



# Federal leadership on supply chains won't solve everything, but it might help: CIFFA Executive Director

TORONTO, October 19, 2021. -- Last week the Minister of Finance told reporters she was watching Canadian trade flows, looking for signs of "strain" but so far, didn't see them.

This came as a shock to our membership at the Canadian International Freight Forwarders Association (CIFFA). The Canadian supply chain is experiencing "strain" as we have never seen it before. We are dealing everyday with the congestion and chaos that is snarling our ports and frustrating retailers and other customers. Costs have doubled - or worse compared to pre-pandemic levels. Many operators are paying extraordinarily high penalties because they cannot move containers in and out of the ports in a timely manner.

So the Finance Minister's comment was a little like going to the doctor to be told you are not really feeling that pain. No one blames Ms. Freeland or her government for not solving all the problems. But we would certainly appreciate some effort. Doing nothing is not an effective response.

This is an intensely stressful time for the people who move the goods Canadians need and want. Retail products get all the attention, but Canadian goods producers are also suffering as their input components are delayed. We're so used to hearing that the "global" supply chain is disrupted that we seem to be pretending all the problems are caused outside Canada. But we badly need leadership to solve the problems that arise here in our own country.

The supply chain in is a very complex system-all the different parts must work in concert.

Unfortunately, when the system becomes as constrained as it is today, there is no natural mechanism to bring it back into order. Every player - shipping lines, warehouses, truckers, retailers, importers, exporters, terminal operators, ports, freight forwarders, rail carriers- has measures they could take to improve the situation, but these measures only work if coordinated with all the other players. No one segment of the chain can incur extra costs, work longer hours, etc. if the rest of the chain isn't matching those efforts.

U.S. President Biden recently visited a California port to announce exactly this kind of all-hands effort to attack the huge problems that are frustrating consumers, threatening serious losses for retailers and snarling ports, truck terminals and railroads.

The U.S. President took action – securing agreements from ports, trucking firms, labour unions to make an emergency effort to address the crisis. Ports have committed to working 24 hours a day, every day, to clear the backlog. Truckers have agreed to extended hours of operation. Warehouses will extend evening hours. Retailers will commit to operating at off-peak hours. Each part of the chain will make adjustments to meet the crisis.

There are no simple fixes. Consumer behaviour changed dramatically during the pandemic. Canada's

infrastructure is not adequate for the pressures currently on it. Canada's "gateway" strategy is incoherent and slow. But with some leadership, Canada could substantially improve this terrible situation.

Once this summer's election was concluded, CIFFA wrote to the Prime Minister asking him to name a special representative to understand the supply chain disaster and recommend measures – public and private – to alleviate it.

Since there is not yet a new Transport Minister, and whoever eventually gets the job will be swamped with complex files, we urged the PM to name a special representative with no other duties but to bring parties together and to craft a national response.

People are looking for leadership. If the Prime Minister named such an emissary, the entire industry would respond cooperatively.

It's not the solution to every problem, but it's a start.

Bruce Rodgers                      Executive Director, CIFFA



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*The Canadian International Freight Forwarders Association (CIFFA) represents some 260 regular member firms from the largest of global multi-national freight forwarding firms to small and medium sized Canadian companies. CIFFA member companies employ tens of thousands of highly skilled international trade and transportation specialists. As a vital component of Canada's global supply chain, member firms of the Canadian International Freight Forwarders Association (CIFFA) facilitate the movement of goods around the world. Freight forwarders provide a vital link in Canada's global supply chains, enhancing export capabilities and assisting in the delivery of competitive solutions to Canada's importing and exporting communities.*