



November 2, 2018

## CIFFA Daily News and Updates

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### Air Updates

#### IATA: e-AWB Default Contract of Carriage Effective January 1

Following years of encouragement and industry incentives, the International Air Transport Association (IATA) announced on November 1 that the electronic air waybill (e-AWB) will become the default contract of carriage for all air cargo shipments on enabled trade lanes, effective January 1, 2019.

The new default strives to make e-AWBs the norm, and paper AWBs the exception.

E-AWB penetration has reached 55.9 percent of legally “feasible trade lanes,” representing a 1.7 percentage-point change over the previous month. Feasible trade lanes now represent 69 percent of AWBs, the organization said.

Read more in an [article from Air Cargo World](#).

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### Ocean Updates

#### Maersk Introduces Instant Confirmation for Container Bookings

Maersk Line is introducing instant booking confirmation for containers akin to a passenger booking an airline ticket online.

In what it says is an industry first, Maersk will provide confirmation of a container booking in seconds compared with waiting times of up to two hours in the past.

With the solution, Maersk customers get visibility of sailing options and vessel space with a certainty that a booking will not then be cancelled. Maersk said that previously 10% of bookings were either rejected or put on an alternative sailing, generating 15% of all the company customer service calls and chats, and some 200,000 emails monthly.

The instant booking confirmation is currently available to all customers in a beta version.

Read more in an [article from Seatrade Maritime News](#).

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## U.S. Business/Government

### **U.S. Factory Gauge Slumps to Six-Month Low amid Trade War**

A gauge of U.S. manufacturing fell by more than forecast to a six-month low, as orders and hiring cooled amid escalating trade tensions with China, data from the Institute for Supply Management showed Thursday.

The report may add to concerns that President Donald Trump's trade war with China is starting to inflict more pain on manufacturing even as the industry continues to expand. The export-orders gauge fell for the third time in four months, while new orders decelerated for the fourth month in five.

Read more in an [article in the American Journal of Transportation](#).

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## International Business/Government

### **Cainiao Prepares for Global 11.11 Event with Charter Flights, New Technology**

Cainiao, the logistics unit of Chinese e-commerce giant Alibaba is preparing to go global for the biggest online shopping event of the year, "11.11" which falls on Nov. 11. In preparation for an influx of orders from international customers Cainiao says it positioned 1,000 ocean containers full of goods in international markets and will charter a total of 51 flights related to 11.11 orders.

Apart from the long-distance transportation arrangements, Cainiao has spent much of the past year investing in physical infrastructure and new technologies aimed at improving delivery efficiency and boosting fulfillment capacity. The company has expanded its bonded warehouse footprint by 80 percent, to more than 1 million square meters.

Read more in an [article from Air Cargo World](#).

## **Freight Body Angered by Brexit Plan to Check EU Workers' Status**

Logistics businesses will be expected to check the right to work of their EU national employees both during the transition period and after Brexit, according to evidence presented yesterday to the UK parliament's Home Affairs Select Committee by Caroline Nokes MP, Minister of State for Immigration.

But no system currently exists to carry out these checks, the Freight Transport Association (FTA) points out, meaning "as a result, industry will be held responsible for conducting the lengthy processes required to avoid prosecution and removal of illegal workers."

Sally Gilson, FTA's head of skills, commented: "It is simply unacceptable that, with only five months to go until the UK is set to leave the EU, there is still no viable system in place which can provide employers with the information they need over workers' status. For some time, FTA has been expressing concern over the legality of allowing EU workers to keep working in the UK in the event of a no-deal Brexit: a verbal promise guaranteeing rights is not legally binding.

"Ms Nokes' appearance in front of the Select Committee has created further concerns throughout the sector about whether business can continue to rely on these vital workers to keep the UK's supply chain moving."

Speaking to the committee yesterday, Ms Nokes said: "In the intervening period of any transition period, it will be incredibly difficult to differentiate between an EU citizen here for the first time, for example, and somebody who has been here for a significant period of time and hasn't yet applied for their settled status but would be perfectly entitled to it if they were to."

She acknowledged that this will place a huge burden on employers to prove the status of their workforce.

Read more in an [article from Lloyd's Loading List](#).

## **Chinese Economy Slowing Faster than Expected, Worst Yet to Come, Analysts Say**

China's economy appears to be slowing faster than expected at the start of the fourth quarter, a bad omen for growth early next year when the full force of the trade war with the United States comes to bear.

This situation is likely to spur Beijing to introduce new measures to support growth, analysts said. The government will try to avoid returning to its battle-tested plan of large-scale monetary and fiscal stimulus so as not to exacerbate the country's already huge stock of debt, but it may have no choice but to move some way in that direction to stabilize growth.

The situation could worsen in January, when the tariff on the US\$200 billion of Chinese imports is set to rise to 25 percent.

It might also be exacerbated by the “front loading” behaviour of many Chinese exporters – boosting production and shipments now to fill orders for early next year before the scheduled tariff rate increase. Production and unemployment among export manufacturers are at risk of falling sharply from January due to lack of orders to fill, analysts said.

Read more in an [article from the South China Morning Post](#).

## Freight Forwarders: Helping Canadians Do Business With The World