

# FIATA

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## POSITION PAPER

### Combining the OWG's Focus Areas in a Holistic Manner with Trade Facilitation

On February 21<sup>st</sup>, 2014, the Co-Chairs of the UN General Assembly (UNGA) Open Working Group (OWG) on Sustainable Development Goals (SDGs) have assembled their list of 19 Focus Areas for consideration by Member States as they seek to identify SDGs and accompanying targets. The document includes 19 focus areas summarizing views expressed on each issue during the first eight sessions of the OWG, which took place between March 2012 and February 2013.

According to the Co-Chairs, this document is provided in order to start the process of building consensus, and does not constitute a final draft of the report that the OWG will submit to the UNGA at its 68th Session in September 2014. The International Freight Forwarders Association (FIATA) has taken the Co-Chairs' advice and have decided to be active in the consensus building discussion to ensure the voices of the logistics and freight community are heard prior to submission of the finalized draft.

After carefully analyzing the 19 Focus Areas released by the OWG, FIATA agreed with the chosen focus area topics especially economic growth, infrastructure and means of implementation. However, it was surprising to learn that the OWG had missed the opportunity to recognize the need to combine these focus areas, especially the ones highlighted, in a holistic manner with trade facilitation at the core.

If the OWG is to concentrate its efforts on the suggested Focus Areas, there needs to be more inclusion of trade facilitation within the hind set of each established focus area. Trade Facilitation through the development of enhanced logistics connectivity should be intertwined within the Focus Areas suggested. Such integration will allow for the development of SDGs which will significantly impact the post-2015 development agenda and be achievable when implemented.

FIATA must remind the OWG that the importance of the transportation and logistics industry is very much integrated with the ebb and flow of the global economy and therefore should be strongly considered when designing SDGs correlated within the focus areas suggested. In 1989, China went from having 200 kilometers of expressways to, today, a massive system of state-of-the-art highways surrounding the nation's largest cities which has created a logistics network that enables for immense economic growth<sup>1</sup>.

One could also examine India, the world's second most populous nation, which is planning enhanced development plans in transportation infrastructure, especially highways, already gearing up to dramatically boost construction in this regard, with some funding from governments and private partnerships<sup>2</sup>. Other emerging nations, including Brazil, are putting their focus on logistics infrastructure development as well, including ports and airports, or risk seeing their economic growth derailed.<sup>3</sup> Brazil's air traffic rose by 118% from between 2003 and 2010, nearly three times the global average and they require a network in order to meet the ramp up in global demand.

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<sup>1</sup><http://www.plunkettresearch.com/transportation-supply-chain-logistics-market-research/industry-and-business-data>

<sup>2</sup>Same as above

<sup>3</sup>Same as above

Reflecting on the extensive and stimulating discussions in the OWG on the topic of sustainable transport, the focus areas document underscores the importance of firstly developing enhanced logistics connectivity networks to improve economics trade into the SDGs and in turn result in sustainable outcomes that will address concerns of economic growth and environmental challenges in the fight to build resilient societies.

If attention in this area is not given, we will very likely fall short of achieving our overall aspirations for these SDGs where one of the biggest challenges facing the global transportation sector over the mid to long-term is a focus on lowering carbon emissions and enhancing energy efficiency. In the U.S, the transportation sector is estimated to create 32% of all carbon dioxide emissions.<sup>4</sup>Airlines have placed large orders for fuel-efficient jets promising efficiency gains of 15% to 20% per passenger mile in order to combat emissions.<sup>5</sup> Container ship operators are under intense pressure to reduce contamination and emissions while in port and at sea, and automobile and truck manufacturers are struggling to respond to demand for fuel-efficient vehicles.

In light of this energy emitting industry and the need to ensure sustainable growth, FIATA proposes that more emphasis and focus be put on logistics connectivity within the Focus Areas in order to ensure a future of facilitated trade and economic prosperity. In our view trade enhancement is a policy area that has the gravity to be inserted among the main sustainable development focus areas at the highest level. It is clear that more space needs to be given prior to the OWG's final session in September 2014to discuss the contribution that logistics can make to sustainable development in the area of trade if intertwined within the details of the suggested focus areas.

FIATA looks forward to continuing the discussion of the chosen Focus Areas that are set to define the upcoming SDGs.We remain available to discuss any key points with the UN Secretariat, UN Member States, civil societies and any other stakeholders with a view to improving their development and implementation with regards to sustainable development.

For more detailed information please contact the FIATA secretariat.

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## **About FIATA**

FIATA, the International Federation of Freight Forwarders Associations was founded in Vienna, Austria on May 31, 1926. It is a non-governmental organization that today represents an industry covering approximately 40,000 forwarding and logistics firms, employing around 8-10 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), the United Nations Conference on Trade and Development (UNCTAD), and the UN Commission on International Trade Law (UNCITRAL). It is recognized as representing the freight forwarding industry by many other governmental organizations, governmental authorities, private international organizations in the field of transport 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.

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<sup>4</sup>[http://www.ibm.com/smarterplanet/us/en/transportation\\_systems/overview/index.html](http://www.ibm.com/smarterplanet/us/en/transportation_systems/overview/index.html)

<sup>5</sup><http://sales.dalecarnegie.com/general/files/industry/Transportation.pdf>