

E-Flash

e-FLASH No. 221 - GOVERNMENT ACTIONS TO HELP SOFTEN GLOBAL TRADE DISRUPTIONS DURING COVID-19

FIATA ADDRESSING THE INDUSTRY

FIATA publishes dedicated COVID-19 page to support the freight forwarding community

To provide comprehensive support to members during the COVID-19 epidemic, FIATA has created a dedicated page on its website. This page will be regularly updated with the latest developments, FIATA position papers and press releases, and practical resources on the key topics impacting the freight forwarding industry. Crucially, it also provides useful tools for FIATA members to use within their national jurisdictions to ensure a coordinated and unified response.

We encourage our members to regularly consult FIATA's COVID-19 page at <https://fiata.com/covid-19/general-information.html>.

Maintaining the flow of essential goods during the COVID-19 crisis

In its recent guidelines, the European Commission (EC) calls for Member States to ensure that control measures do not 'undermine the continuity of economic activity and should preserve the operation of supply chains' to ensure the 'availability of goods, in particular essential goods such as goods and supplies including livestock, vital medical and protective equipment and supplies.

FIATA considers these moves to be critical to national responses to COVID-19. Freight forwarders, well-represented by FIATA's 40,000 members, ensure the supply of the world's cargo to communities and economies around the world, including food and basic necessities. Disruptions to this activity will affect the national supply and stocks of necessities such as food, medicine, hygiene products and other important goods in the fight against COVID-19.

To read FIATA's full response please visit:

https://fiata.com/fileadmin/user_upload/documents/Position_Papers/Essential_services_-_position_paper.pdf

FIATA – IATA, key partners in adversity – COVID-19 Medical and Economic Impacts

At this time all methods of the international movement of goods in trade have been impacted. However, airfreight is probably one of the key movers in international freight that has been most dramatically impacted by government's restrictions and overnight embargoes to the movement of people across borders, with daily flight cancellations and fleets near to be fully grounded.

On this matter FIATA noted and supports the International Air Transport Association (IATA) Media release where governments do not appear to clearly understand that short term decisions will exacerbate the immediate and short-term ability of economies to meet the challenge of Covid-19 containment and then the economic rebuild.

To read FIATA's full response please visit: <https://fiata.com/media/press-releases/2020/20-march-2020.html>

Across Land Borders Road and Rail – Vital Lifelines

Road transport is the single most deliverer of the last mile and is also the vital interface for air and sea freight domestic delivery. In other places road freight is the manufacturer, supplier and distribution delivery option to the point of destination and is vital for across border trade sustainability.

In this aspect, FIATA, who met at beginning of March with IRU Secretary General, supports the position of the International Road

Union stating that:

“The most immediate concern for the road transport sector is to maintain supply chains, especially for essentials such as food and medical items, in the safest way possible for transport workers and citizens and respecting the latest relevant government guidelines.”

To read FIATA's full engagement please visit: <https://fiata.com/media/press-releases/2020/27-march-2020.html>

FIATA invites shipping lines to adapt their practice on Demurrage and Detention

FIATA encourages shipping lines to review their demurrage and detention charges to ensure that they are reasonable under the COVID-19 circumstances. Such a review should consider the possibility of waiving charges based on the second purpose of acting as an incentive.

Instead, the focus should be on the more relevant purpose as compensation for the use of the container, noting that shipping lines themselves are trying to smooth the container flow through ports and importers are now unable in many places to arrange container delivery based upon government and regulator movement directions. It may also include consideration of how to provide greater flexibility in the payment of such charges, taking account of the difficulties faced by many of their partners.

To read FIATA's full response please visit: https://fiata.com/media/press-releases/2020/1-april-2020.html#_ftn1

Seafreight – The heavylift

The International Federation of Freight Forwarders Associations (FIATA) notes and supports the comments from the International Maritime Organisation (IMO) that:

“It is, therefore, crucially important that the flow of commerce by sea should not be unnecessarily disrupted. At the same time, the safety of life at sea and protection of the marine environment must also remain paramount.”

On these issue FIATA is mindful as to the need for a pragmatic approach to issues like crew changeovers, and their movements however if international airlines can have crew changeovers handled appropriately (noting that the technical and cabin crew numbers on an A380 long haul flight will be at or about the same level as a mid-size container vessel) then clearly a vessel's crew can be contained and isolated accordingly. The link between vessel and land side operations can be handled and monitored accordingly.

To read FIATA's full response please visit: <https://fiata.com/media/press-releases/2020/25-march-2020.html>

AMERICAS

Trump will approve 90-day delay for some tariff payments

President Donald Trump will allow certain businesses to defer some tariff payments by three months, three sources told CNBC on Tuesday. The tariff deferral will come amid the coronavirus pandemic, which has upended global trade and ground the U.S. economy to a halt.

It was not immediately clear which payments would be included in the deferral. Sources said that the relief will likely be applied to “most favored nation” tariffs under the World Trade Organization.

To read more please visit: <https://www.cnbc.com/2020/03/31/coronavirus-trump-to-approve-90-day-delay-for-some-tariff-payments.html>

Canadian freight forwarders association achieves customs breakthrough

The Canadian International Freight Forwarders Association (CIFFA) drafted a letter to Canada's Revenue Agency and to Canada's Border Services Agency, requesting consideration of an extension in the payment of duties and taxes to the Government of Canada this month and in the months moving forward. Flexibility in the area of payment of duties and taxes could very well be a lifeline for many Canadian businesses and is necessary now.

On March 22 importers and customs brokers who manage payment of duties and taxes to the Government of Canada received

notice which indicates that there will be no relief from the obligation to remit in full duties and taxes on the due date of April 1st:

To read more please visit: <https://www.ciffa.com/tax-and-duty-flexibility-could-be-lifeline-for-canadian-businesses/>

Covid-19 Situation in the United States from a FIATA Member

Much international passenger travel has been restricted including across land borders with Mexico and Canada (they are still open to commercial traffic). Freight forwarders and customs brokers have been deemed essential businesses so they remain open although many of their employees that do not physically handle freight are working remotely.

Freight is moving internationally but some ocean terminals are working reduced hours due to diminished freight flows. Airfreight underdeck capacity has been reduced internationally due to restrictions on passenger flight.

To read more please visit: https://fiata.com/fileadmin/user_upload/documents/Diverses/Covid-19_Situation_in_the_United_States.pdf

Chile's LATAM adds cargo flights to ease salmon supply chain difficulties

Chile's largest airline, LATAM Airlines Group, has sought to mitigate the difficulties caused by a travel ban imposed by the country's authorities to prevent the spread of COVID-19 by stepping up cargo flights even as passenger traffic falls.

LATAM has boosted capacity between European and South American destinations by 20%, adding as many as six weekly flights that will allow for trade in automotive spare parts, general cargo, medicines and perishable goods to continue. LATAM also raised its cargo schedules between North America and South America to 26 flights each week, an increase of nearly 15%.

To read more please visit: <https://www.undercurrentnews.com/2020/03/30/chilean-airline-adds-cargo-flight-to-mitigate-salmon-supply-chain-difficulties-2/>

EUROPE

Covid-19: EU Tax Authority tracker monitors cross-border VAT changes

Many tax authorities across Europe have updated their office hours and meeting procedures, penalty and interest timelines, and VAT reporting and payment schedules, according to detailed analysis of the current VAT rules introduced across the EU since the covid-19 crisis.

Although these changes should ease the immediate cashflow pressures on businesses, Lucy Franklin, CEO of Accordance, warned that 'those who trade in multiple territories need to understand that a prerequisite for many of these assistance measures, including VAT payment deferrals, is that companies continue to file their VAT returns on time.

The EU VAT tracker service details temporary changes to VAT compliance with updates on each member state's measures and information where available on any exemptions. For more details, please visit: <https://www.accountancydaily.co/covid-19-eu-tax-authority-tracker-monitors-cross-border-vat-changes>

Switzerland - Validity of dangerous goods training for all personnel categories

Due to the accelerated spread of the Corona virus and the restrictions imposed by the Federal Council certain training cannot be completed on schedule. Under the circumstances the civil aviation in Switzerland has taken the following decision regarding the validity of training certificates for the transport of dangerous goods by air:

- All dangerous goods training certificates with expiry date from 01 March 2020 will keep their validity till 31 July 2020.
- The extension of these certificates shall be calculated on the basis of the expiry date of the last certificate.
- For basic training no special arrangements will be granted for the time being.
- The conditions for computer based training will also remain unchanged until further notice.

For more details, please visit: https://www.bazl.admin.ch/bazl/en/home/specialists/corona_update.html#accordion1585666139572

U.K Govt softens COVID-19 blow on exporters

The commerce ministry on Tuesday extended the validity of the current [foreign trade policy](#) (FTP) for 2015-20 by another year to FY21 end. The move is aimed at softening the blow to exporters already grappling with a massive cancellation of orders in the wake of the COVID-19 pandemic, a senior official told FE.

The extension will enable exporters to continue to get incentives under existing programmes — including the Merchandise Exports From India Scheme (MEIS), interest equalisation scheme and transport subsidy scheme (for farm exports) — for one more year. However, a decision on extending the Services Exports Promotion Scheme is yet to be made, the ministry said.

For more details, please visit: <https://www.financialexpress.com/economy/govt-softens-covid-19-blow-on-exporters-trade-policy-sops-to-stay-till-fy21-end/1915420/>

Port of Antwerp Covid-19 Taskforce confirms that port is 100% operational

The first meeting of the Port of Antwerp Covid-19 Taskforce was attended by key players in the organisation of the port. They confirmed that keeping the port operational is a shared priority, and expressed their full commitment to the operation of the port and thus to keeping the country supplied. At the meeting a port monitor presented an overview of the situation.

The taskforce is multidisciplinary and cross-border. Also the Dutch Common Nautical Management is represented because it controls access via the Scheldt. The various players in the overall organisation of the port also participate, so as to obtain a full picture of port operations. These include Port of Antwerp, Alfaport-Voka, ASV, Cepa, ESPO, Essenscia, Antwerp Fire Department, Antwerp Shipping Police, the agency for Maritime Services & Coast (MDK), Vlaamse Waterweg (waterway operator), Customs & Excise, the cabinet of Flemish minister of Mobility and Public Works Lydia Peeters and the Dutch Ministry of Infrastructure and Water Management.

For more details, please visit: <http://en.portnews.ru/news/293421/>

Asia Pacific

Chinese government further reduces port and cargo charges

China's Ministry of Transport and Ministry of Finance has issued notice of a reduction in port construction fees and payments to the ships oil pollution damage compensation fund for a period of six months.

According to the notice, China will reduce 50% of ships oil pollution damage compensation fund and will not charge port construction fee for the export and import cargos for the period of 1 March - 30 June.

For more details, please visit: <https://www.seatrade-maritime.com/ports-logistics/chinese-government-further-reduces-port-and-cargo-charges>

Australia - imports assured by \$170 million Government COVID-19 rescue package

The Australian Government will re-launch hundreds of flights to deliver fresh produce to key international markets as part of a \$170 million boost to an export sector grounded by the coronavirus emergency.

Today's announcement by Trade Minister Simon Birmingham also waives \$10 million in Commonwealth fishery fees and adds almost \$50 million to the Government's existing export grants program to reimburse marketing costs to exporters.

For more details, please visit: <https://www.abc.net.au/news/2020-04-01/fresh-produce-airfreight-lifeline-in-response-to-coronavirus/12108026>

Indian Government extends foreign trade policy by one year

The existing foreign trade policy 2015-20 which is valid up to March 31 this year is extended up to March 31, 2021," the Directorate General of Foreign Trade (DGFT) said. the validity of various import-linked export schemes such as Duty Free Import Authorisation (DFIA) and Export Promotion Capital Goods (EPCG) have been extended by one year.

Under EPCG, exporters can import certain amount of capital goods at zero duty for upgrading technology related with exports while DFIA allows them to import certain goods like sugar at zero duty.

For more details, please visit: <https://economictimes.indiatimes.com/news/economy/foreign-trade/government-extends-foreign-trade-policy-by-one-year/articleshow/74919920.cms>

REGION AFRICA MIDDLE EAST

COVID-19: Dubai leads the way with Emirates funding, says IATA chief

Dubai's move to pump in new funds into Emirates airline has been given a vote of confidence by the head of International Air Transport Association (IATA), the aviation industry grouping.

On Tuesday, Shaikh Hamdan Bin Mohammed Bin Rashid Al Maktoum, Crown Prince of Dubai, affirmed in a Twitter post that the government renews its "commitment to support a success story that started in the mid-1980s to reach its goal of sitting on the throne of global aviation.

For more details, please visit: <https://gulfnews.com/business/aviation/covid-19-dubai-leads-the-way-with-emirates-funding-says-iata-chief-1.1585713861453>

Nigeria ports operations continue — NPA

Import and export operations at the Nigerian ports will continue at the Lagos Ports, the Nigerian Ports Authority (NPA) has announced. In a statement on Monday by NPA spokesperson, [Jatto Adams](#), the Authority said the operation will continue as directed by President Muhammadu Buhari on Sunday.

Consequent to the directive of President Muhammadu Buhari that Lagos seaports, (Apapa and Tin can Island Ports), should remain open in the duration of the two-week lockdown of Lagos State:

For more details, please visit: <https://www.premiumtimesng.com/news/more-news/384924-coronavirus-nigeria-ports-operations-continue-npa.html>

Africa - Finance ministers seek \$100b cushion against coronavirus

In an appeal signed by South African Minister for Finance Tito Mboweni and his Ghanaian counterpart Ken Ofori-Atta, the African governments estimate that the economic disruption from the spread of coronavirus will cut the continent's GDP by at least two to three percentage points this year.

"Africa needs huge and immediate additional resources of \$100 billion for the immediate response, with lead from the multi-lateral financial institutions," reads the report released by Vera Songwe, executive secretary of the United Nations Economic Commission for Africa (UN ECA), on behalf of African Ministers of Finance. Dated March 22, the appeal is addressed to the World Bank, the International Monetary Fund (IMF), the European Investment Bank, European Central Bank (ECB), the African Development Bank and other partner institutions like Afreximbank and regional development banks.

For more details, please visit: <https://www.theeastafrican.co.ke/business/Finance-ministers-seek-usd100b-cushion-against-coronavirus/2560-5507014-140je5/index.html>

Please be advised that the above are a collection of commentaries in the media to provide an overview of what industry stakeholders are reporting on the COVID-19 outbreak.

The articles and information included in this newsletter are summaries as to what is reportedly happening throughout various sectors and geographies as governmental and non-governmental entities seek to address the logistical challenges imposed from the COVID-19 outbreak. The views expressed within the cited publications do not purport to reflect the views of FIATA, nor its members.

