

Global Shippers' Forum

Annual Policy Report 2020 and preview of priority actions for 2021

secretariat@globalshippersforum.com

17 December 2020

Policy Report & Future Agenda



- Presenting:
 - policy developments
 - GSF achievements on behalf of members
 - priority actions for 2021
- Covering the following issues:
 1. Container shipping markets and carrier competition
 2. Container packing safety and cargo integrity
 3. Cargo security
 4. Greenhouse gas reductions
 5. Pest contamination of cargoes and containers
 6. Digitalisation of transport documentation and procedures

Container Shipping Markets & Fair Competition



2020 Developments

- Logistics market turmoil due to Covid pandemic (Feb)
- Grounding of world passenger aircraft fleet (March)
- EU Consortia Block Exemption Regulation renewed for four more years despite GSF objections (April)
- Co-ordinated blank sailings and vessel idling by shipping lines (April-July)
- Rising spot rates, port congestion, equipment shortages as demand recovered (June +)
- Surcharges, surcharges, surcharges! (all year!)
- Shipping lines make acquisition of terminals, inland logistics & forwarder acquisitions (vertical integration)

GSF Achievements 2020

- Secured media coverage of shippers' reaction to CBER renewal *"This is unfinished business!"*
- Produced Policy Briefing for member associations on Management of Surcharges
- Supported campaign for abolition of Peak Season Surcharges in West Africa
- Produced new Container Shipping Market Quarterly Review, with MDS Transmodal (CSMQ Reviews)

2021 Agenda

- Monitor market behaviour through contract renewal season
- Produce guidance to shippers on managing contract renewals
- Deliver 4x CSMQ Reviews (Mar, Jun, Sep, Dec)
- Challenge carrier narrative of market behaviour
- Collaborate with UNCTAD, OECD & World Bank on CSMQ Review data
- Produce & deliver on-line conference for shippers on market dynamics & costings
- Enable access to CSMQ Review data by GSF members

Container packing safety



2020 Developments

- High number of container stack collapses at sea and containers lost overboard (*APL England, ONE Apus*)
- High number of serious cargo fires at sea resulting in crew fatalities/injuries, vessel loss and cargo damage
- Official reports in to previous incidents (*Maersk Honan, MSC Flaminia*) reveals, but does not blame, poor shipper compliance with DG and VGM rules
- Amendments to IMDG Code proposed to 'clarify' problem cargo requirements
- Carriers introduce DG misdeclaration fees & VGM discrepancy fees

GSF Achievements 2020

- Developed & published 'CTU Code – A Quick Guide' with COA, ICHCA, TT Club & WSC (The Cargo Integrity Group)
- Devised Container Packer's Checklist and shared with Cargo Integrity Group
- Both documents available in English and Chinese

2021 Agenda

- Defend shippers' reputation in media coverage of incidents
- Deliver further translations of CTU Quick Guide and Checklist
- Influence proposed IMDG Code changes to ensure practical and cost-effective compliance for shippers
- Explore options for commercial development of CTU app
- Challenge use of VGM data by carriers and validity of current lashing requirements, to improve stack stability
- Develop guidance for packing 'problem cargoes', with CIG

Cargo security



2020 Developments

- EU confirmed implementation of ICS2 pre-notification requirements from:
 - 2021: express cargo & postal shipments
 - 2022: other air cargo
 - 2023: land transport modes
 - 2024: container shipping
- Requires identity of shipper/cargo owner and consignee to be disclosed in advance of arrival in EU

GSF Achievements 2020

- New issue for 2021

2021 Agenda

- *Understand interpret & communicate shippers' responsibilities to members*
- *Ensure transparency and security of personally identifiable information*

Greenhouse Gas Reductions



2020 Developments

- IMO developed 'short-term' measures for reduction of GHG emissions from ships. Due for adoption in June 2021, for implementation from 2023
- Targets reductions from individual types of vessels by improvements in vessel design & maintenance (EEXI) and operational reductions (CII)
- EU considering inclusion of shipping in Emissions Trading Scheme (ETS)
- Major commodities broker proposed \$300/te fuel levy
- Shipping industry proposes new fuel levy of \$2/te to fund a Maritime Research & Development Board

GSF Achievements 2020

- Participated in IMO virtual meetings (ISWG-GHG7 and MEPC 75)

2021 Agenda

- *Participate in ISWG-GHG8 and MEPC76 meetings*
- *Produce Members' Briefing Note on IMO proposals*
- *Agree GSF position on GHG reductions measures*

- *Monitor fuel costs and carbon emissions per TEU through CSMQ Reviews*
- *Work with UNCTAD, OECD & World Bank to assess impact of proposed measures on costs of container shipping*

Pest contamination

2020 Developments

- Growing governmental concern at cases of infestation of import containers with invasive
- IPPC Sea Container Task Force (SCTF) examining adequacy of CTU guidance
- Considering new mandatory container inspection requirements
- Work programme disrupted by Covid pandemic and extended a further year.
- Australia to introduce new container inspection measures for Khapra beetle. Could serve as a model for wider implementation.

GSF Achievements 2020

- Incorporated pest contamination avoidance advice in 'CTU Code – A Quick Guide' with COA, ICHCA, TT Club & WSC (The Cargo Integrity Group)
- Incorporated pest contamination avoidance questions in 'Container Packer's Checklist'
- Defended shippers' reputation in SCTF meetings
- Delivered members' webinar on the North American Sea Container Initiative (NASCI)

2021 Agenda

- *Understand, interpret & communicate new Australian container inspection measures to members*
- *Defend shippers' interests in SCTF meetings*
- *Ensure SCTF outcomes are proportionate and practical*
- *Develop 'visible pest avoidance' campaign with Cargo Integrity Group*

Digitalisation



2020 Developments

- DCSA published harmonised digital message standards for information exchange between carriers:
 - Bill of Lading
 - Vessel capacity & sharing
 - Port calls
- Tradelens Blockchain project recruited major ports, forwarders and other shipping lines to achieve critical mass
- IATA developed standards for approval and use of Portable Electronic Devices to monitor condition of shipments in air cargo (Interactive Cargo Project)

GSF Achievements 2020

- Participated in IATA Interactive Cargo Project to develop consignment and acceptance procedures for shipments containing PEDs
- Promoted shippers' interests in digitalisation webinars hosted by International Chambers of Commerce (ICC)

2021 Agenda

- *Understand risks and opportunities for shippers' of DCSA standards*
- *Understand risks and opportunities for shippers' of Tradelens project*

- *Promote shippers' interests & agenda in IATA ICP*
- *Identify shippers to participate in ICP pilot trials*
- *Promote shippers' interests in ICC digitalisation projects*

GSF Policy Council meetings 2021



The policy-making forum in GSF:

- To receive briefings and updates on priority issues from the Secretariat
- To provide input & feedback from GSF members
- To agree GSF negotiating objectives
- To agree GSF public positions
- To provide a networking platform for GSF members

All GSF members entitled to attend

Proposed dates:

- **Tuesday, 16 February**
- **Tuesday, 18 May**
- **Tuesday, 17 August**
- **Tuesday, 16 November**
- All meetings on-line via M/S Teams to be confirmed by email link.

GSF Policy Categories



Markets: competition regulation, surcharges service quality & development

Safety: dangerous goods, cargo handling, transport unit packing

Security: counter-terrorism, transport as a weapon, piracy, counterfeit goods

Environment: exhaust emissions, cargo carbon footprint, invasive pest contamination

Facilitation: Customs, regulatory conformity, trade finance, cargo insurance

Skills: employee competences & qualifications; learning delivery & development

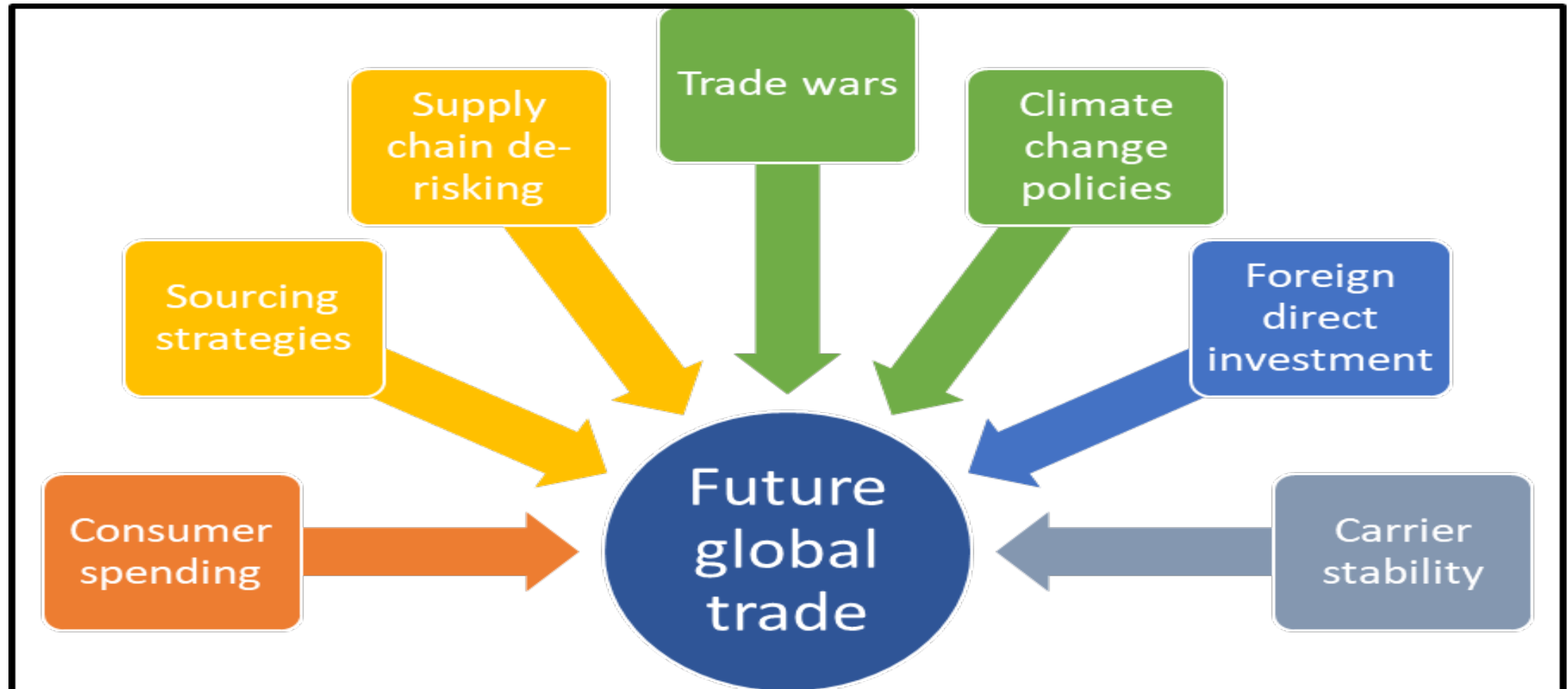
Technology: document digitisation, Blockchain, automation, robotics

Infrastructure : traffic capacity, service options, capital funding models, FDI

Crisis management: supply chain de-risking shipper resilience, state aid

7 factors affecting future global trade

(see GSF News, May 2020)



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