



UFL

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China remains key to US recovery

Welcome to the twenty first edition of 'Service Without Boundaries', the UFL Group's customer newsletter.

Since our last newsletter, there have been many significant developments in the international logistics business that are likely to impact on the air and ocean freight services we offer in a number of trade lanes.

In the ocean freight environment, we saw the abandonment of the planned P3 Alliance as a result of refusal by the Chinese Ministry of Commerce to give approval to the proposed vessel sharing agreement, with no right of appeal.

Following that, Maersk Line and Mediterranean Shipping Company (MSC) have announced a ten-year vessel sharing agreement (VSA) on the Asia-Europe, transatlantic and transpacific trades and we expect more VSA announcements to come.

As an international NVOCC, we are eager to hear how the container shipping lines involved in these various alliances will step up to the plate and deliver on their promises of improved services, enhanced operations, greater reliability and on-time performance.

Meanwhile, in the USA, we have seen a further concession on the plan for 100 percent container scanning, which was hardly surprising.

We have always believed that the legislators have consistently underestimated the enormity of the task in hand and the limited ability of contemporary screening technology to penetrate dense cargo, or large quantities of cargo in shipping containers.

In the air freight sector, we applaud the action taken by a broad group of associations representing airfreight forwarding companies in calling on the USA's federal government to solicit input from small and medium-sized forwarders before expanding the Air Cargo Advanced Screening (ACAS) programme.



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UFL shares the concerns expressed by the associations that the ACAS pilot programme has involved only a handful of forwarders, mostly larger operations that already have integrated supply chains and an overseas infrastructure.

We agree with their call for more work to be done to determine how the ACAS programme would be applied to small and medium sized forwarders before they are brought under its requirements.

Once again this issue of 'Service Without Boundaries' is full of information that should be of interest and use as you undertake your day-to-day business. Enjoy the read.



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LATEST NEWS

UFL welcomes end to burden of screening reporting

The UFL group applauds the move by US regulators towards a more risk-based approach to air cargo screening and welcomes the US Transportation Security Administration's (TSA's) decision to lift requirements for air cargo screening reports, less than a year after calling for the regulation to be axed.

■ [Read more](#)

UFL notes new facilities and trucking security standards issued by TAPA

The UFL Group has noted that the Transported Asset Protection Association (TAPA) has launched the most comprehensive supply chain security standards for facilities and trucking in its 17-year history to combat increasingly sophisticated thefts by organised criminal gangs across the globe and to prevent substantial losses being incurred by global manufacturers and logistics service providers.

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UFL meet for European conference

The European offices and agents of the the UFL Group examined current prospects in the air and ocean freight forwarding environment at a recent conference in Amsterdam.

■ [Read more](#)

Highest credit rating for German partner

Our exclusive partner in Germany for over 25 years, alpha trans Luft- und Seefrachtspedition, has received the highest credit rating from Creditreform Ganzmueller, Groher & Kollegen KG, a major German credit advice and ratings agency.

■ [Read more](#)



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TRADE SECTOR FOCUS

UFL plugged into electronic shipping

The U-Freight Group (UFL) provides solutions for some of the most complex supply chain requirements of any industry.

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Study reports on supply chain disruption

According to a recent Zurich Insurance Group survey, 73% of organisations recorded at least one supply chain disruption in 2012, with unplanned IT or telecom outages the lead culprits. And, in 2012, global supply chain crime amounted to \$21.5 billion in losses.

■ [Read more](#)

UN TIR executive board wants full reinstatement of TIR in Russia

The United Nations TIR Executive Board (TIRExB), in the framework of its 59th session, has called on the Russian government to lift current TIR restrictions and fully reinstate the TIR System on the whole territory of the Russian Federation without further delay.

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Outlook for air cargo stabilises as growth accelerates in May

The International Air Transport Association (IATA) released data for global air freight markets showing air cargo growth accelerated in May, with 4.7% growth compared to a year ago.

■ [Read more](#)

China adopts new customs requirements

Chinese customs has implemented its new China customs advance manifest system (CCAM).

■ [Read more](#)

Anyone who has any questions about the items contained in this newsletter should get in touch with your local UFL office. Please visit our website on a regular basis for more items of breaking news.

www.ufreight.com



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UFL welcomes end to burden of screening reporting

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The UFL group applauds the move by US regulators towards a more risk-based approach to air cargo screening and welcomes the US Transportation Security Administration's (TSA's) decision to lift requirements for air cargo screening reports, less than a year after calling for the regulation to be axed.

TSA has announced that it will no longer require the industry to provide air cargo screening volume reporting, a requirement which industry body, TIACA warned last year was putting strain on the industry.

This will significantly relieve the reporting burden on industry, saving many labour and IT hours. All passenger carriers, and over 1,200 certified freight forwarders and shippers in the USA, have been required to measure and provide these reports monthly.

We applaud this move as a positive step towards adopting a risk-based approach versus forensic compliance, which allows industry and government to properly focus limited resources on measures that materially benefit security.

At UFL, we are determined to play an active role in the enhancement of freight security in the supply chain and our aim is to maintain a secure environment and preserve the integrity of each of our freight facilities around the world to protect our customers' assets at every stage of their transportation.

We are dedicated to continuing our close work with regulators to ensure global cargo security measures are effective and efficient, while ensuring the flow of commerce.

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UFL notes new facilities and trucking security standards issued

by TAPA

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The UFL Group has noted that the Transported Asset Protection Association (TAPA) has launched the most comprehensive supply chain security standards for facilities and trucking in its 17-year history to combat increasingly sophisticated thefts by organised criminal gangs across the globe and to prevent substantial losses being incurred by global manufacturers and logistics service providers.

The new 2014 versions of the Association's Facility Security Requirements (FSR) and Trucking Security Requirements (TSR) are the result of a year-long review process involving TAPA members worldwide. The revised procedures and processes further enhance what are widely regarded as some of the most robust security standards available for the prevention of cargo crime.

TAPA's security standards are the main reason why major manufacturers of high value products and their logistics service providers across the globe join the Association. The standards are very often written into contracts as best practice for supply chain resilience.

The U-Freight Group (UFL) is a long standing supporter and member of TAPA. Several of our major logistics hub in Asia have achieved TAPA security accreditation, including those in Shanghai, Hong Kong and Singapore.

We are committed to the enhancement of freight security in the supply chain and see the TAPA accreditation scheme as a means of proving that we are committed to maintaining a secure environment, preserving the integrity of each of our freight facilities around the world and protecting our customers' assets at every stage of the transportation process.

Certification and membership of TAPA complements our existing security arrangements and provides a globally acknowledged standard for the protection of goods in transit.

Cargo crime is no longer petty, opportunist theft carried out by individuals. Today it is co-ordinated by organised international gangs whose attacks often involve violent and armed hijackings of vehicles, facilities and employees as well as fraudulent pick-ups, fake 'police' stops, bogus personnel, slashing open trailer curtains, and attacks on moving vehicles.



Organised gangs of criminals around the world are becoming more sophisticated and daring in their attempts to steal products during the logistics process and that's why TAPA regularly reviews and often upgrade the standards.

TAPA analysis tells us that losses suffered by its members are three times lower than the industry average, although that leaves absolutely no room for complacency.

TAPA has over 800 members globally, consisting of manufacturers and logistics service providers. In addition to best practice security standards, the Association provides its members with crime intelligence and incident data, networking events and training, and also represents their views through its work with legislators and law enforcement agencies.

TAPA launched its first FSR standard in 2001 to protect warehouse operations. Recognising the shift toward road-based crime, it responded with the introduction of the new TSR standard in 2005 and, in 2012, increased its coverage of the supply chain with its first TAPA Air Cargo Security Standards. Members review and help to improve each standard every three years and the certification process is conducted by TAPA-authorized independent auditors. There are three levels of certification for the FSR and TSR standards and this, in particular, helps new members to improve their operational security at the entry level before working towards the top grade of certification.

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UFL meet for European conference

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The European offices and agents of the the UFL Group examined current prospects in the air and ocean freight forwarding environment at a recent conference in Amsterdam.

The two day meeting was a valuable opportunity to let all members of UFL's European network exchange the latest market information and strengthen corporate links.

With questionmarks still remaining about the level of recovery of the global economy, delegates gathered in Amsterdam to review progress and plan strategy for the year ahead.

Our European offices and exclusive agents all have local expertise which, when added to the network's international capabilities, makes an unbeatable combination and gives us confidence when we plan future growth at our annual conferences.

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Highest credit rating for German partner

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Our exclusive partner in Germany for over 25 years, alpha trans Luft- und Seefrachtspedition, has received the highest credit rating from Creditreform Ganzmueller, Groher & Kollegen KG, a major German credit advice and ratings agency.

For many years, alpha trans Luft- und Seefrachtspedition had already benefitted from a solid credit reference from the agency, but following a strict examination by the credit agency, it was awarded a CrefoZert - solvency certificate - with an 'excellent' rating for its commercial activities, which notes that no significant credit risks are noticeable.



According to alpha trans' managing director, Fred Eichenseher, the high rating demonstrates the achievements of the logistics services provider and means that partners and suppliers can count on solid financial management and very good credit worthiness.

"It is an independent verification of our company's financial stability and reliability, and proof that we provide outstanding logistics services in an atmosphere of trust and security."

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UFL plugged into electronic shipping

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The U-Freight Group (UFL) provides solutions for some of the most complex supply chain requirements of any industry.

In a sector characterised by high value components, rapid obsolescence and product complexity, UFL has responded to the needs of IT and electronic goods manufacturers by developing a range of value-added services that reduce cycle times and improve performance.

Our technology solutions are built around core services including inbound logistics to production facilities including vendor hubs; turnkey production of hardware and software kits; integrated warehousing and transportation; delivery and installation, including reverse logistics; and, aftermarket parts distribution and services.

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Study reports on supply chain disruption

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According to a recent Zurich Insurance Group survey, 73% of organisations recorded at least one supply chain disruption in 2012, with unplanned IT or telecom outages the lead culprits. And, in 2012, global supply chain crime amounted to \$21.5 billion in losses.

As supply chain complexity increases, addressing all of the risks that make your supply chain vulnerable is impossible without the proper tools and support. Why? Today's supply chains go beyond just cargo: they include critical infrastructure such as power grids, communications, IT, assets and service.

This combined with the demand for low-cost supply chain logistics and transportation, and the need for greater supply chain efficiency, can lead to inconsistently enforced security procedures and a supply chain less flexible to stresses and disruptions.

Learning how to effectively protect and manage your supply chains via automation, and productively respond to stresses, can yield important benefits and that is what the U-Freight Group (UFL) does day in and day out.

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UN TIR executive board wants full reinstatement of TIR in Russia

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The United Nations TIR Executive Board (TIRExB), in the framework of its 59th session, has called on the Russian government to lift current TIR restrictions and fully reinstate the TIR System on the whole territory of the Russian Federation without further delay.

The TIRExB made this appeal following news of a last minute decision from the Federal Customs Service of the Russian Federation (FCS RF) to extend its guarantee agreement for the Russian TIR guaranteeing association, ASMAP, until November 30, 2014.

According to the TIRExB, it has taken note of the FCS RF's decision. The Board however does regret that the FCS RF continues to implement measures that directly contradict the provisions of the TIR Convention and which have serious consequences for international road transport and trade as a whole.

You can read the full statement made by the UN TIREXB here:

<http://www.unece.org/index.php?id=35970>

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Outlook for air cargo stabilises as growth accelerates in May

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The International Air Transport Association (IATA) released data for global air freight markets showing air cargo growth accelerated in May, with 4.7% growth compared to a year ago.

This is up from the 3.8% year-on-year growth recorded in April. Cargo volumes, measured by Freight Tonne Kilometres (FTKs) were up across all regions, but with significant differences in performance.

The Middle East carriers reported 9.3% year-on-year growth, whereas the corresponding growth rate for North American carriers stood at 2.4%.

The acceleration of growth reflects improved economic conditions. There are indications that world trade and business confidence to be improving after weakness in the first quarter. In particular, Chinese manufacturing activity rebounded in May, with a corresponding rise in export order growth.

Tony Tyler, IATA's director general and CEO said: "After several months of wavering conditions in the demand environment, the outlook for global air cargo appears to be stabilising.

"That's good news but the sector still faces an uphill battle to restore competitiveness and increase its share of trade growth. This will not be achieved with a business-as-usual mindset.

"The competitors to air cargo are innovating aggressively, cutting end-to-end shipping times and improving efficiency.

"There is tremendous potential in the e-cargo agenda to help shorten average shipping times by 48 hours from the current average of 6.5 days. Airlines have a pivotal role through expanding the use of e-Air Waybills. But success will need a united approach across the value chain."

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China adopts new customs requirements

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Chinese customs has implemented its new China customs advance manifest system (CCAM).

Enterprises that send containerised goods as ocean freight to China must submit advance information to the Chinese customs authorities before a vessel arrives at one of the country's ports.

According to the new CCAM regulation, the B/L and shipment details, including information about the trade partners, route, shipping timetable, ship, container and a description of the cargo, have to be sent to the Chinese customs 24 hours before a ship is loaded.

Many parts of China's new law are more or less identical to the USA and Canada's 24-hour import rules, which were implemented some time ago.

Europe has a similar system with its entry summary declaration (ENS), and Japan also introduced a similar regulation at the beginning of the year.

The U-Freight Group (UFL) has a strong presence in China and offers multiple air and ocean freight services to and from the country. We have an excellent relationship with the Chinese customs authorities and are happy to provide advice about customs matters.

For more information visit: english.customs.gov.cn

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