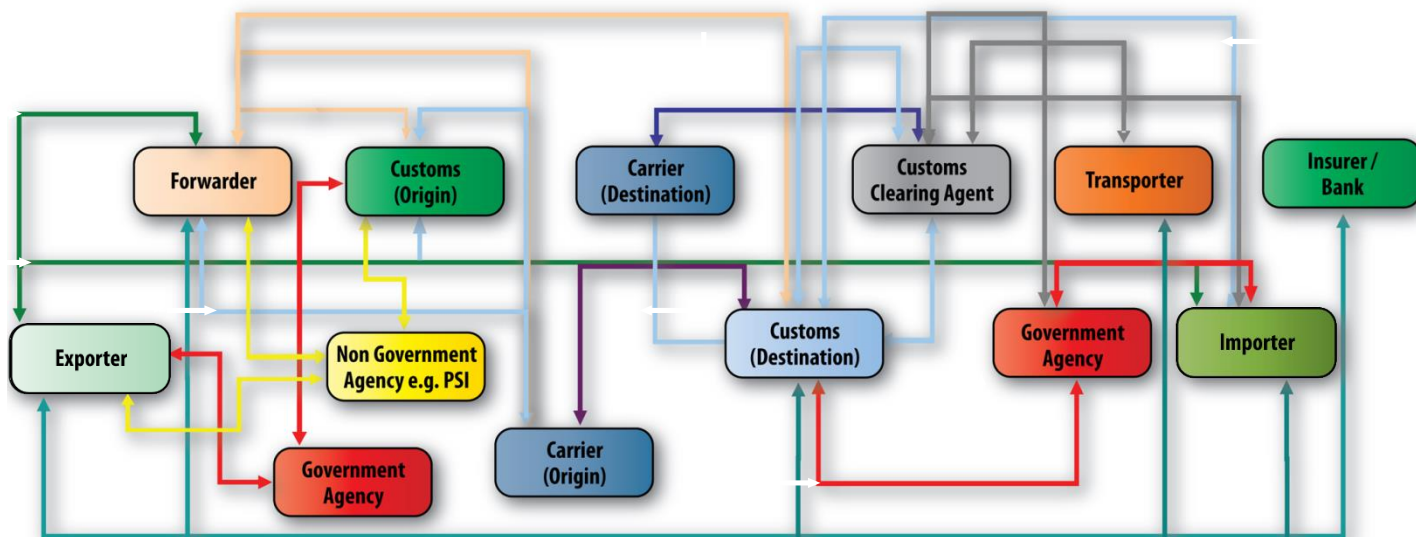
1. 4 Pillars of the supply chain
2. Supply chain security
3. Cost efficiency
4. Supply chain predictability
5. What does 'Intermodalism' mean for the trader?
6. Freight forwarding requirements
7. WTO Trade Facilitation Agreement

# Facilitation of International Supply Chain (Reference Model)

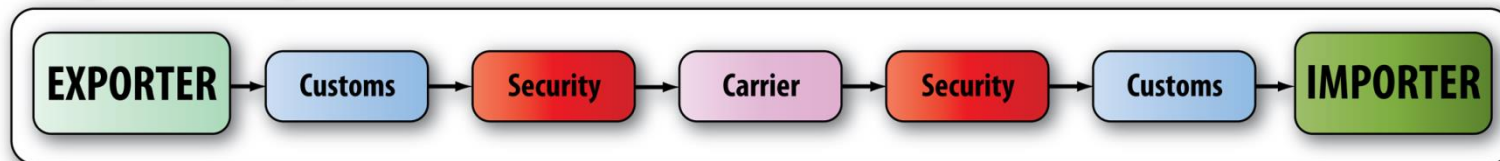


The current international trade environment involves complex international trade processes with disparate systems

### Document Tracking



### Cargo Tracking



Each international trade transaction requires an average of 40 documents of 200 data elements, with 15% repeated at least 30 times and 60-70% repeated more than once. (UNCTAD)

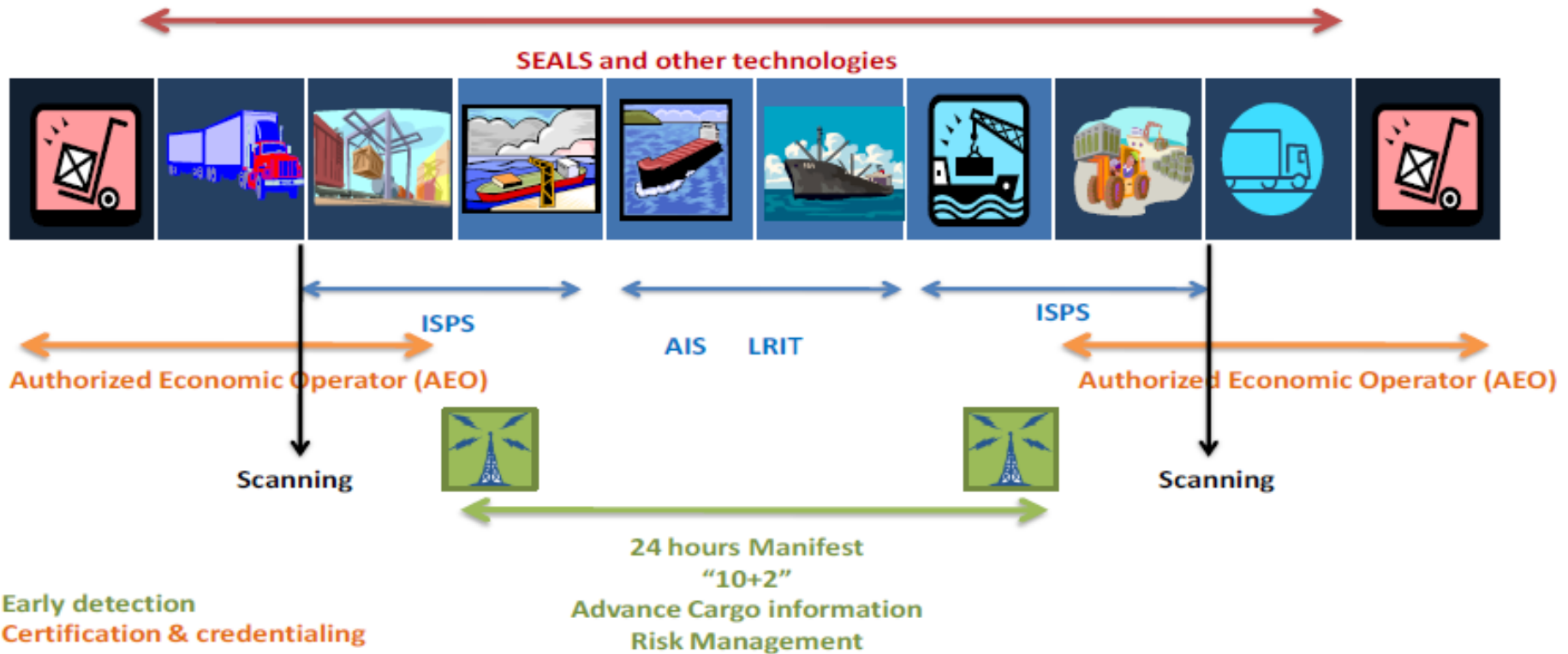


## Contractual imperatives

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- Incoterm used will identify cost division between contracting parties
- Incoterm used will identify which party contracts transportation
- Incoterms used will identify point at which transit risk passes from seller to buyer - **Note Hanjin Situation!**
- Incoterms used will identify the respective responsibilities of the contracting parties - **Note Hanjin Situation**
- FOB / FAS / CFR / CIF can never be used for land-locked countries, such as Zambia and Zimbabwe
- Use of CPT / CIP / DAP / DAT / DDP suggest an intent for door to door multi-modal transportation (in containers or break bulk)
- Thus, an implicit requirement for efficient inter-modal solutions.....

**And Incoterms 2020 is coming !!**



- 1) Early detection
- 2) Certification & credentialing
- 3) Scanning technology
- 4) Container integrity
- 5) ISPS International Ship & Port Security Code, vessel tracking at sea AIS/LRIT

## Cost efficiency

- Value for money in relation to transport cost
- Intermodal / multimodal operations for both full loads and part loads
- Sealed transport units lead to reduced insurance premiums
- Smart transport planning leads to return loads and reduced cost

## Supply chain predictability

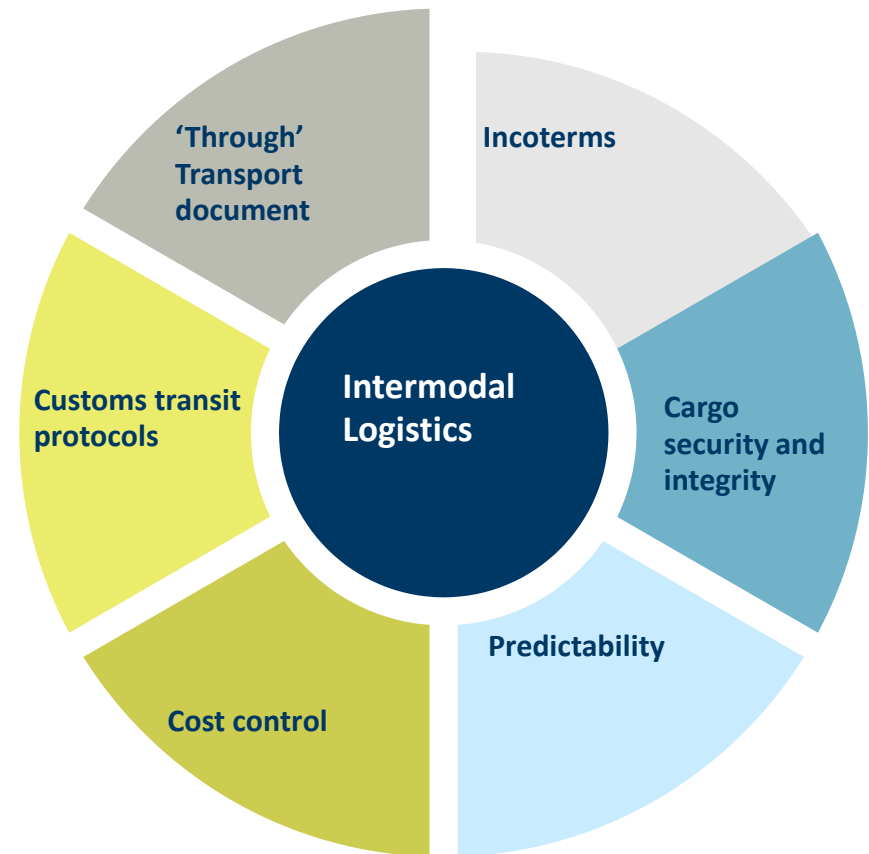
- Predictability (arguably) more crucial than transit time
- Enables strategic planning
- Reduce inventory and migrate to Just In Time logistics models
- Meet customer expectations – repeat orders

# Intermodal logistics – what does it mean for the trader?

## Importers and Exporters Requirements

- Consignments sealed at origin, seals broken at consignee point of delivery
- Insurance premium related to risk
- Transit time control
- Transit time predictability
- Single transport document
- Single Carrier's Conditions of Carriage on door to door basis
- Retain integrity of cargoes
- Minimal documentation
- Minimal intrusive cargo examination
- Accountability of those involved in regulatory control
- Minimise inventory, better utilisation of cash / assets
- 'Smart Contracting'
- Cool / cold / secure chain connectivity
- Cost? **Mauritius airfreight subsidy**

## Intermodal Logistics





*A greater respect for freight forwarding as a vocation (is needed). Our business is unseen yet so vital to the smooth operation of all economies. Although there is great emphasis on higher on higher education and university degrees, freight forwarding is still an industry where enthusiasm, hard work and flair can take you to the top of your profession and should be recognised*

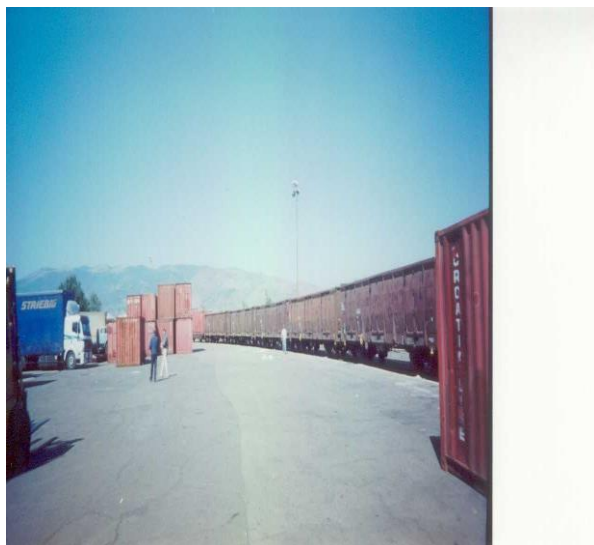
**Robert Keen – Director General BIFA**

## **Core areas for forwarders capacity strengthening:**

- **Conditions of carriage**
- **Incoterms**
- **Cargo handling**
- **Hazardous cargoes (IMDG, IATA, CMR)**
- **Load utilisation**
- **Customs procedures / transit procedures**
- **AEO**

***Consider EACFFPC qualification / certification model***

# Trains and boats and planes.....



- **Electronic processes**
- **Streamlined transit requirements**
- **Transparency of operations**
- **Trade facilitation committees**
- **Border co-operation / OSBPs**
- **Acceptance of copy documents**
- **Risk based approach**
- **Separation of release from duty payments**
- **Post clearance audits**

## Conclusion - Winning supply chains are a fusion of:

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- **Sound commercial contracting – the right Incoterm**
- **Streamlined intermodal transportation under single conditions of carriage**
- **WTO TFA aligned regulatory procedures**
- **Secure and reliable transfer of funds across borders**

## Road – the core but weakest link?





As the WTO TFA Impacts – focus likely to turn to transport issues.....





# Thank you /

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