



Online RCEP Seminar Comes under Spotlight 237 Attendants View Customs Officers' Lectures

The International Exchange Committee held a seminar on the Regional Comprehensive Economic Partnership (RCEP) on Oct. 7, 2021, inviting lecturers from the Ministry of Finance (MOF)'s Custom and Tariff Bureau and customs.

The online seminar was attended by as many as 237 individuals, indicating that JIFFA-affiliated freight forwarders have strong interest in RCEP. In the first half, a lecture was given on the agreement, and in the second half, discussions were held on rules on places of origin. As there were many questions were asked and answers were given, the sessions both ran out of time, showing the attendees were also highly interested in the economic partnership.

The Regional Comprehensive Economic Partnership (RCEP) Agreement is an agreement to broaden and deepen the engagement ASEAN nations (Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand,

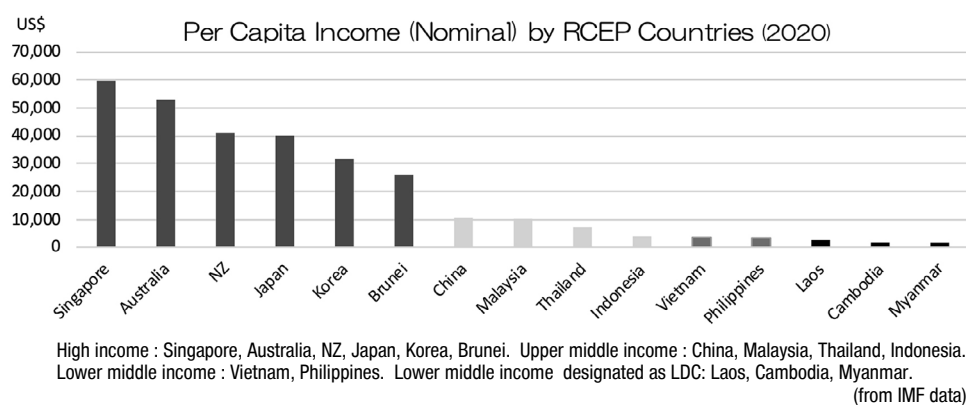
and Viet Nam) with Australia, China, Japan, Korea and New Zealand. Together, these RCEP participating countries account for about 30% of the global GDP and 30% of the world population.

The objective of the RCEP Agreement is to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership that will facilitate the expansion of regional trade and investment and contribute to global economic growth and development. Accordingly, it will bring about market and employment opportunities to businesses and people in the region. The

RCEP Agreement will work alongside and support an open, inclusive, and rules-based multilateral trading system.

As provided by the Agreement, the RCEP will enter into force sixty days after the date at which the minimum number of Instruments of Ratification/Acceptance (IOR/A) for RCEP from Brunei Darussalam, Cambodia, Lao People's Democratic Republic, Singapore, Thailand, and Viet Nam; and from non-members, Australia, People's Republic of China, Japan, and New Zealand. This means that the RCEP Agreement went into force on January 1, 2022.

Many of the attendees said that they wanted another seminar to be held when RCEP enters into force.



FIATA Region Asia Pacific Meeting Discusses How RCEP Would Affect Regional Logistics

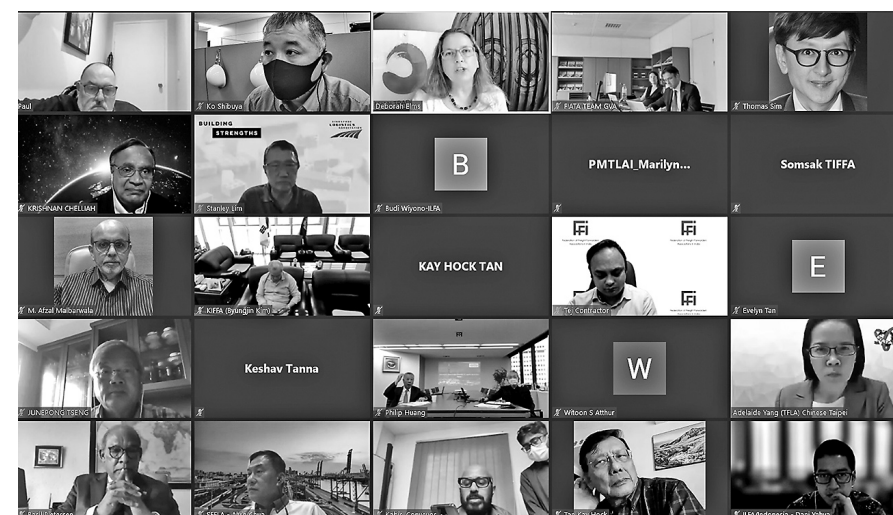
The International Federation of Freight Forwarders Associations (FIATA) in June

29, 2021 convened a Region Asia Pacific (RAP) meeting, one of its regional

meetings. At RAP meetings, representatives of FIATA members from Asia-Pacific hold discussions on subjects related to the region. Usually, such representatives meet in person, but due to the coronavirus pandemic, the recent meeting was held online on web conferencing tool Zoom.

Views were exchanged on two important subjects, which were the impact of the Regional Comprehensive Economic Partnership (RCEP) agreement on logistics and the efforts that United Nations Economic and Social Commission for Asia and the Pacific is making in respect to COVID-19. The subjects were outlined by guest lecturers, while a subsequent question-and-answer session was very active.

JIFFA is a regular member of the FIATA.



Online Attendees

JIFFA REPORT 2022 Winter

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Issued in February 2022

40th Anniversary

Message Delivered by Chairman Junichiro Watanabe In Commemoration of JIFFA's 40th Anniversary

I would like to deliver a message in commemoration of the 40th anniversary of JIFFA's founding as an incorporated association.

JIFFA became operational in October 1981 as a nonincorporated voluntary association. It was organized by a total of 83 business operators engaged in international freight transport that intended to contribute to fostering international logistics. To this end, they wanted to establish a position for freight forwarders, soundly develop the freight forwarding business, pursue mutual interest and raise their respective statuses.

JIFFA's membership has increased over time. Today, we have grown to consist of 507 regular members and 25 supporting members (14 enterprises and 11 organizations). We have also produced good results constantly in the activities that we have completed.

Looking back on environments surrounding freight forwarders, the

Forwarding Business Act was put in force in 1990, which clarified the legal status of NVOCCs. In 1993, the new JIFFA MT B/L terms and conditions were laid down, which complied with the Hague-Visby Rules. The terms and conditions laid a foundation to grow international multimodal cargo transport. Today, JIFFA members enjoy a combined share of some 40% in the international containerized shipments that Japan exports and imports by sea.

Over the 40 years since we were established, there have been major changes and challenges, such as the steep appreciation of the Japanese yen, the Great Hanshin-Awaji Earthquake, the IT revolution, the expansion of logistics to and from Southeast Asian nations, the rise of China, the bankruptcy of Lehman Brothers Holdings and the Great East Japan Earthquake. Dealing with such changes and overcoming such challenges, JIFFA-affiliated freight forwarders have promoted business activities as an



Chairman Junichiro Watanabe

important member of international logistics. As a consequence, they have raised the presence of JIFFA and enabled us to play more important roles.

Due to the coronavirus pandemic, maritime container transport is in unprecedented disorder. It is anticipated to take some time before container shortage problems are solved, and shipping schedules are stabilized. As climate change and other risks have become more apparent, more and more attention is being paid to the efforts that shippers and JIFFA members are making toward SDGs and ESG. It is doubtless that changes in work styles and movements toward decarbonization will change the way how we, the logistics industry, should be.

We are in the midst of turbulent times. To recover from the COVID-19 pandemic, however, JIFFA is determined to work harder to further develop the freight forwarding business with help from member companies.



General Assembly

40th Anniversary

JIFFA Members Have Leapt Forward through 40 Years Since Founding Membership Exceeds 500 Mark, Volumes Reach Well Over 100 Mln Tons

The volume of multimodal shipments handled by JIFFA members has increased constantly in proportion to several developments the association has made over the 40 years since it was founded. It has enhanced its business operations while advancing overseas and enlarged its membership. Annual throughput shrank from time to time, owing to, for example, the Asian financial crisis in the late 1990s, the bursting of the dot-com bubble in the U.S. that led to a global economic slowdown and the September 11 terrorist attacks in the U.S. in 2001 and the bankruptcy of Lehman Brothers Holdings in 2009. Nevertheless, it has improved almost consistently. Exports and imports handled by JIFFA members exceeded a total of 10 million tons in 1990 (the number of regular members at that time: 161), 50 million tons in

2003 (305) and 100 million tons in 2014 (458). In fiscal 2020 (April 2020-March 2021), they moved 112.507 million tons. Taking it into consideration that JIFFA was only responsible for 1.92 million tons in 1984 (114), when it began compiling statistics, it has remarkably grown over time to boast a glorious history.

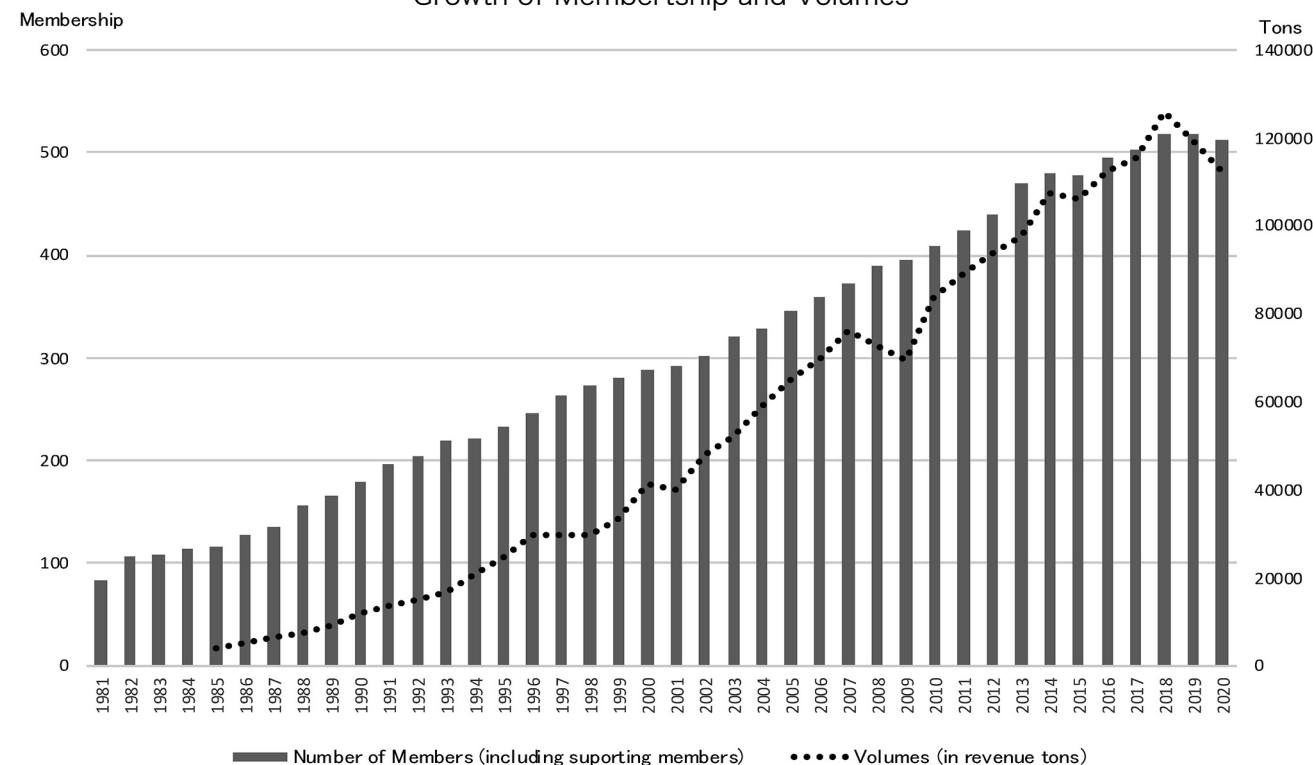
Volume Growth Boosts NVO Share

Then, has the volume of multimodal shipments carried by JIFFA members increased in tandem with that of international containers moved to and from Japan in general? Or, has it enlarged more rapidly? Imports and exports (to and from 53 ports across Japan) totaled 191,897 million metric tons in 2000, according to data on oceangoing container volumes at the nation's

container ports compiled by the Harbor Modernization Promotion Committee (HMPC). In 2019, 264,864 million metric tons were imported to and exported from 66 ports, say the same data. It indicates that throughput improved at an annual average rate of 1.71% over the 19 years. Meanwhile, JIFFA-affiliated freight forwarders handled 41.481 million revenue tons in 2000 and 119.142 million revenue tons in 2019. Their performance improved at a rate of 5.78% every year on average, which was 3.4 times as high as growth in containers to and from Japan. Although Japan's imports and exports are measured in metric ton, and JIFFA throughput in revenue tons, it is thought that growth fluctuations reflected actual increases and decreases.

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Growth of Membership and Volumes



Education Committee Resumes Workshops for New Employees After One Year Interval

The Education Committee held workshops on June 3 and 17, 2021 for new employees (new graduates) of JIFFA member companies. The same programs were provided at the two workshops.

In fiscal 2020, the committee gave up on such events due to the coronavirus pandemic. In fiscal 2021, however, the workshops were organized without a hitch, as the committee paid full attention to prevent infection, having cut the number of students accepted by half, for example. The students were also advised to cooperate to ensure safety.

Normally, the Education Committee offers two-day workshops that give classroom lectures on Day1 and classroom lectures and logistics field trips on Day 2. As COVID-19 was still rampaging in 2021, as such, Day-2 events, such as visits to container

terminals, were not carried out.

The 2021 workshops both began with a lecture on what freight forwarders are. Those who have experience working in various fields and other experts gave briefings in easy-to-understand ways on, for example, transport documents, export and import freight forwarding operations and types of insurance.

The students did not know much



Lecturers

(CONTINUED FROM PAGE 2)

JIFFA Members Have Leapt Forward through 40 Years Since Founding

As JIFFA's throughput enlarged more notably than international containers to and from Japan, NVOCCs' share in international containers to and from Japan must have increased as well. It was estimated in a fiscal 1987 transport whitepaper that freight forwarders only held a share of slightly less than 10% in ocean freight from Japan in 1986. At that time, the U.S. was the largest trade partner to JIFFA. As such, the

association's global share must have been smaller than slightly less than 10%.

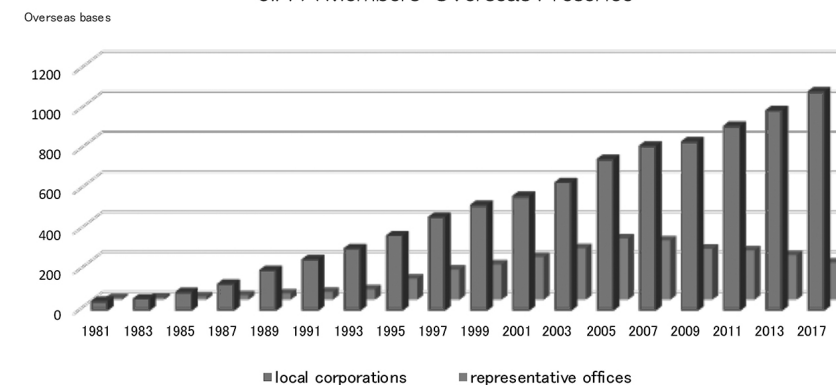
From 1986 to 2000, JIFFA forwarders' performance increased remarkably at an average annual rate of 15.8%. Therefore, it can be said that their share exceeded 20% in 2000. The graph below shows the fluctuation of JIFFA's share calculated from its actual volumes and container data from the HMPC. As stated earlier, the former data are measured in fiscal

years in terms of revenue ton, and the latter in calendar years in terms of metric ton. It is impossible, therefore, to discuss JIFFA shares based simply on them, but it may be possible to assess how well Japanese NVOCCs did in those days.

Conclusion

For the last 10 years, container shipping companies have been deploying 20,000-TEU ultra-large freighters one after another. However, it is difficult to fill such huge spaces exclusively with contracts with beneficial cargo owners (BCOs). Therefore, major NVOCC operators are important, as they can entrust large amounts of shipments. Also, container movement to and from Southeast Asia, for example, is growing steeply, but NVOCCs still have a small share of just over 20% and can more deeply penetrate the market. As there are many such regions, there is sufficient room for further growth for freight forwarders. Over the 10 years until we celebrate our 50th anniversary, we are confident that we will be able to take more steps forward.

JIFFA Members' Overseas Presence



JIFFA Members' Share Remains Unchanged at 39% in Exports Imports Improve by Moderate 2.2 Points to 40% in FY2020

It has been two years since JIFFA began measuring in TEU terms the volume of containerized shipments that its members handle as NVOCCs. Last year, JIFFA calculated combined market shares held by its members on major trade routes from data provided by global data service companies and the Japan Maritime Center (JMC). How JIFFA members did in fiscal 2020 (April 2020-March 2021), when containership operations were still in trouble, is as follows. As complete data were not always available, some estimates are included.

In fiscal 2020, the volume of containerized shipments exported from Japan by JIFFA-affiliated freight forwarders decreased from the previous fiscal year. They held a combined share of 39% in the NVOCC market, which remained nearly unchanged. JIFFA enjoyed the largest share in exports to Hong Kong, as it did a year earlier, accounting for 63%. It is analyzed that Hong Kong functions as a gateway to and from mainland China. Also, the special administrative region has long been flourishing as a trade hub. Although it is a small island, it has a population of as many as 7.5 million and processes nearly 20 million TEUs of containers

every year. For similar reasons, JIFFA members gained a considerable share of 40% in containers bound for Singapore. Looking at exports to other Asian economies, they were responsible for 38% of those to both Thailand and Vietnam, maintaining high standards among those to other Asian countries. However, their share in exports to Vietnam shrank by 5.5 percentage points from the previous fiscal year. In shipments to China, the greatest market for exports from Japan, they only accounted for 36%, which went down by 2.2 percentage points. As for exports to advanced markets, JIFFA members continued to do well in those to the U.S., holding a share of 40%, which almost stayed flat from fiscal 2019. The share that they held in shipments destined to Europe swelled by 3.9 percentage points and exceeded the 30% line.

In terms of TEU, container imports to Japan in general shrank in fiscal 2020 from the previous fiscal year. In contrast, those carried by JIFFA member forwarders improved minutely, widening their market share by about 2%. They accounted for 58% and 55% in inbound containers from Hong Kong and Singapore, respectively, which were the leading and second largest shares among

those from other Asian economies.

They did as well in imports from Hong Kong and Singapore as in exports to them. JIFFA members were responsible for 45% of containers from China, which fell by 3.4 percentage points. NVOCCs only held a smaller share in those from the nation, which is Japan's leading trade partner in both exports and imports. It might have been attributed to recent shipping space and container shortages. They remained powerful in incoming shipments from Vietnam and Thailand, enjoying shares of 45% and 43%, respectively. Turning to exports to and imports from other Southeast Asian nations, containers moved by JIFFA forwarders slightly decreased, indicating that, needless to say, they failed to enlarge their shares.

However, it indicates at the same time that Southeast Asia is a market where freight forwarders still can enhance their respective performances, although situations differ from one member country to another. In respect to imports from Europe, where freight forwarders have long been making strong presences, JIFFA members accounted for 31%. NVOCCs are enlarging their shares in both exports to and imports from the region. It clearly shows the efforts that JIFFA members are making were highly fruitful.

Projected Container Volumes to/from Japan and JIFFA Members' Share
(April 1, 2020 - March 31, 2021)

To/From		Containerized Exports from Japan in TEUs			Containerized Imports to Japan in TEUs		
		from Japan	JIFFA Members	Share (%)	To Japan	JIFFA Members	Share (%)
United States		539,000	217,000	40%	673,000	161,000	24%
Europe		479,000	157,000	33%	727,000	225,000	31%
Asia	S. Korea	433,000	155,000	36%	407,000	177,000	43%
	China	1,250,000	447,000	36%	3,500,000	1,560,000	45%
	Taiwan	352,000	117,000	33%	218,000	72,000	33%
	Hong Kong	140,000	88,000	63%	200,000	115,000	58%
	Singapore	101,000	40,000	40%	44,000	24,000	55%
	Thailand	348,000	132,000	38%	421,000	180,000	43%
	Malaysia	204,000	53,000	26%	205,000	50,000	24%
	Indonesia	174,000	40,000	23%	388,000	66,000	17%
	Philippines	165,000	37,000	22%	113,000	34,000	30%
	Vietnam	294,000	111,000	38%	522,000	234,000	45%
Others		750,000	246,000	33%	750,000	122,000	16%
Grand Total		4,690,000	1,840,000	39%	7,495,000	3,020,000	40%

Workshop for Middle-Level Employees Reopened For the First Time in Two Years After Pandemic Recess

The Education Committee held a two-day introductory workshop for middle-level employees in Tokyo on Sept. 2 and 9, 2021 as part of its educational programs for affiliated freight forwarders. JIFFA provides such programs for several different levels of workers. In the workshop, a total of six lectures were given.

The committee could not open such a workshop in fiscal 2020 due to the coronavirus pandemic. In fiscal 2021, it reduced the number of students accepted by half and fully took measures to prevent infection. The students were

also encouraged to cooperate with it to make the course safe.

The lectures were all important to freight forwarders, focusing on law and regulations that are not common in daily lives; trade agreements and Incoterms 2020; entries, things to pay attention and important points in transport documents; methods of settlement; legal issues that freight forwarders could have to address in daily routines; and so forth. There were case studies in which lectures gave briefings on questions about these subjects. The importance of cargo insurance was also discussed.



Participants

Affiliated freight forwarders have different definitions of "middle-class employees." As such, a wide range of students—from new employees to those who have been with their companies for 15 years—attended the workshop. But they all passionately listened to the six lectures given in the two days.



Lecturers

JIFFA Participates in Internship Program for Logistics Industry Total of 149 Students Gather for Job Orientation in Osaka, Tokyo

Having joined an internship program for the logistics industry promoted by the Japan Association for Logistics and Transport (JALoT), JIFFA held job fairs for students online on August 25, 2021, in Osaka on August 30 and in Tokyo on September 6.

The job fairs were all co-hosted by Hankyu Hanshin Express Co., Ltd. and Yusen Logistics Co., Ltd. JIFFA gave

briefings on the logistics business, while the two partners outlined their respective companies and the internship program. Despite the ongoing coronavirus pandemic, the Osaka and Tokyo venues were both full of attendees. In Osaka, as many as 63 students visited the JIFFA booth for orientation meetings, and 86 in Tokyo. As the events all focused on logistics,

many students had strong senses of purpose and global perspectives. Question-and-answer sessions were, as such, all highly active.

Hankyu Hanshin Express and Yusen Logistics gave internship-related sessions online on September 7-15. They both offered programs to have the international logistics business understood more deeply through group work, which were attended by many students. JIFFA will continue to support human resource development projects.



In Osaka



In Tokyo

NVOCC Exports Surge 31% to Reach Second Highest of 23.925 Mln Tons in H1 2021 Coming Back from Pandemic-Triggered Sharp Decrease in FY2020 in One Year

The combined volume of import and export cargo carried to and from Japan by JIFFA-affiliated freight forwarders rebounded sharply to achieve a double-digit improvement in the first half (April-September) of fiscal 2021. Due to the coronavirus (COVID-19) pandemic, they performed extremely poorly in the previous fiscal year. The dramatic comeback was made as a consequence.

Exports

Export shipments moved by JIFFA-affiliated freight forwarders in the first half of fiscal 2021 grew a notable 31% to 23.925 million tons, marking the

record-high year-on-year increase. By destination, those to China accounted for 4.764 million tons, up 6.4%, holding the largest share of the pie. The second-largest destination was the U.S., to which 3.081 million tons were exported, up 47.6%. Taking third place, those to Europe ballooned 31.8% to 1.997 million tons. Looking at containers to other major destinations, those to Thailand surged 53.1% to 1.707 million tons, while those to South Korea improved a milder 13% to 1.692 million tons. Among the top five, Thailand and South Korea switched positions with each other. Exports to Vietnam jumped

42%.

Imports

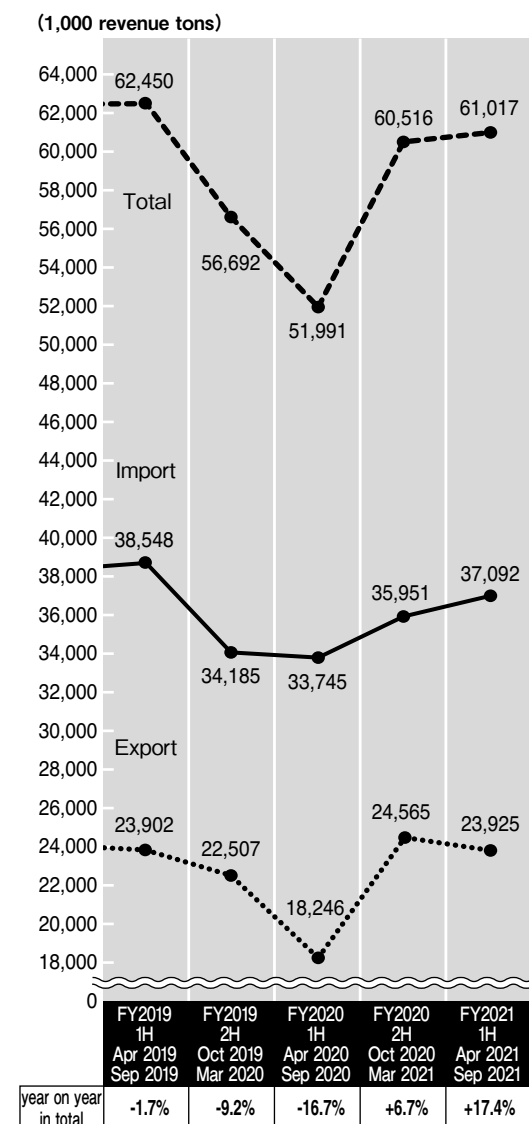
JIFFA members imported a total of 37.092 million tons of shipments in April-September 2021, up 9.9% from the corresponding six months of the previous year, which was the third-largest volume for the term in question. Looking at major sources, imports from China surged 11.9% to 18.754 million tons. Those from Vietnam went up 7.1% to 3.121 million tons; from Europe, up 0.7% to a total of 2.576 million tons; and from Thailand, up 26.5% from 2.423 million tons. The lineup of the top four remained unchanged. Ranked fifth place were those from the U.S., which soared 17.4% to 2.196 million tons and ranked up a notch. In contrast, those from South Korea bumped down a notch to finish in sixth place, decreasing 1.8% to 1.87 million tons. As for imports from others, those from Hong Kong swelled 15% to 1.514 million tons and from Taiwan, 1.6% to 870,000 tons. On the other hand, those from Indonesia fell 8.3% to 772,000 tons. Coming in eighth place, imports from Central and South America jumped 95.3% to 584,000 tons. At the bottom of the top 10 were those from Malaysia, which shrank 6.4% to 529,000 tons. As these figures show, imports to Japan hiked from some countries but waned from others.

In TEU terms, the top five sources were China, Vietnam, Europe, Thailand and the U.S. Japan imported 813,934 TEUs from China, up 15.1%; 116,016 TEUs from Vietnam, up 2%; 114,630 TEUs from Europe, down 1.4%; 92,689 TEUs from Thailand, up 6.4%; and 79,417 TEUs from the U.S., down 8.5%. Imports diminished from advanced economic markets.

Export/Import Total

The total volume of shipments that

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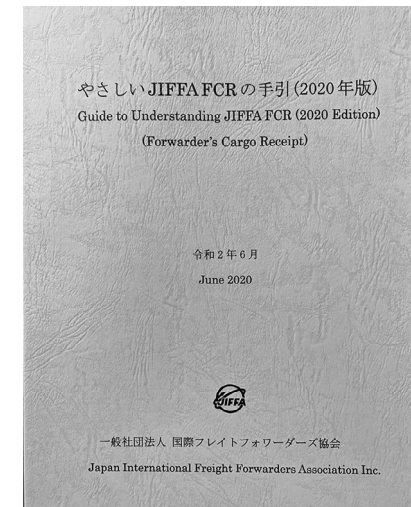
Judicial Affairs Committee Organizes Online Seminar for Standard Trading Conditions, Forwarders' Cargo Receipts

The Judicial Affairs Committee organized an online seminar on Sept. 17, 2021 to study standard trading conditions (STCs) and forwarders' cargo receipts (FCRs). The seminar was highly successful, as it was attended by more than 100 people.

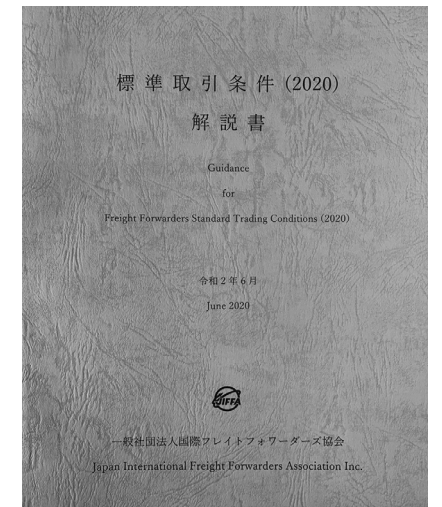
In 2010, JIFFA established the STC 2010. To keep up with changes in society and the business environments surrounding freight forwarders, it came up with new standards in 2020, known as the STC 2020. As the STC 2010 was the general terms and conditions for the JIFFA FCR at that time, it was replaced with the STC 2020.

When the STC 2020 was unveiled and became the new general terms and conditions for the JIFFA FCR, JIFFA in 2020 published an instruction manual

for the STC 2020 and an easy-to-understand guidebook for the JIFFA FCR. Experts who had been engaged in these revisions were invited to the online seminar and outlined the new STCs and



FCRs and how they can be used in actual business affairs. It was the first seminar on STCs and FCRs that the Judicial Affairs Committee had organized in 10 years. FCRs are not very frequently used, the committee strongly hopes the seminar was a great opportunity to lead to increasing its use.



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NVOCC Exports Surge 31% to Reach Second Highest

JIFFA forwarders imported to and exported from Japan in April-September 2021 amounted to 61.017 million tons, up 17.4% from a year earlier. The Big Five trade partners were China, the U.S., Europe, Vietnam and Thailand. JIFFA hauled 23.518 million tons to and from

China, up 12.8%; 5.277 million tons to and from the U.S., up 33.4%; 4.573 million tons to and from Europe, up 12.2%; 4.541 million tons to and from Vietnam, up 14.4%; and 4.13 million tons to and from Thailand, up 36.3%.

On a TEU scale, shipments to and

from China jumped 14.8% to 1,050,241 TEUs in total, breaking the one-million-TEU mark again. Those to and from the U.S. accounted for 204,688 TEUs, up 10.5%; to and from Europe, 202,251 TEUs, up 6.4%; to and from Vietnam, 175,457 TEUs, up 7.2%; and to and from Thailand, 171,721 TEUs, up 20.3%.

International Multimodal Transport Cargo Volumes Handled by JIFFA Members in H1 (Apr-Sept) of FY2021 (TEUs)

Ranking	To	Export	Y/Y (%)	From	Import	Y/Y (%)	To/From	Total	Y/Y (%)
1	China	236,307	113.7	China	813,934	115.1	China	1,050,241	114.8
2	U.S.	125,271	127.2	Vietnam	116,016	102.0	U.S.	204,688	110.5
3	Europe	87,621	118.7	Europe	114,630	98.6	Europe	202,251	106.4
4	Thailand	79,032	142.0	Thailand	92,689	106.4	Vietnam	175,457	107.2
5	S. Korea	94,123	125.0	U.S.	79,417	91.5	Thailand	171,721	120.3
6	Vietnam	59,441	118.8	S. Korea	90,405	99.1	S. Korea	184,528	110.8
7	Taiwan	63,668	110.6	Hong Kong	56,774	98.6	Hong Kong	102,383	103.3
8	Africa	20,210	309.5	Taiwan	35,720	102.2	Taiwan	99,388	107.4
9	Latin America	25,839	126.7	Indonesia	32,399	94.6	Latin America	38,392	119.6
10	Hong Kong	45,609	109.7	Latin America	12,553	107.3	Indonesia	60,837	118.6
11	Other Asia	27,472	135.2	Malaysia	23,618	95.4	Other Asia	48,461	105.6
12	Indonesia	28,438	166.7	Other Asia	20,989	82.2	Africa	21,388	268.3
13	Middle East	29,235	109.7	Philippines	18,347	128.6	Malaysia	50,561	108.3
14	India	27,745	211.5	Singapore	13,792	117.0	Philippines	40,035	131.4
15	Malaysia	26,943	122.7	India	7,430	124.7	India	35,175	184.4
16	Philippines	21,688	134.0	Canada	5,813	85.3	Singapore	36,423	120.3
17	Oceania	12,825	118.9	Oceania	6,310	114.1	Middle East	33,223	109.7
18	Singapore	22,631	122.5	Middle East	3,988	109.3	Oceania	19,135	117.3
19	CIS	8,670	140.5	Africa	1,178	81.7	CIS	9,253	131.7
20	Canada	7,340	116.6	CIS	583	68.3	Canada	13,153	100.3
	Total	1,050,108	124.4	Total	1,546,585	107.3	Grand Total	2,596,693	113.6