



Doc. PR 17/07
DATE: 14/03/2017

FIATA SECRETARIAT

PRESS RELEASE

FIATA and CLECAT deeply concerned about current capacity levels and service uncertainties

Capacity for maritime shipments to Asia has decreased dramatically with repercussions on rates and service. Due to higher demand and capacity managed by carriers, shippers may have to wait for weeks to ship a container. CLECAT and FIATA express their Members' concern about this situation. The European and the Global associations of freight forwarders stress the importance of the availability of sufficient capacity to ensure the facilitation of world trade. Carriers must respect ongoing agreements and contracts. FIATA and CLECAT are open to discuss with the ocean carriers these current developments and the difficulties they are facing, but they cannot ignore their members' concerns with the level of service.

Sufficient capacity is needed

CLECAT and FIATA recognise that demand for shipments from Europe to the Far East has increased. However, the question arises whether the current situation of insufficient capacity can be explained merely by higher demand.

"We witness an increase of vessels being taken out of circulation, which in our opinion contradicts the current increase in demand. On some routes shipping lines only accept bookings for sailings as far away as in four weeks' time. Furthermore, it has been extremely difficult for the industry to deal with blank sailings", said Mr Jens Roemer, Chairman of the FIATA WG Sea.

FIATA and CLECAT emphasise the importance of ocean carriers in the global supply chains and are aware of the difficulties their industry is facing. However, in order to prevent long-lasting damage to trade CLECAT and FIATA urge carriers to do all that is possible to guarantee sufficient capacity to traders.

Ongoing contracts and agreements should be respected

A number of carriers announced a Peak Season Recovery Surcharge (PRS) last week on cargo moving from Europe to the Far East. These separate announcements all appeared within a matter of days.

FIATA and CLECAT cannot silently absorb shipping lines now trying to apply the new PRS for shipments booked subject to tariffs and agreements valid at the time of booking. Ongoing contracts and fixed agreements should be respected in order to keep sustainable relationships in the supply chain.

Furthermore, CLECAT and FIATA question whether the PRS can justifiably be classified as a surcharge at all. Surcharges by definition relate to sudden changes in variable costs

incurred by carriers, such as bunker prices, port congestion and currency fluctuations. FIATA and CLECAT question whether such changes in the variable external costs have actually occurred in this situation.

This is unfortunately not the first time that FIATA has to reflect on questions raised by surcharges, the general principle of which was already discussed in a Press Release published in November 2014:

<http://fiata.com/media/press-releases/2014/4-november.html> (copy attached). This is mirrored in CLECAT's Press Release published in January 2015, where Nicolette van der Jagt, CLECAT's Director General, said: "Today the issue of surcharges continues to raise questions with many shippers and freight forwarders."

Media Contact:

Marco Sorgetti, Director General
Email: sorgetti@fiata.com
www.fiata.com

About FIATA

FIATA, the International Federation of Freight Forwarders Associations, was founded in Vienna, Austria on May 31st 1926. It is a non-governmental organisation that today represents an industry covering approximately 40,000 forwarding and logistics firms, employing around 10 million people in some 160 countries. FIATA has consultative status with the Economic and Social Council (ECOSOC) of the United Nations (inter alia ECE, ESCAP, ESCWA, etc.), the United Nations Conference on Trade and Development (UNCTAD), and the UN Commission on International Trade Law (UNCITRAL) as well as many other UN related bodies, e.g. the World Bank. It is recognised as representing the freight forwarding industry by many other governmental organisations, governmental authorities, private international organisations in the field of transport and logistics, such as the European Commission (through CLECAT), the International Chamber of Commerce (ICC), the International Air Transport Association (IATA), the International Union of Railways (UIC), the International Road Transport Union (IRU), the World Customs Organization (WCO), the World Trade Organization (WTO), etc.

For further information, please go to: www.fiata.com

About CLECAT

CLECAT is the Brussels based organisation representing the interests of more than 19.000 companies employing in excess of 1.000.000 staff in logistics, freight forwarding and customs services. European freight forwarders and Customs agents clear around 95% of all goods in Europe and handle 65% of the cargo transported by road, 95% of the cargo transported by air and 65% of cargo transport by ship.

For further information, please contact: info@clecat.org / <http://www.clecat.org/> Rue du Commerce 77, B-1040 Brussels, Belgium **Tel** +32 2 503 4705 / **Fax** +32 2 503 47 52