IATA CARGO WEBINARS

8 October 2020

Cargo Border Management

Today's session will begin shortly

IATA CARGO WEBINARS

8 October 2020

Cargo Border Management

Welcome

Cargo Border Management Webinar

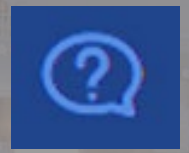
Gordon Wright
Head, Cargo Border Management
IATA

Nadia Belkebir
Manager, Cargo Border Management
IATA

IATA CARGO WEBINARS

Microphones have been muted

Please submit your questions through the **Questions box** and **send to Everyone**



The webinar is being recorded and will be made available afterwards, including the PPT slides.

IATA

- Participants are cautioned that any discussion regarding matters such as fares, charges, division or sharing of traffic or revenues, or concerning any other competitively sensitive topics outside the scope of the agenda is strictly prohibited.

- As a result, questions pertaining to individual policies or commercial decisions and/or being subject to bilateral commercial discussions between airlines and their suppliers or customers will not be answered.

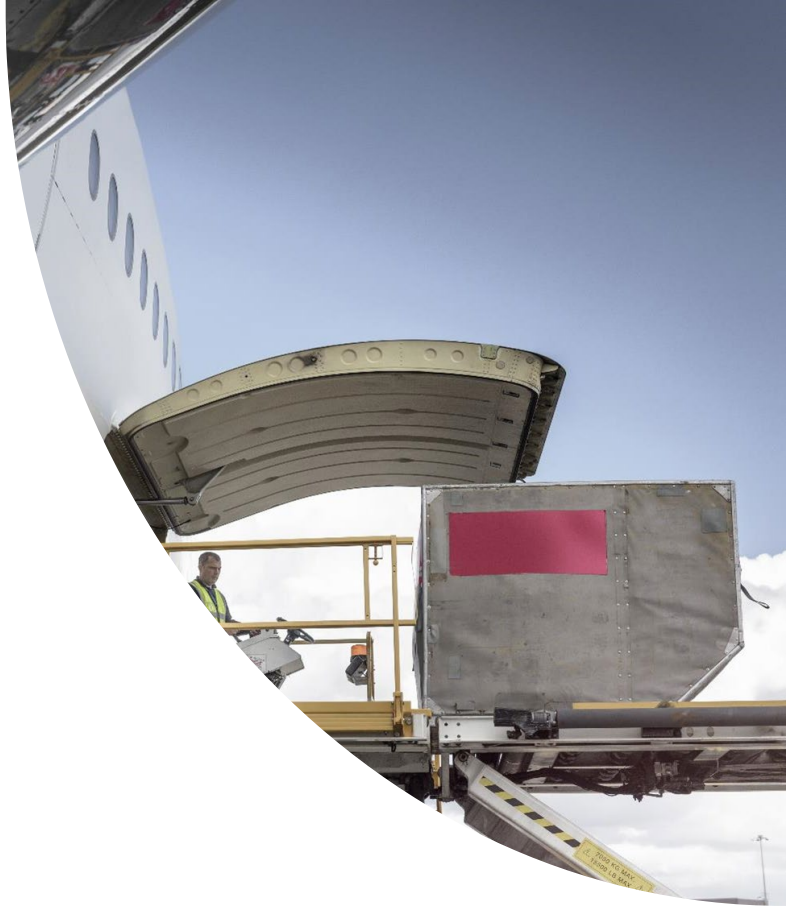
Agenda

- Welcome and Introduction
- Industry Outlook
- COVID-19 pandemic impact on cross border trade
- EU/UK cross border as of December 31st 2020
- Enhanced Partner Identification Connectivity Platform (EPIC)
- Wrap up

Biographies are available on the IATA Website

Industry Outlook

Glyn HUGHES
Global Head of Cargo
IATA



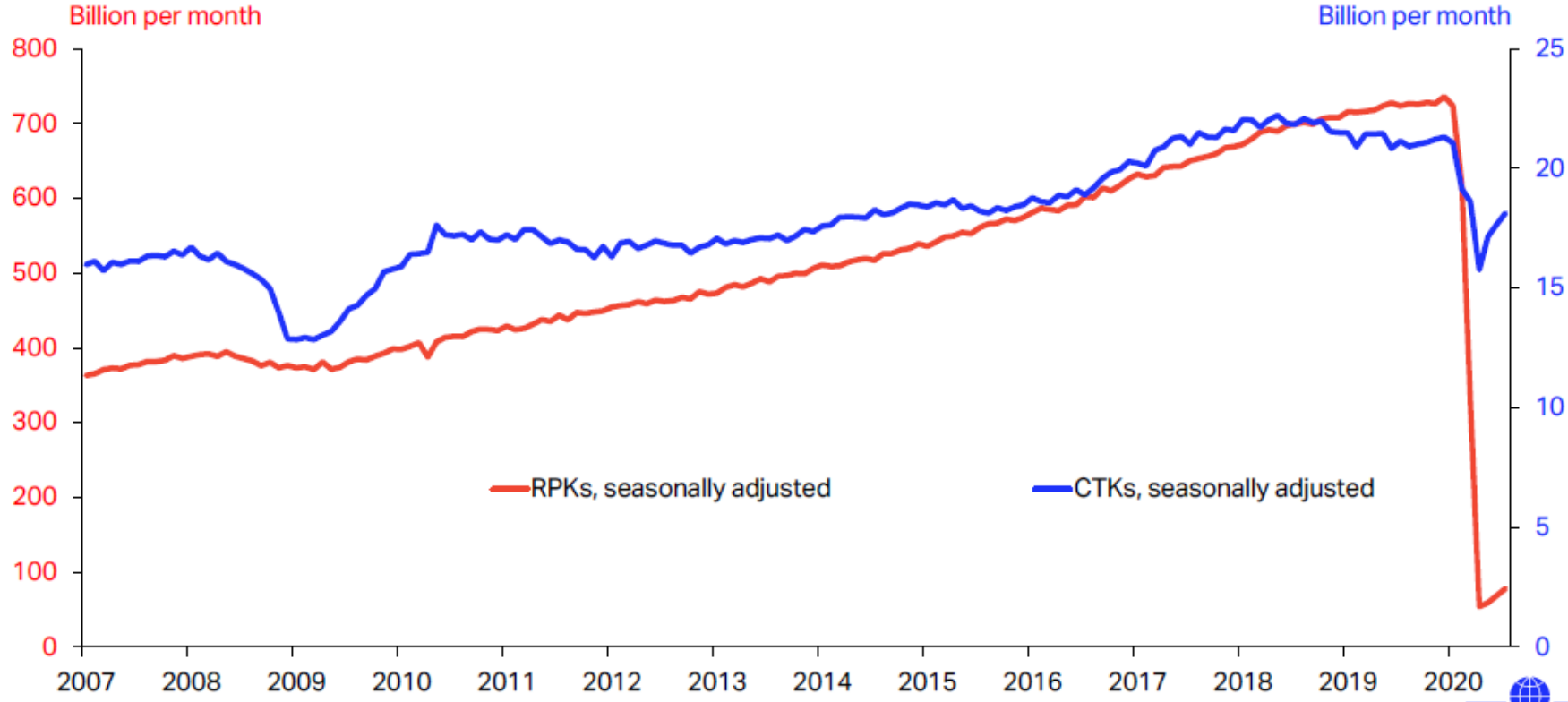
IATA

Air Cargo Figures – August 2020

	World share [1]	August 2020 (% year-on-year) CTK	ACTK	CLF (%-pt)[2]	CLF (level)[3]
TOTAL MARKET	***100.0%***	**-12.6%**	**-29.4%**	**10.6%**	**54.8%**
Africa	*1.8%*	-0.2%	-37.9%	19.0%	50.2%
Asia Pacific	*34.5%*	-20.1%	-33.5%	10.3%	61.6%
Europe	*23.6%*	-18.9%	-32.1%	9.3%	56.8%
Latin America	*2.8%*	-27.3%	-43.5%	10.6%	47.8%
Middle East	*13.0%*	-6.9%	-24.3%	10.0%	53.5%
North America	*24.3%*	1.7%	-23.3%	12.0%	48.9%

Demand for air cargo much more robust than air travel

July cargo tonne km flown down -13.5% yoy vs -79.8% for global RPKs

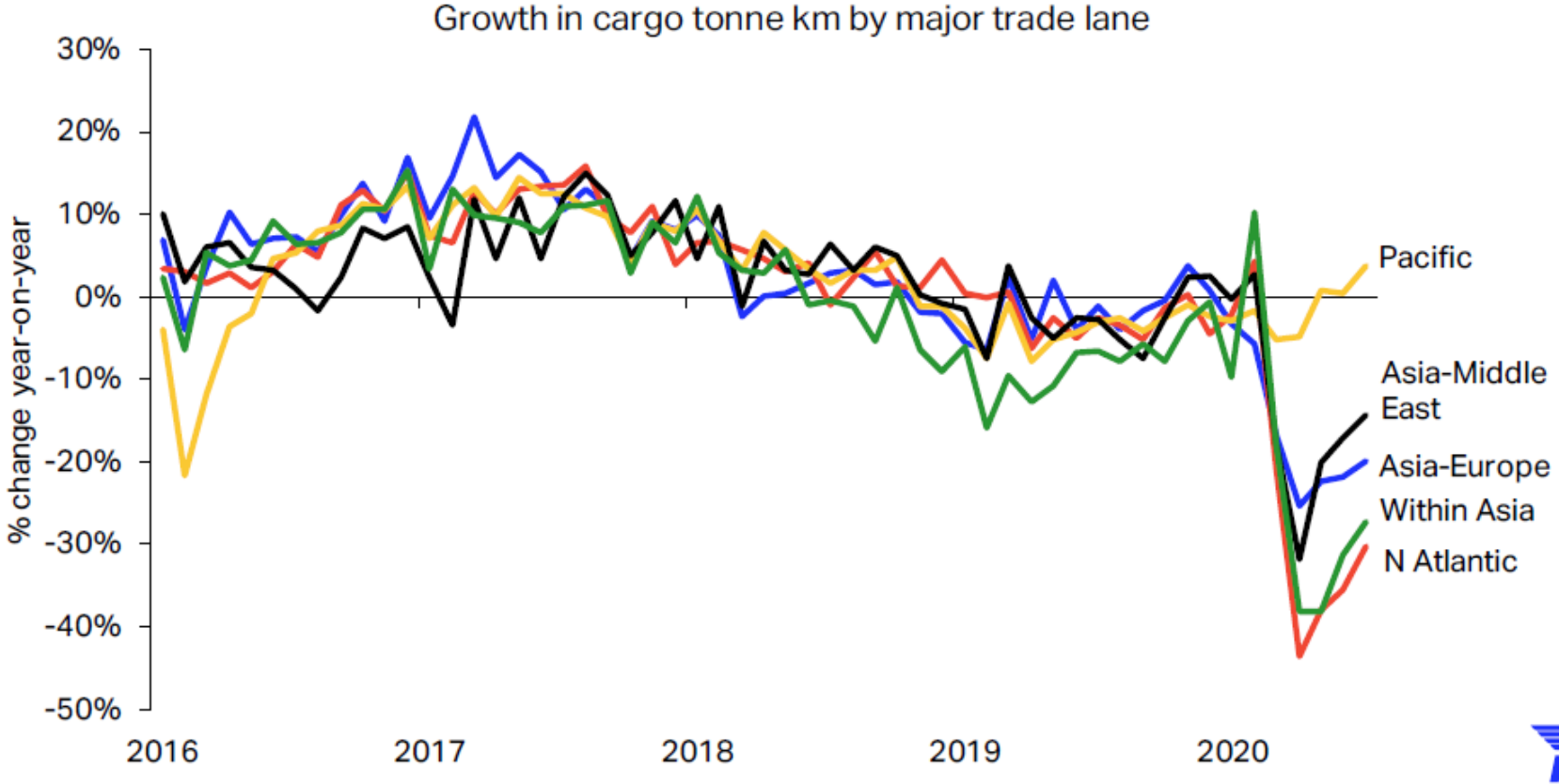


Source: IATA Economics using data from IATA Statistics

IATA Economics

Cargo recovery varies across major trade lanes

Nth Pacific market (segment-basis) +3.7% yoy, Nth Atlantic -30.3%

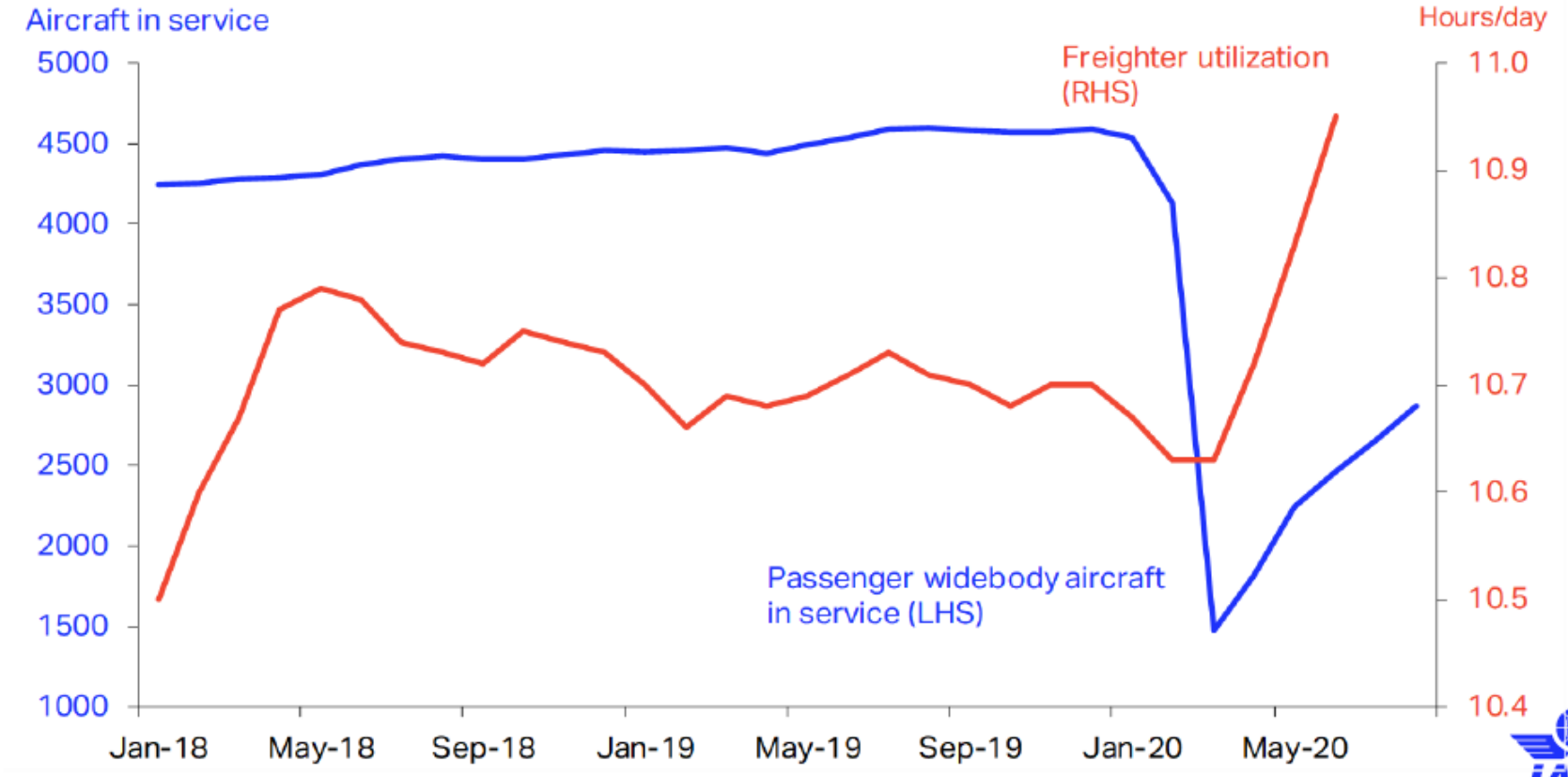


Source: IATA Economics using data from IATA Statistics

IATA Economics

A challenge is the severe shortage of air cargo capacity

Freighter utilization high and widebody passenger aircraft slow to return

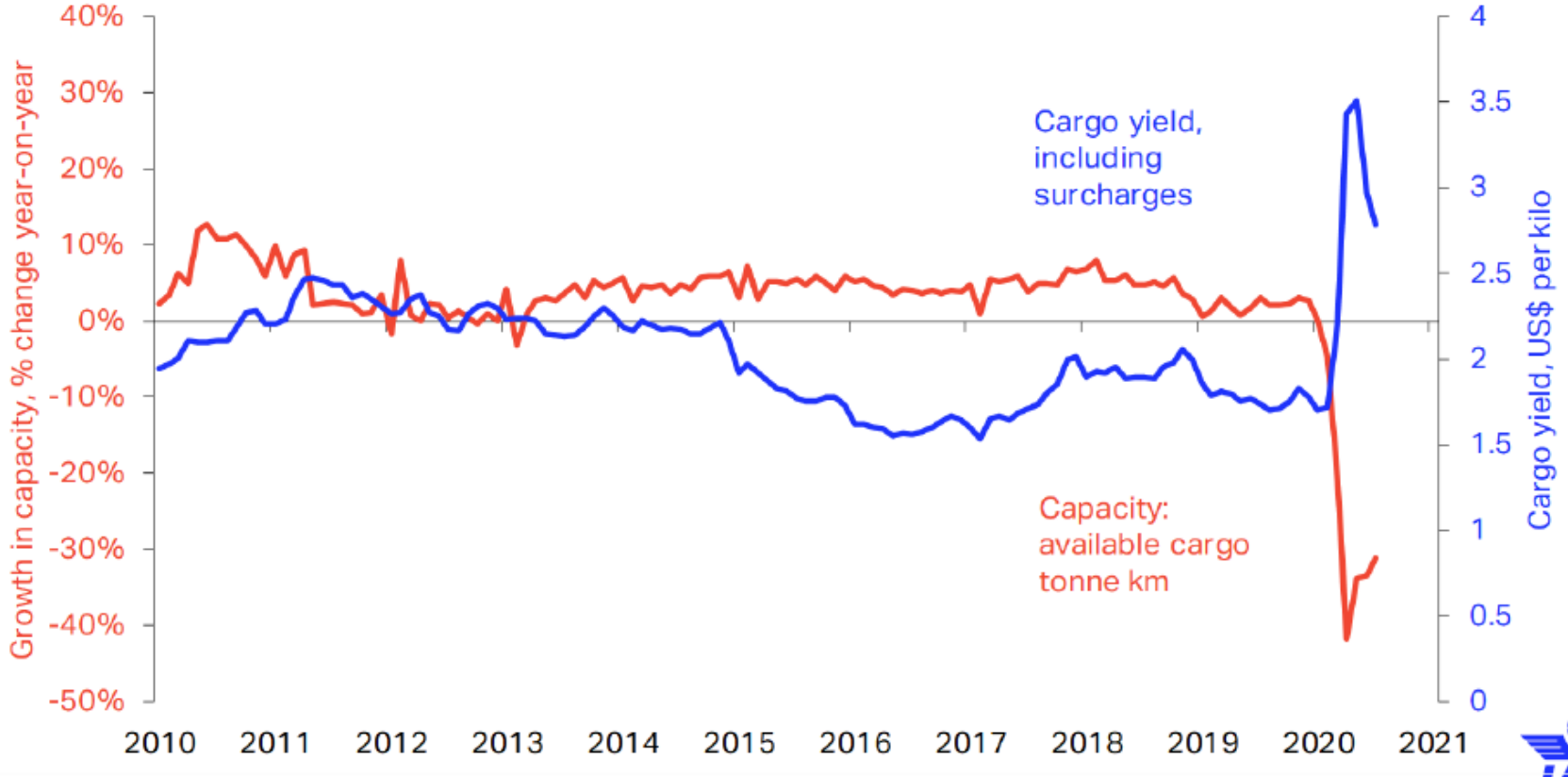


Source: IATA Economics using data from Ascend and Boeing

IATA Economics

Shortage of cargo capacity has forced yields higher

July capacity down -31.1% yoy, yields up 60% vs last year

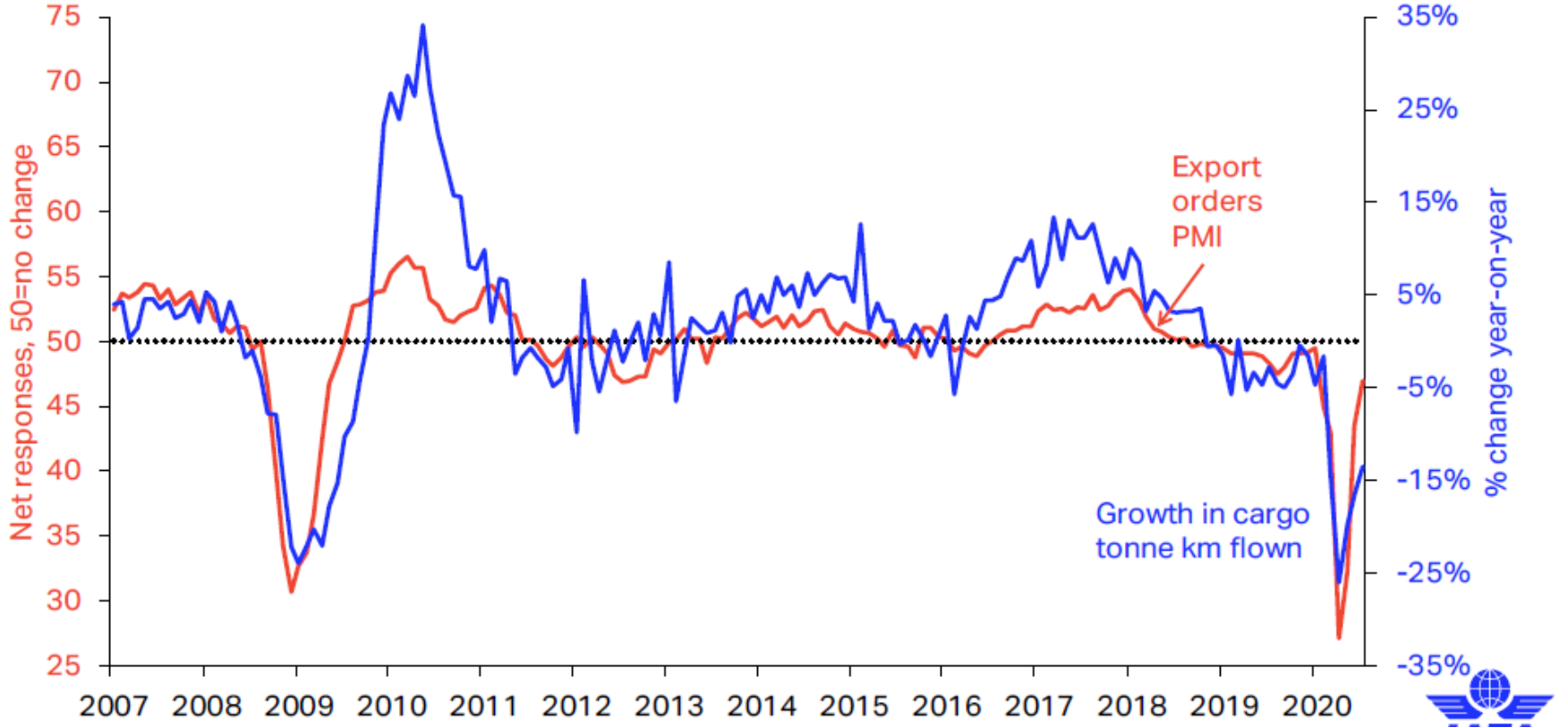


Source: IATA Economics using data from IATA Statistics and CargoIS

IATA Economics

Export orders have rebounded sharply

Pointing to a strong recovery in air cargo volumes



Source: IATA Economics using data from IATA Statistics and Markit

IATA Economics

Cargo Challenges

- Staff availability and skill set, i.e. dangerous goods validity
- Closed air space, airports, crew restrictions, costly and inefficient processes for ad hoc operations.
- Shortage of Capacity
- Non-normal operations require a robust safety risk assessment and implementation of mitigations

Passenger Aircraft for Cargo

Capacity to transport cargo, including medical supplies using aircraft configured to carry passengers.

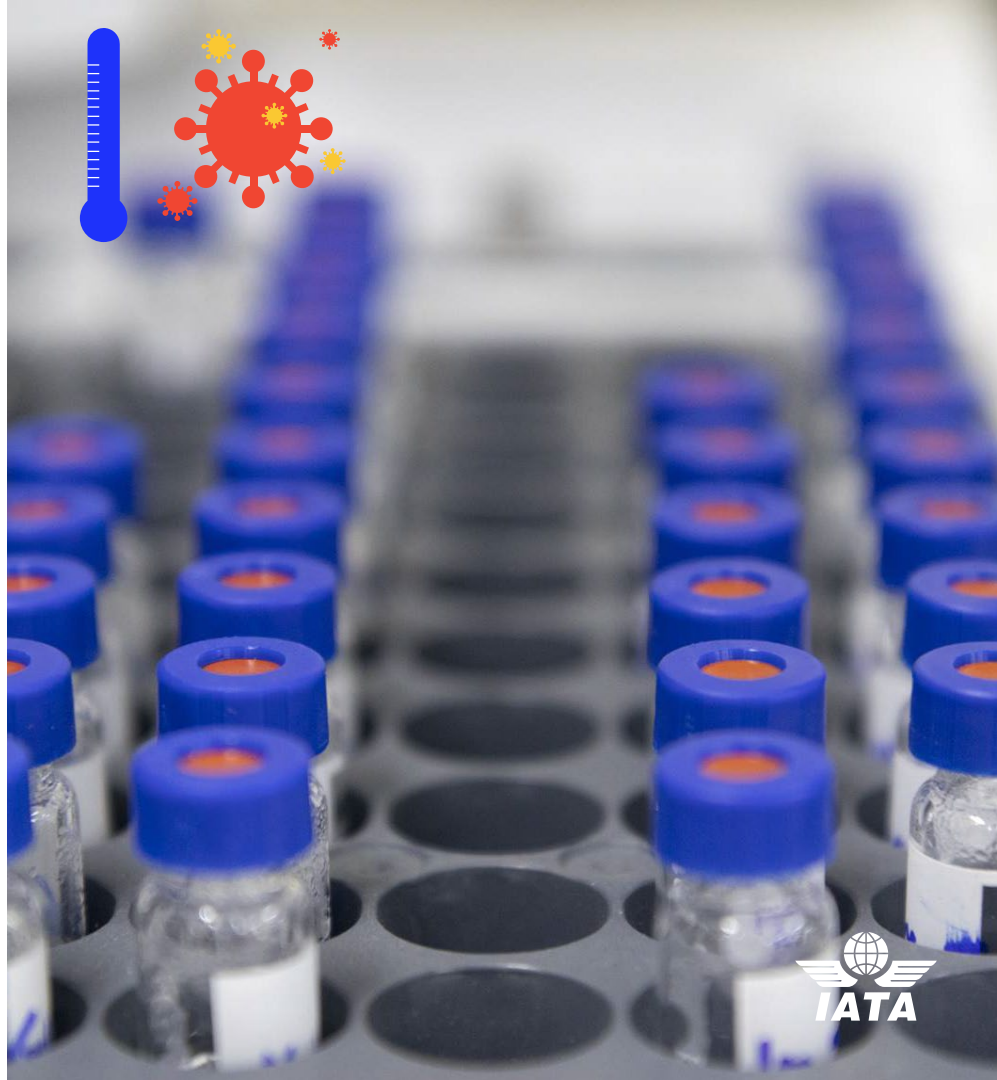
Key considerations and opportunities:

- Carriage of Cargo Aircraft Only (CAO) dangerous goods

- Cabin loading of cargo
  - In overhead bins, coat cupboards and under seats;
  - On seats; and
  - In cabin with seats removed.

The next challenge… vaccinating the world

Providing a single dose of the vaccine to 7.8 billion people would fill 8,000 747 cargo aircraft



Vaccine logistical preparedness

Capacity to transport additional vaccines globally will be challenging

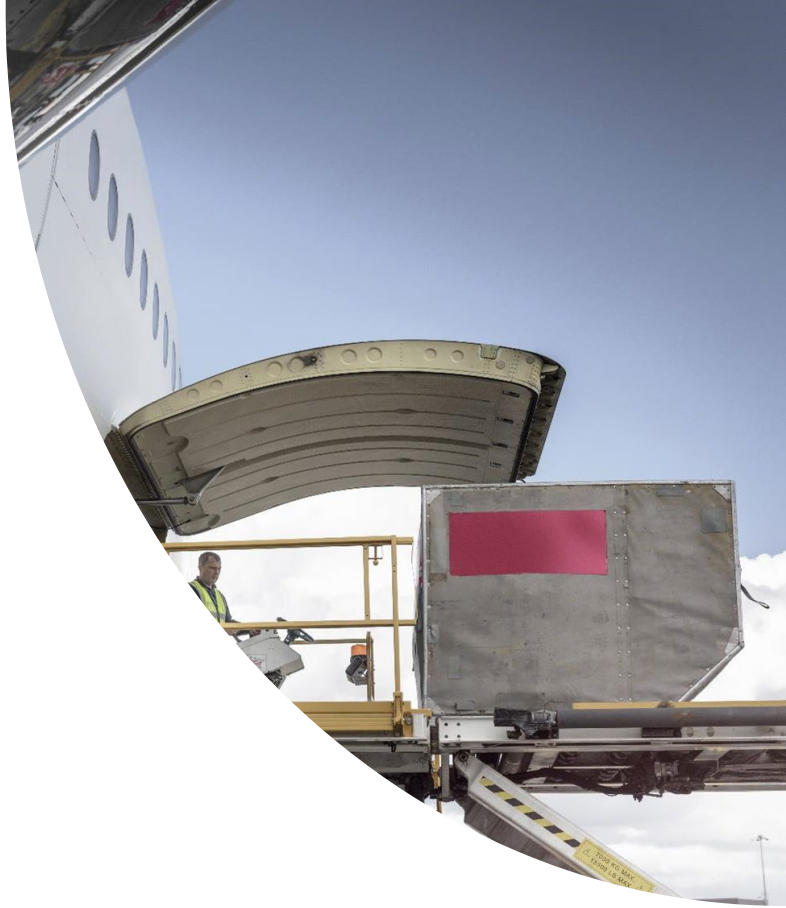
Key considerations:

- Facilities
- Border processes
- Supply chain integrity
- Security
- Capacity

COVID-19 pandemic impact on cross border trade

Sheri Rosenow
Counsellor
World Trade Organization (WTO)

Milena Budimirovic
Senior Technical Officer
World Customs Organization (WCO)



Overall Current Implementation Rate

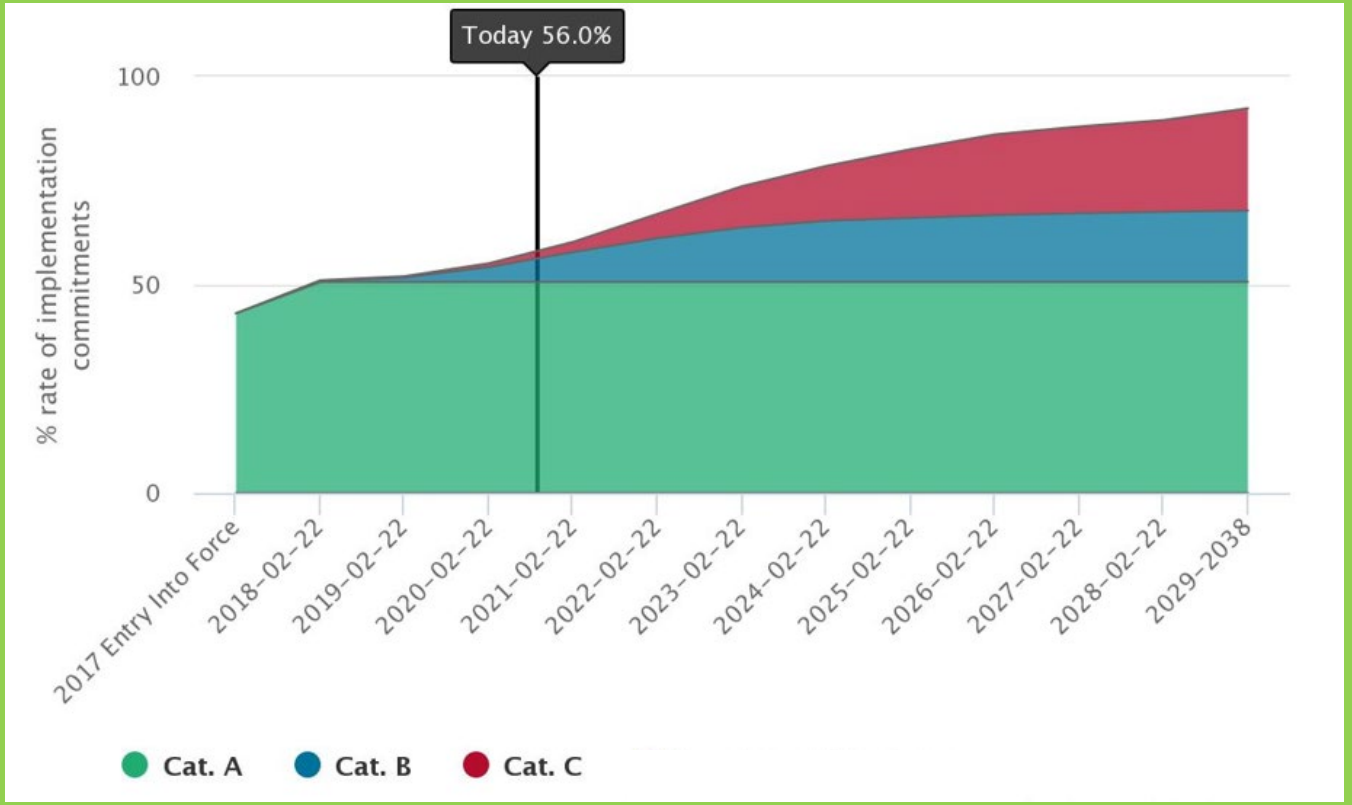
66%

Developed: 100%

Developing: 65%

LDC: 34%

Implementation Rate

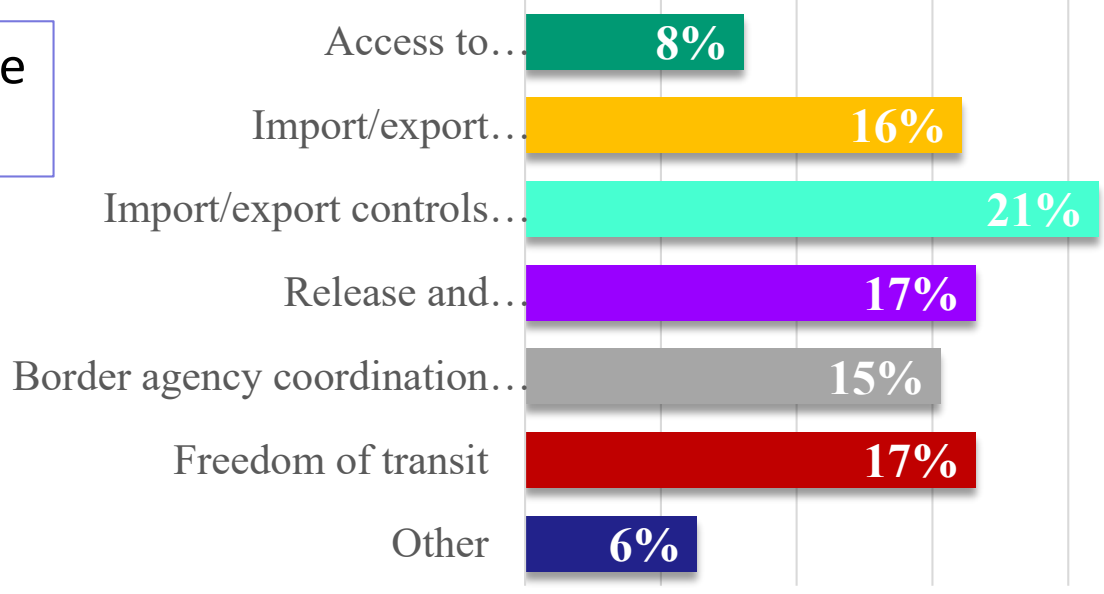


New regulations implemented following the Covid-19 outbreak

- export bans, new license requirements on critical products
- sanitary measures on food products
- delay or waive duties or fees/licensing requirements
- new customs enquiry point at customs Enhanced use of technology
- Simplified declarations and processes

- information/cooperation
- full implementation
- review priorities and timelines

More Cumbersome Time Consuming:



COVID 19 RESOURCE REPOSITORY

TFAFacility.org

Organization	Description	Type of information	Focal Point (Contact details)	Go to Source
International Road Transport Union (IRU)	**Recommendations for border crossings during COVID-19** Joint UNECE/IRU Flyer - Recommendations for border crossings during COVID-19	Report	Information@iru.org	
International Road Transport Union (IRU)	**COVID-19 Impacts on the Road Transport Industry** The road transport industry is one of the sectors most impacted by COVID-19. This executive summary presents a snapshot of a detailed IRU intelligence report assessing the impact of the pandemic on passenger and freight transport companies, as well as restrictions and facilitation measures. It combines an in-depth survey of IRU members, as well as macroeconomic research and analysis.	Report	Information@iru.org	
International Road Transport Union (IRU)	**Recommendations for truck drivers during COVID-19** Factsheet with recommendations for truck drivers during COVID-19	Report	Information@iru.org	
International Maritime Organization (IMO)	**Tackling COVID-19 – a voyage together** IMO Secretary-General Kitack Lim statement addressing the effect of the coronavirus pandemic on the shipping industry and the global supply chain	Article/Press Release	info@imo.org	
International Maritime Organization (IMO)	**Central repository of all information on the IMO website** Contains statements of the SG, press briefings, technical advice issued by CL	Website	info@imo.org	

New Proposal

Accelerate implementation

- Publication
- Pre-Arrival Processing
- Separation of Release
- Expedited Shipments
- Border Agency Cooperation
- Formalities and Documentation Requirements
- Acceptance of Copies
- Single Window

WTO Trade Facilitation Committee

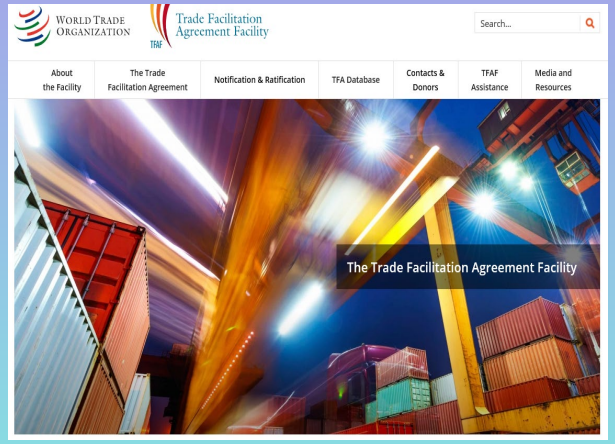
- All WTO Members
- Review notifications
- Implementation issues
- Experience sharing
- Discuss donor support
- Resolution of issues to avoid disputes

September 30

- Informal
- COVID 19
- Way forward

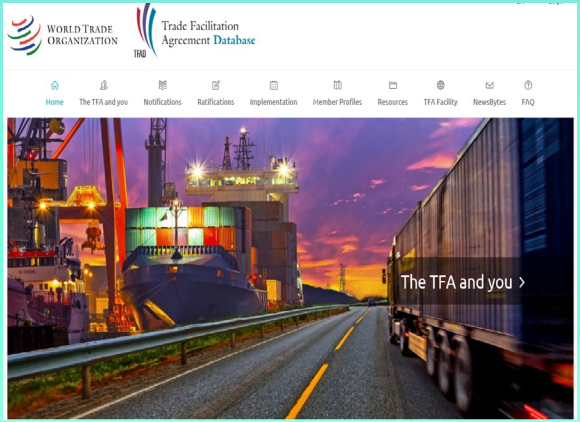
October 20-22

- Dedicated session



www.TFAFacility.org

- ✓ WTO/ICC COVID 19 Survey Report
- ✓ TF & COVID Repository
- ✓ How to Prepare Notifications
- ✓ Grant program
- ✓ Resources on TFA, donors, etc.



www.tfadatabase.org

- ✓ Statistics on TFA notifications & ratifications
- ✓ Member status

World Customs Organization

COVID-19 pandemic impact on cross border trade (customs and trade facilitation panel)

IATA Cargo Border Management Webinar

8 October 2020

WCO Standards for Simplified & Efficient Border Procedures

1. The Revised Kyoto Convention (RKC) - Chapter 5 of Specific Annex J on Special Procedures.

2. Guidelines to Chapter 5 of Specific Annex J to the RKC.

3. The Istanbul Convention - Annex B.9

4. The 2011 Council Resolution on the Role of Customs in Natural Disaster Relief.

COVID-19 web page: http://www.wcoomd.org/en/topics/facilitation/activities-and-programmes/natural-disaster/coronavirus.aspx

These instruments uphold the importance of preparedness, predictability, communication and coordination in facilitating the cross-border movement of relief consignments, relief personnel and their possessions.

Communication and exchange of information - highlights

The newly established section on the WCO web-site hosts:

- A repository of 115 Members' practices and measures in response to the COVID-19 pandemic aimed at:
  1. *facilitating the cross-border movement of relief and essential supplies;*
  2. *supporting the economy and sustaining supply chain continuity;*
  3. *protecting staff; and*
  4. *protecting the society.*
- HS Classification reference for COVID-19 medical supplies, available in 6 languages;
- List of priority medicines during the COVID-19 pandemic, available in 6 languages;
- Secretariat Note on how to establish and utilize essential goods lists during a disaster.

1. Measures to facilitate the cross-border movement of relief and essential supplies (1/2)

- Coordinate and cooperate with other government agencies with the objective of speeding up the clearance of relief goods.
- Prioritize the clearance of relief consignments on the basis of a list of essential items.
- Clear relief consignments as a matter of priority.
- Provide for the lodging of a simplified Goods declaration or of a provisional or incomplete Goods declaration.

1. Measures to facilitate the cross-border movement of relief and essential supplies (2/2)

- Provide for pre-arrival processing of the Goods declaration and release of the goods upon arrival.
- Apply risk management and perform inspections on relief goods only if deemed high risk. Ensure inspections by other government agencies and inspections by Customs are coordinated and, if possible, carried out at the same time.
- Advocate for or support the waiving or suspension of import duties and taxes for relief items.

2. Measures to support the economy and sustaining supply chain continuity (1/2)

- Set up crisis teams to ensure the overall performance of Customs tasks. Take measures to guarantee personnel availability in the long term. Operate a 24/7 Customs clearance system.
- Create a Helpdesk to resolve issues faced by importers/exporters.
- Apply risk management to keep physical inspections to the minimum necessary and to speed up Customs clearance. Optimize use of non-intrusive inspection equipment.
- Introduce facilitative measures with regard to the requirements to submit original documents or to stamp certain documents.

2. Measures to support the economy and sustaining supply chain continuity (2/2)

- Introduce tax relief measures, such as extending payment of duties, payment of duties in installments, and duty drawback with a special focus on SMEs.
- Allow for flexibility in extending AEO certifications during the pandemic, while maintaining an appropriate monitoring mechanism.
- Waive penalties for delays that are due to late arrival of commercial documents from exporting countries.
- Remove restrictions on containers.

Partnerships with the private sector

- Weekly meetings of the WCO Private Sector Consultative Group (PSCG) held at high level;
- Comments on the Impact of the COVID-19 Crisis: Ideas for the WCO and Its Members from the WCO Private Sector Consultative Group (13 April 2020);
- PSCG support to AEO Validation and Implementation Guidance;
- PSCG paper on lessons learnt;
- Secretariat Note on SMEs.

Other partnerships

- Collaboration with the WHO, UN-OCHA and IFRC;
- Joint statements/letters with WTO, IMO, OTIF & OSJD, UPU, UN-OHRLLS, ICC, IRU;
- Contributed to the COVID-19 TF Repository.

"Technology for Customs in the time of the pandemic - what have we learnt?"

Supported by

Corporate Sponsor

Topic I
Key technological challenges and opportunities in times of crisis

Topic II
Inspection equipment and officers safety

Topic III
Electronic services and paperless trade

Topic IV
E-Commerce

Topic V
Teleworking: implications for Customs and border authorities

Topic VI
How to build resilience for the future

World Customs Organization

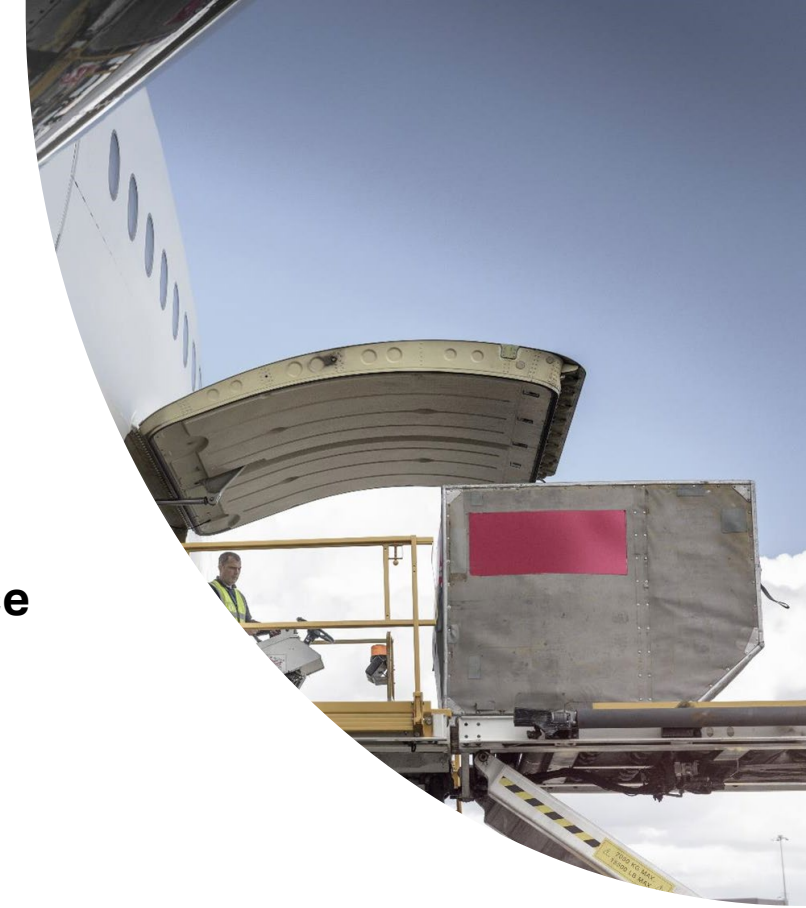
Thank you!

Milena Budimirovic

Senior Technical Officer
WCO Procedures and Facilitation Sub-Directorate
milena.budimirovic@wcoomd.org

EU/UK cross border as of December 31st 2020

Darren Hart
Freight Engagement Lead,
United Kingdom Border Force



Pre-Load Data Informed Cargo Targeting (PreDICT)

International Air Transport Association (IATA)
Cargo Border Management Webinar

8th October 2020

Darren Hart

Freight Engagement Lead

Border Force

PreDICT An Overview

Since 2010 terrorist groups have made repeated attempts to attack the international air cargo system.

Data driven pre-load targeting adds an additional layer to aviation security and the efficiencies of occurring upstream in the supply chain.

Pre-load targeting as a capability is also being developed by other states and will also be a feature of the European Union next generation Import Control System (ICS2). The US has already implemented this capability for air cargo imports in their ACAS program.

2018 – UK Home Office deployed two Border Force targeting officers to the US National Targeting Centre (NTC) to undertake a three-month pilot. This initial pilot scoped pre-load capability for the UK Government, building a basic understanding of the processes and procedures involved.

2019 – UK Home Office deployed eight Border Force targeting officers back to the NTC to undertake a six month 24/7 live, operational pilot, using UK nexus import data.

2020 onwards – UK Home Office launched PreDICT within the Cerberus system and began initial operational targeting in parallel with system development.

Border Force

PreDICT Commitment

Work within the ICAO/WCO Agreed Principles

Maintain industry agreed reduced ‘7+1’ data set.

Follow recognised standards for messaging (AC, RFI, RFS, DNL)

Target Single Risk only – Aviation Security.

Assure industry consultation

Border Force

7
Consignor name
Consignor address
Consignee name
Consignee address
Cargo description
Piece count
Total weight
+1
AWB number

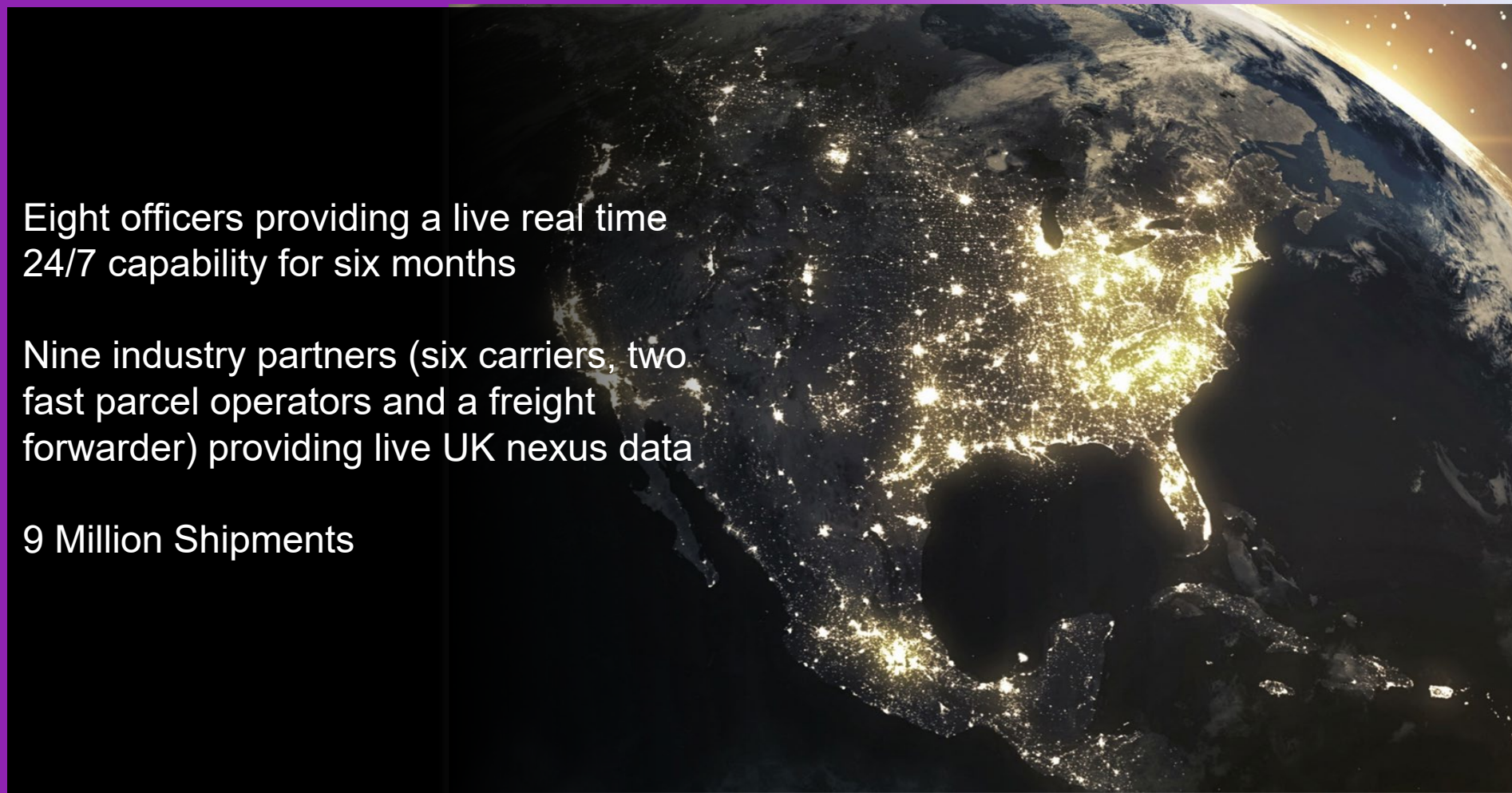
AWB # A20315 /FWB/1 MBI/699-11111111/T14K700 /LHRYYZ/14/K700/

Consignor Name: **Darren Hart**
Consignor Address:
Street name: Dr Mohamed Kamel Hussein Street
Street number: 765
Country code: EG
Post code: 11325
City: Cairo
Telephone: +20-555-5555

Consignee Name: **Doreen Hart**
Consignee Address:
Street name: Svarco g.
Stree Number 27
Country code: LT
ZIP code: 01131
City: Vilnius
Telephone: +370 5 555 55 555

Commodity Description: **Household effects containing carpets, garments, clothes**
Cargo Quantity: 1 pallet/20 ctns. /280 pcs.
Cargo Weight: 1534 kg.

2019 PreDICT Pilot



Eight officers providing a live real time 24/7 capability for six months

Nine industry partners (six carriers, two fast parcel operators and a freight forwarder) providing live UK nexus data

9 Million Shipments

2019 PreDICT Pilot – Key Findings

Demonstrated our ability to receive data, undertake automated risk assessment and review any hits within the “specified” time limit.

It works! Successful trials with “test purchase” data.

95% of total shipments came from the two fast parcel operators.

79% of hot listed shipments were from the two fast parcel operators (ie a lower percentage than other modes)

Data Quality is Key

Over 47,000 ‘hot-listed’ shipments led to **382 RFIs**.

Only **20%** of these were for genuine aviation safety concerns

64% of these were due to poor data quality including missing/vague goods descriptions or consolidated loads.

Border Force

2020/21 PreDICT - Operational Development

System: Currently a **M**inimum **V**iable **P**roduct (MVP) within our new Cerberus system.

Connectivity: IBM MQ Client connectivity with an MQ Server expected to be in place by end of this calendar year.

Data: Seven carriers on line by March 2021. Others carriers being scheduled through to 2022.

Legislation: Fully GDPR compliant. Voluntary participation until circa 2023.

Operation: Now live within Border Force Targeting. Resource expansion approved.

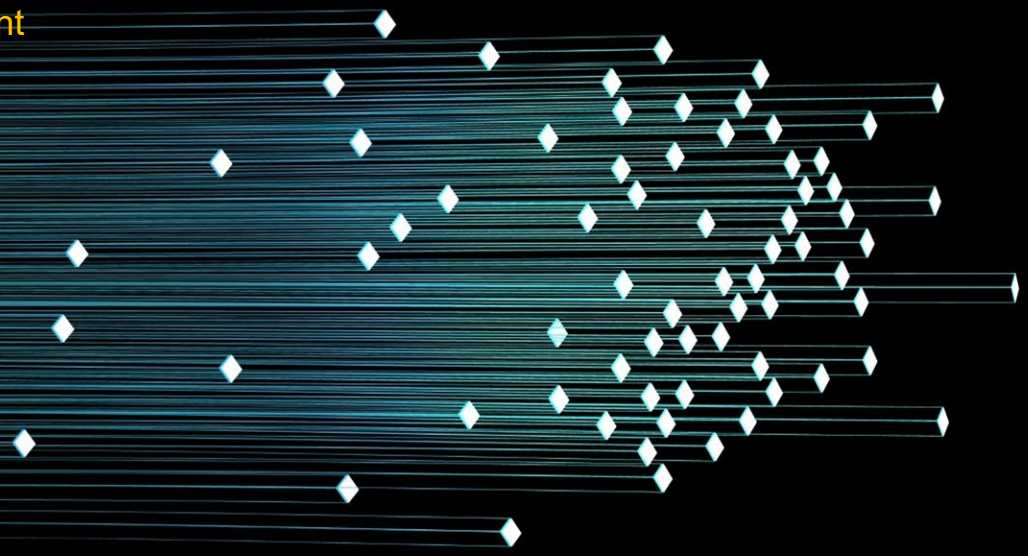
Phased Implementation: **T**wo way automated messaging (within international standards) due for delivery in 2021. Implementation Guide/Interface Control Document produced jointly by Border Force and IATA.

PreDICT is Live!

2020/21 PreDICT - The System

Cerberus – *Intelligent Targeting*

- Networking industry, open source and government data to identify, investigate and prevent terrorist and criminal offences.
- Advanced data analytics enable us to better understand threat creating a rich picture of behaviour, enabling us to analyse, predict and detect threat agnostic criminal activity and discover hidden relationships.
- **Implementing the UK's PreDICT Programme within Cerberus provides a quantum leap in capabilities protecting aviation security and the rapid flows the industry provides.**



What Next?

More International Partnerships
Better Data Quality Tools
More Industry Consultation
More Carriers
More Capabilities

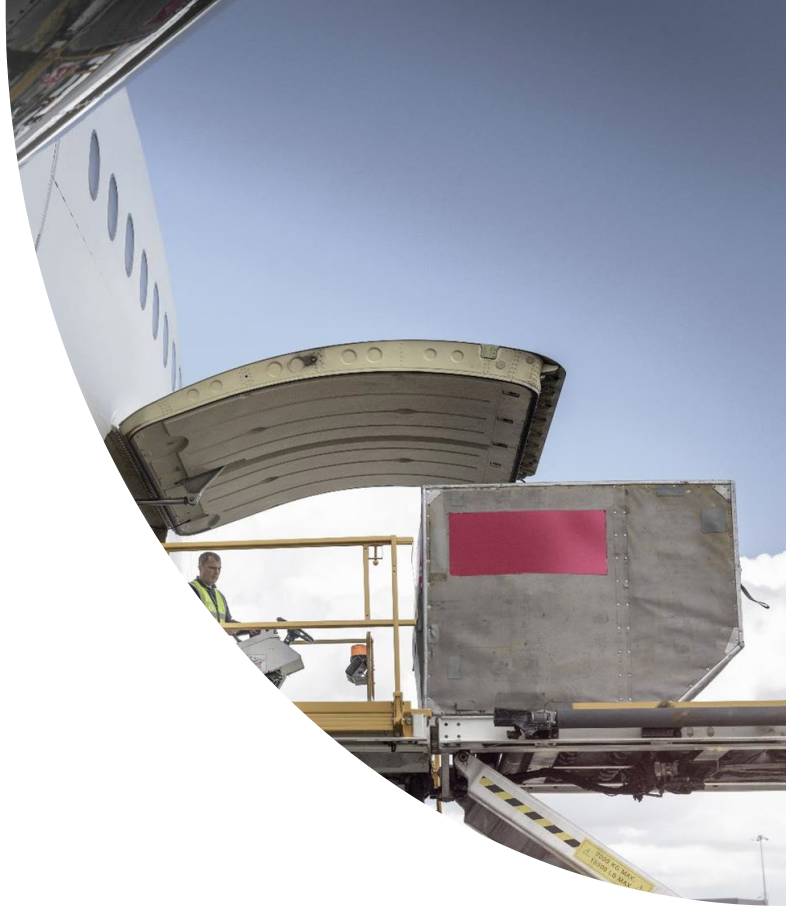
Thank You for your time,

Questions?

Darren Hart
Freight Engagement Lead
darren.hart@homeoffice.gov.uk

Enhanced Partner Identification Connectivity Platform (EPIC)

Tahir Syed
Manager Cargo Technology,
IATA



IATA Cargo Border Management Webinar

Tahir Syed, Manager Cargo Technology

syedt@iata.org

https://epic.iata.org/

8th October 2020

What If You Are Not Ready?

- Cargo will be stopped at Customs border.
- Customs will not proceed with goods clearance.
- Non-compliance may result in sanctions/penalties.
- Poor quality declarations will either be rejected or subject to unnecessary interventions.

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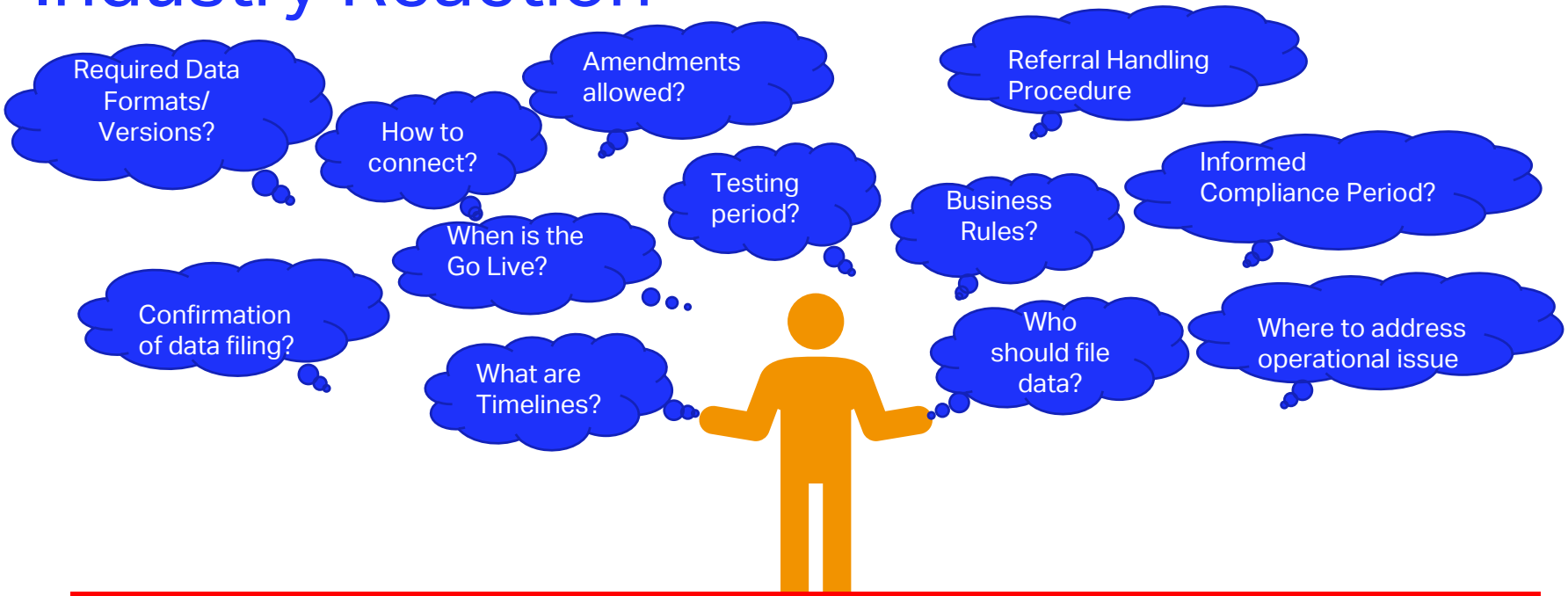
Governments' initiatives to secure the air cargo supply chain

Custom/AVSEC's Demands

- Compliance 100%
- Improved Data Quality
- Timely Submission
- Adherence to Procedures

Industry Reaction



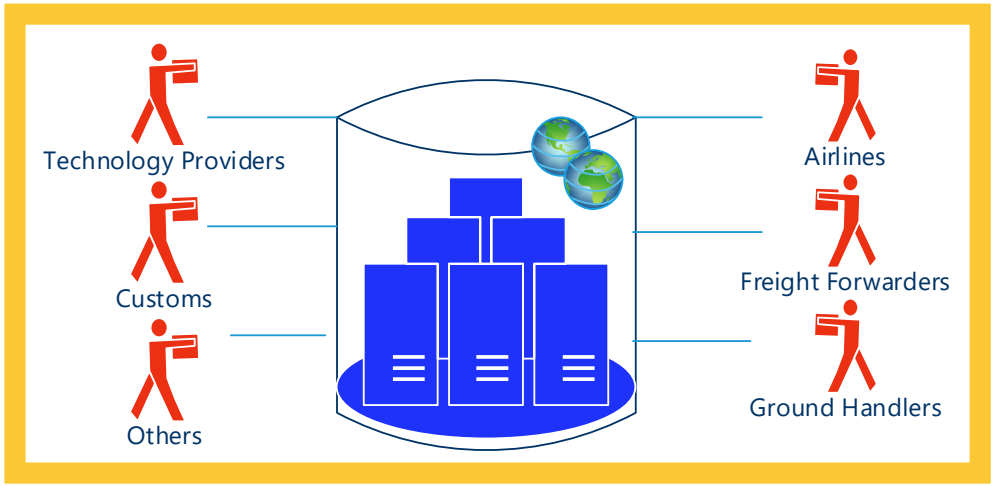
Where to find all this information?

IATA EPIC Platform

" A Global database for maintaining & distributing air cargo stakeholders' digital connectivity setups"

Accessible through a web portal and webservice

1. **Search** IDs, connectivity options, supported standards & contacts
2. **Distribute IDs** through a robust mechanism to partners
3. **Generate permanent IDs** for each stakeholder
4. **Share Capabilities**, supported data standard e.g. C-IMP, Cargo-XML
5. **Setup Lookup Service** to obtain partners IDs and routing information
6. **Access Control,** Full authority over your data

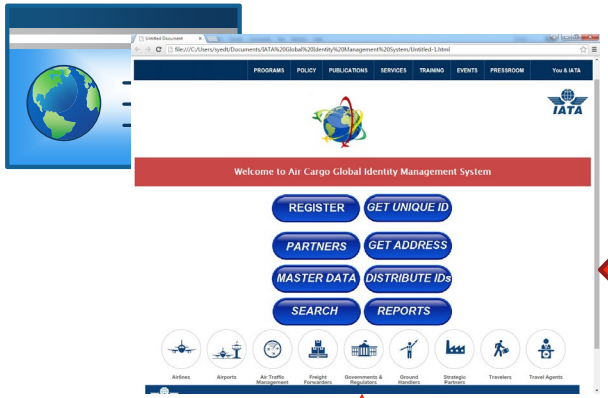


Enhanced Partner Identification and Connectivity (EPIC) System

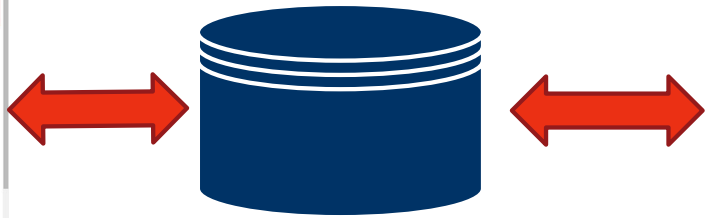
https://epic.iata.org

How Will It Work?

EPIC Web Portal



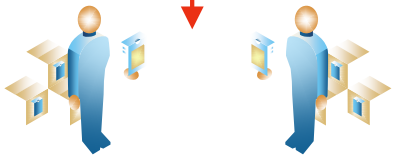
Airlines, FFs, GHAs etc.



EPIC Centralized Repository

EPIC Lookup Service

Web Service/API,
XML Registration for Cargo Partner (XRCP) Message
Email Alerts, Data Download etc.



Airlines IT Dept, FFs, IT Companies etc.

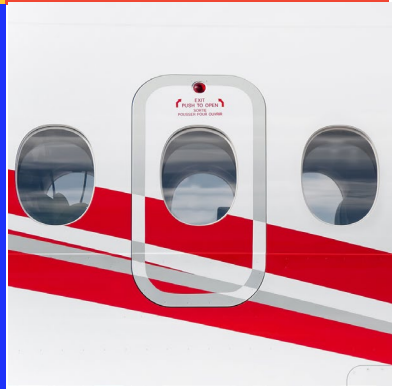
CCS(s)

EPIC Features

1. Registration
2. Setup Profiles(HDQ, Branch Office, Technical Contacts, Partner CCSs etc.)
3. Setup Access Control, Distribution Channel & Alert Mechanism
4. Setup IDs (Upload/add existing IDs)
5. Assign IDs (parameters include branch offices, carrier etc.)
6. Define Messaging Capabilities
7. Publish IDs and Messaging Capabilities
8. Dashboard
9. Identify and Establish Partnership
10. Search & Download Partner IDs & Messaging Capabilities
11. Distribution IDs (branch level) and Messaging Capabilities to Partners
12. Message Board with Partners
13. Reporting
14. Billing
15. Lookup Service

IATA

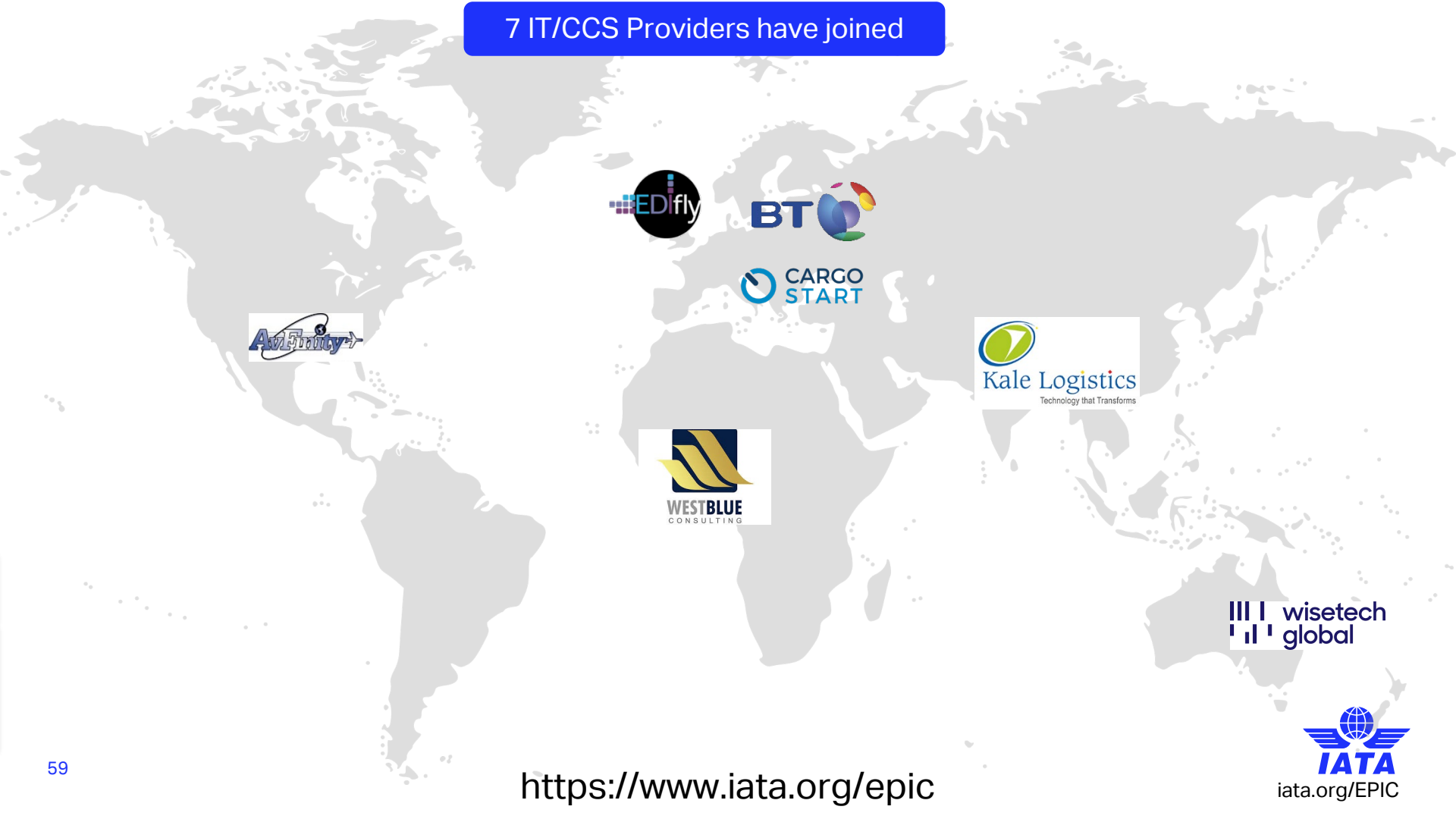
IATA EPIC Benefits

Cost Reduction	Time Gain	Digital Cargo Acceleration	Improving Efficiency in the Movement of Goods
Data Quality Improvements	Advancing Automation Technology	Process Optimization	

12 Customs/Intl. Org. have joined EPIC

https://www.iata.org/epic

7 IT/CCS Providers have joined



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IATA EPIC Demo

www.iata.org/epic

Thank you

- Please visit **iata.org/events** for the upcoming webinars
- Please visit **iata.org/cargo** for all COVID-19 resources
- Contact us at cargo@iata.org