

FIATA

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

The fight to prevent the spread of COVID-19 has fuelled a host of measures by governments worldwide mandating the closure of many aspects of societal daily life and restrictions to the movement of people. In many countries, only certain designated 'essential services' are still permitted to remain in operation. However, there remains no coordinated worldwide approach, and definitions of what is an 'essential service' may vary.

FIATA applauds the inclusion of freight forwarding within many national definitions of 'essential services'. However, more needs to be done. Greater consistency in global responses, together with the implementation of facilitative measures, are required to ensure the continuance of well-functioning supply chains to move essential goods to where they are most needed throughout this crisis and beyond.

Freight forwarding as an 'essential service'

Terminology on 'essential services' varies. The UK, for example, has created a list of key workers whose work is '*critical to the COVID-19 response*' or who work in one of the specified '*critical sectors*'.¹ Meanwhile, the USA's Cybersecurity and Infrastructure Agency (CISA) has termed such workers 'Essential Critical Infrastructure Workers', defined as those that '*help State and local officials as they work to protect their communities, while ensuring continuity of functions critical to public health and safety, as well as economic and national security.*'² Nevertheless at its core, the overarching concept of 'essential services' remains the same: those necessary to ensuring the maintenance of critical infrastructure and basic necessities of a population.

As the 'Architects of Transport', the freight forwarding industry naturally fits within this definition, playing a crucial role in ensuring the movement of goods across global supply chains in today's highly interdependent world. This is reflected in recent government guidelines on what constitutes 'essential services'. The UK, for example, stipulates that '*international and domestic freight transport (including by air, ships, road and rail, including roll-on/roll-off transports) is classified by UK government as an essential activity*'³, and has designated as key workers those who '*keep the air, water, road and rail passenger and freight transport modes operating during the COVID-19 response, including those working on transport systems through which supply chains pass.*'⁴ The US has similarly included transportation and logistics within its list of 'Essential Critical Infrastructure Workers'⁵. In its recent guidelines, the European Commission (EC) calls for Member

¹ UK Government, '[Guidance for schools, childcare providers, colleges and local authorities in England on maintaining education provision](#)', GOV.UK, 19 March 2020 (accessed 30 March 2020)

² C.C. Krebs, '[Memorandum on identification of essential critical infrastructure workers During COVID-19 response](#)', CISA, 19 March 2020 (accessed 30 March 2020)

³ UK Government, '[COVID-19: advice for the freight transport industry](#)', GOV.UK, 17 March 2020 (accessed 30 March 2020)

⁴ UK Government, 'Guidance for schools, childcare providers, colleges and local authorities in England on maintaining education provision'

⁵ CISA, '[Guidance on the essential critical infrastructure workforce: Ensuring community and national resilience in COVID-19 response](#)', Version 1.0, CISA, 19 March 2020 (accessed 30 March 2020)

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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’*⁶.

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. Already, global reports indicate shortages of necessary equipment. It is therefore crucial that governments continue to recognise the freight forwarding industry as an ‘essential service’ and FIATA encourages them to continue to do so with greater consistency and coordination.

Facilitating the movement of essential cargo

The crucial role played by the freight forwarding industry must continue to be recognised and enshrined in national responses to the COVID-19 crisis. At the same time, governments must do more to ensure the facilitation of essential goods movement throughout the supply chain. Wordings and phrases in relevant guidelines commonly make reference only to ‘essential goods’ or similar. However, the efficient and effective circulation of goods across today’s complex supply chains rely on a steady flow of all cargo, essential or otherwise, in order to operate to their full capacity. As recognised by UNCTAD, *‘restrictions on trade and cross-border transport may interrupt needed aid and technical support... Governments should therefore continue to facilitate movement of not only relief goods, but goods in general, to minimise the negative impact of the COVID-19 outbreak’*⁷.

Disruptions to this synergetic chain quickly lead to stagnation and blockages, preventing the movement of even essential cargo. For example, the Port of Antwerp recently noted that the slowdown in the movement of goods and raw materials is leading an accumulation of stagnant cargo, resulting in *‘shortage of warehouse capacity, tank storage and space for storing trucks’*⁸. Such operational challenges are becoming concerningly common as backlogs grow amid governmental restrictions.

In addition, it is important that governmental restrictions in relation to the various modes of transportation do not hinder unduly on the movement of goods. For example, the rapid decline in air travel poses potential issues for freight capacity, given that airplanes make up a large portion of worldwide capacity for moving goods. According to IATA estimates, 30% of global air cargo no

⁶ European Commission, [‘COVID-19, Guidelines for border management measures to protect health and ensure the availability of goods and essential services’](#), C(2020) 1753, *European Commission*, 16 March 2020

⁷ Dr. M. Kituyi, [‘Coronavirus: Let’s keep ships moving, ports open, and cross-border trade flowing’](#), *UNCTAD* (accessed 30 March 2020)

⁸ Port of Antwerp, [‘Coronavirus – Port of Antwerp Taskforce confirms: supply chains still working’](#), *Port of Antwerp*, 2020 (accessed 30 March 2020)

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longer has space to move⁹. Similar considerations should also be taken into account for other modes of transportation. For example, the implementation of green lanes at European Union Member States borders, as stated in the EC Guidelines¹⁰, should operate in a manner that facilitates, not hinders, the movement of goods. Despite the intention of countries to contain the ever-increasing spread of COVID-19 through increasingly stringent border measures, it is important that essential cargo continues to flow to prevent national shortages of key necessities. Consequences such as the vast queues reported at many border crossings worldwide should be avoided as far as possible. Moreover, as stated by UNCTAD, it remains crucial that the world's ports remain open for ships' calls and the movement of ships' crews, so as to facilitate maritime trade and cross-border transport¹¹.

Furthermore, where governments require a business operating an 'essential service' to obtain certain permits or authorisations to do so, such requirements should not substantially delay or restrict the company's ability to do so, with due regard to the urgency of the situation.

CONCLUSION

In order to ensure the efficient movement of essential goods in the fight against the COVID-19, it is internationally acknowledged that governments must first recognise the nature of the freight forwarding activity as an 'essential service', and then put in place policies that facilitate the effective rendering of these services.

FIATA will continue to work closely with its members and international organisations to ensure a united and coordinated response to the COVID-19 crisis. In addition, FIATA calls on its members and national governments to collaborate, so that freight forwarding industry can continue to perform its vital role in delivering the world's cargo, including essential goods, to those who need it most. This recognition will ensure that immediacy issues are addressed and will also provide for FIATA's national association members' inclusion in the necessary future rebuild for a highly fractured international trade logistics and supply chain management process.

Glattbrugg, 1 April 2020

⁹ E. Kulisch, '[Passenger airlines morph into cargo carriers](#)', *Freight Waves*, 27 March 2020 (accessed 29 March 2020)

¹⁰ European Commission, 'COVID-19, Guidelines for border management measures to protect health and ensure the availability of goods and essential services'

¹¹ Dr. M. Kituyi, 'Coronavirus: Let's keep ships moving, ports open, and cross-border trade flowing'

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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.

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