FIDI 2021/22 STATE OF THE INDUSTRY REPORT

February 2022

CONTENTS

FOREWORD

What a rollercoaster ride the past 12 months have been. A year ago, as we were saying goodbye to the first wave of the COVID-19 pandemic, most of us in the international moving business were still hoping for “normal life” to come back pretty quickly. It is safe to say that this is not going to happen any time soon.

When I look back at the past months, I can’t help but feel dizzy. Coming to terms with COVID and its impact on daily life and business was already a big challenge; then the supply chain and shipping crisis started to unravel; add to that the “Great Resignation” and staff shortages in some areas of the world, and I wouldn’t blame anybody for throwing in the towel.

But despite this gloomy context, during 2021 I also witnessed movers across the globe saying that they hadn’t been this busy in a long time, with some reporting record profits. Considered an “essential service” in many countries, you might even say that the COVID crisis has put the mover back in the relocation spotlight. As this report states, some companies developed new activities that they had never considered before, or landed contracts which had been out of bounds to them pre-COVID. This positive outlook is confirmed by data from the FIDI Business Confidence Barometer, showing that the FIDI membership is rather optimistic about what lies ahead.

If you add to this the many potential opportunities that come with the digitisation of moving and a greater sense of purpose driven by sustainability and diversity efforts, I’m excited about the future of our industry – and the role that FIDI will play in shaping this future.

This second edition of the *FIDI State of the Industry Report* tries to make sense of the many trends that affect the relocation industry in general and the movers, in particular. What strikes me is how everything is interconnected, that we really are all in this together. Deeper cooperation between relocation stakeholders – movers, suppliers, RMCs, corporate customers, government authorities – is necessary if we want to successfully tackle some of the wider issues our world is facing, such as the climate crisis. This is what FIDI will continue to work actively towards this year. This report is the start of that process.

Let’s make 2022 the year of meaningful connections – and enjoy the ride.

Ebru Demirel
FIDI President

INTRODUCTION – A NEW LANDSCAPE

If in 2020 international moving was defined by the emergence of and emergency response to COVID 19, 2021 was characterised by movers understanding more clearly the medium- to long-term effects of this crisis on the industry. After spending the early months of the pandemic speculating as to what these impacts might be, businesses have now experienced them first-hand. They are facing issues including greater administration, higher costs, staffing and material shortages, and ongoing delays to shipments.

These are both direct and indirect impacts of COVID, which have interacted with pre-existing challenges in the marketplace – such as industry consolidation and other ongoing structural shifts – adding further complexity and creating the most difficult and uncertain trading environment in living memory. Movers spent 2021 navigating this new landscape, while the climate emergency and other new obstacles loomed larger ahead, demanding that businesses make additional and urgent changes to their operations.

THE PANDEMIC

COVID SETS THE SCENE

As a perfect storm of unparalleled challenges has developed, the pandemic has shifted from centre stage to the setting against which numerous other crises have played out.

After a year tackling COVID and working in a new, unpredictable market where change happens frequently and at short notice, by 2021, movers had adapted their operations to deal more effectively with uncertainty. Having introduced them reactively in 2020, most now had in place, as standard, personal protective equipment (PPE), regular testing, and new procedures such as working with smaller crews to make staff and customers feel safer. Many encouraged vaccination, with some like Crown Worldwide (HK) Limited in Hong Kong even offering staff incentives (sanctions against non-vaccinated employees have also been discussed, if not implemented).

Forward-looking businesses have now developed and incorporated wider employee wellbeing programmes as a permanent and central part of their operations, developing remote working and digital strategies and other changes designed to increase staff wellbeing beyond the context of COVID. Those companies that do this particularly well have created a useful differential in regions affected by severe staff shortages.

During 2021, movers continued to face upheaval from full or partial lockdown measures and other restrictions on international movements, or the effects of staff shortages through illness or self-isolation precautions. Secondary impacts of COVID restrictions have included strikes in October by Italian port workers, protesting the introduction of a mandatory Green Pass, to provide proof of vaccination.

But, while COVID-induced disruptions didn't necessarily get easier for companies during 2021, by now they were, at least, familiar.

AN UNEVEN EFFECT

There were marked disparities in the development of the pandemic across the world and the varied response of authorities made a huge difference to how business flowed in different countries.

Andrew Chng, Country Manager at Vanpac Group Asia in Vietnam and FIDI 39 Club Board member, said: 'Countries where COVID is better controlled, where the local government has a clearly communicated plan… will continue to be a stable and attractive proposition.' Indeed, **a June study** of the most desirable expat destinations by Boston Consulting Group showed countries perceived to have tackled the pandemic well, such as Canada, Japan, New Zealand and Singapore, increased in attractiveness (although it's worth noting that travel to some of these places remains highly restricted); while those who were considered to have struggled, including the US and several European countries, fell lower down the rankings.

The likes of Singapore, which introduced draconian restrictions – and punishments for non-compliance – to fight but 'live alongside' COVID, have been able to reduce infections to a level where, during the past year, they have been able to open themselves up much more freely to business than other countries. These countries saw a strong reversal of the outflux of staff experienced during the early months of the pandemic.

In August, *The Washington Post* contrasted Singapore's approach to that of Hong Kong, which was again tightening quarantine restrictions – a move the paper said could seriously undermine its competitiveness against rival areas. Shifts such as these around the world are altering future demand for moving services, notably in large expat hubs, including the United Arab Emirates.

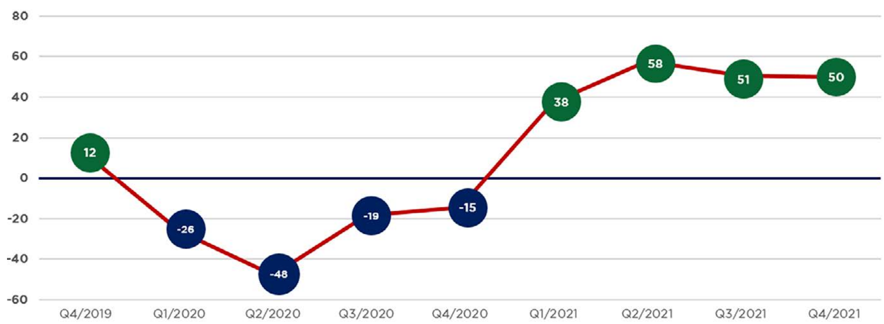
"Corporate clients understand, but the private customer is finding the increases difficult. It is very important to set expectations"
Laura Busettini

At the start of the COVID crisis, many movers feared that, globally, demand for their services would plummet as the result of ongoing restrictions preventing moves and forcing some staff to stay close to home rather than relocate. Instead, after initial lockdown periods ended, pent-up demand coupled with outward moves from areas (including those mentioned above), meant the international industry reported generally strong demand, with 'never-ending' peak season in some regions.

Two years since the start of the pandemic, while difficulties remain, there is still a huge appetite for moving. Many in the industry now believe that having survived the early months of COVID, international demand will continue to rebound, even with the arrival and rapid spread of the Omicron COVID variant in the first quarter of 2022.

However, there remains a degree of uncertainty about the coming months – and how quickly, and by how much, corporate demand specifically will recover.

FIDI Business Confidence Barometer / 2021
Entrepreneurial Confidence



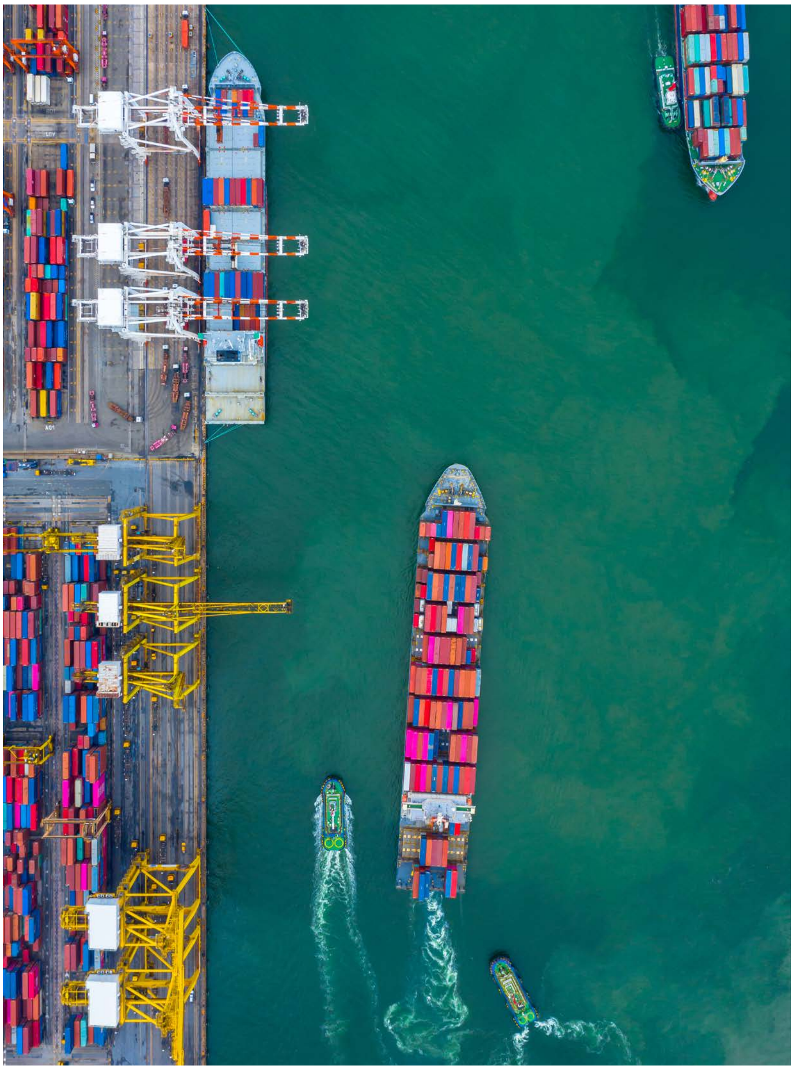
The FIDI Business Confidence Barometer shows how FIDI membership feels about business prospects from one quarter to another

A WORLD IN CRISIS

There are also serious questions about the long-term impact of the varied but often interlinked crises that arrived in COVID's wake, materialising in 2020 and becoming a key theme during the year that followed. If the pandemic initially threatened to erode the moving industry's customer base, these varied and interrelated pressures have now threatened the way in which it delivers its services.

The global shipping industry has been in a state of severe imbalance since the early months of the pandemic. This began with much of the globe in lockdown and was followed by the uneven loosening of these restrictions between different countries; and was made steadily more complex as excesses of containers built up in some regions and they became acutely scarce in others.

'Ports that become increasingly full mean diminishing efficiencies, and shipping lines may avoid them and route services elsewhere,' says Gavin Simmonds, Commercial Policy Director at the UK-based Chamber of Shipping, highlighting that logistics operations now need more careful planning than ever.



DIMINISHING EFFICIENCIES

The international mismatch has caused processing backlogs and 'diminishing efficiencies' in many ports around the world and previously smooth global flows of trade have become irregular and unpredictable. Fines have been levied in ports (including unlimited fines at the ports of Los Angeles and Long Beach) in attempts to lessen congestion, but international shipments continue to face severe delays.

Movers have reported that, because of the disruption, the price of a single shipping container had skyrocketed, with one Singapore-based Affiliate reporting a rise from approximately US$2,000 to more than US$10,000. Freight from the Far East to Europe and the US is at an all-time high, according to Chng, who adds: 'Rates of certain lanes have risen 600 per cent, which has made private moves prohibitive for many self-paying clients.'

With single customers often using one or more whole containers for a move, the increases in shipping prices are impacting on them particularly hard.

"Ports that become increasingly full mean diminishing efficiencies, and shipping lines may avoid them and route services elsewhere"

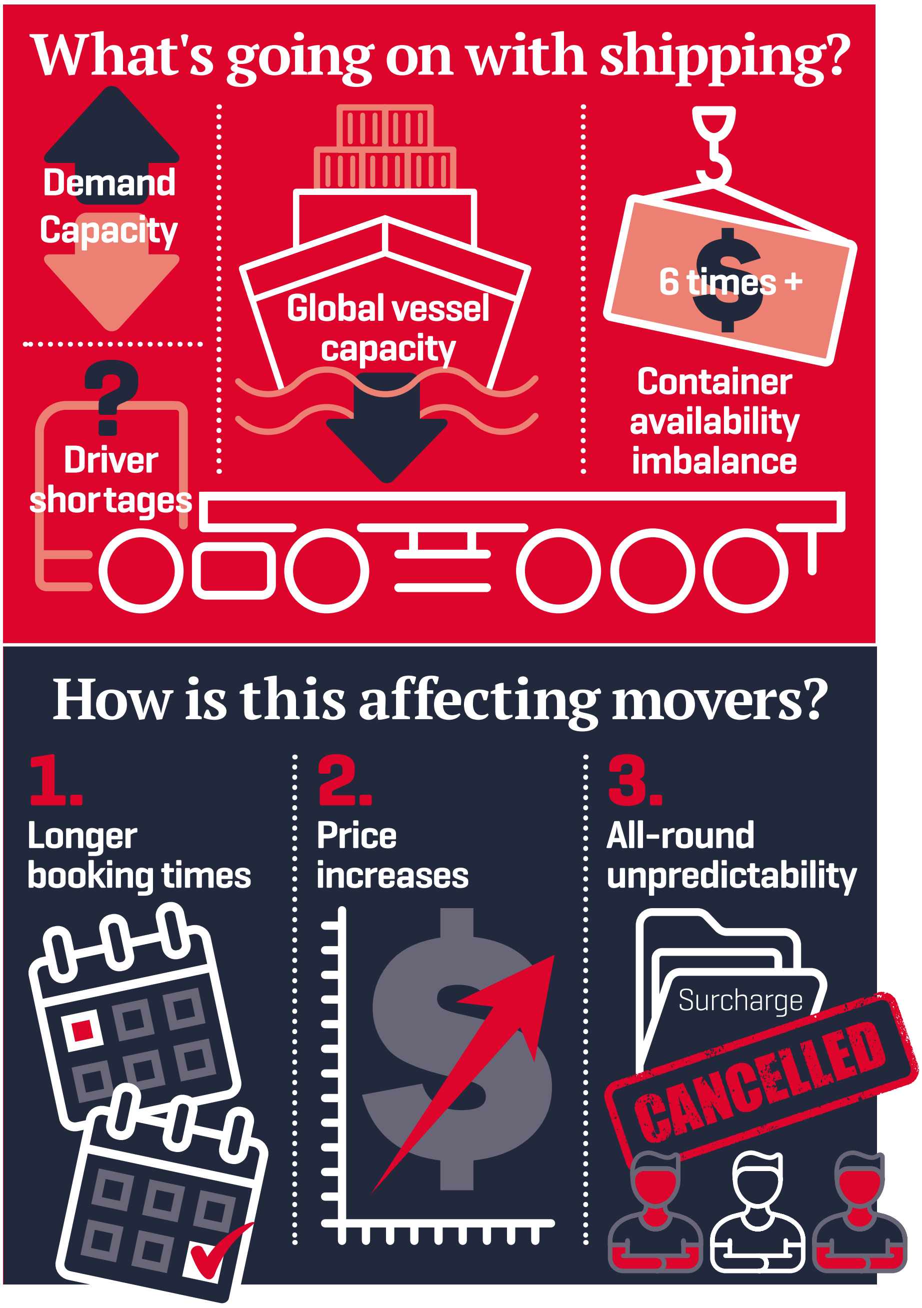
Gavin Simmonds

The accidental blockage and subsequent impounding of one of the world's major trade routes, the Suez Canal, by the container ship the Ever Given, for more than 100 days, only added to the global problems and spiralling costs for movers using international services. Meanwhile, shipments containing household goods have reportedly been given lower priority by some shipping lines.

In September 2021, FIDI produced **an open letter and infographic** on the shipping crisis to help its membership keep customers informed about the ongoing challenges and the impact on the international moving industry.

Using air freight as an alternative has been a necessary option for some movers but, with 2020 the worst year on record for air travel, this is a sector that has been beset with its own issues. With many passenger flights not running, space has been limited to cargo-only services, pushing prices up in this sector, too.

The price of raw materials has also increased internationally, as demand has waned and bounced back at different rates depending on location. This has further impacted on movers' costs in areas such as wood and paper for packing.



FIDI's infographic explaining impacts of the shipping crisis

REGIONAL DIFFERENCES

These delays, irregular movements and increased costs have affected movers in every part of the world but have been compounded differently according to the specific issues affecting each country. Staff shortages, for example, have challenged many businesses in logistics and related sectors in much of Europe and the US, pushing expected wages up and threatening the viability of existing employment models there. Asia, Africa, and Latin America have been comparatively unaffected by these issues.

In Europe, Brexit has increased the time, administration, and cost of moving goods between the UK and the European Union, adding complexity in this part of the world, while border crossings have been additional, major sources of difference and continuous change for the mobility industry between different countries throughout the pandemic.

PLAN AND COMMUNICATE

While global unpredictability and increased costs are unavoidable, savvy movers have adjusted operations to mitigate the worst impacts on customers. Communication and flexibility are vital to this process, according to the likes of Laura Busettini, of Vinelli & Scotto International Movers and Vice President of FIDI Italy. 'Corporate clients understand, but the private customer is finding the increases difficult. We try to be open and transparent with customers. It is very important to set expectations,' she said. Meanwhile, she advises pre-planning booking further in advance than previously and taking a proactive approach to managing the unexpected.

'Communicate proactively regarding delays or potential issues,' said Joleen Lauffer of Aires, based in the US. 'Given enough time, we can troubleshoot together before it becomes an emergency.'

The lack of staff resources brought about by the so-called 'Great Resignation' can also be tackled – to an extent. Movers are looking carefully at how they can make their businesses more attractive to prospective employees, and to keep hold of them once they are there. This forms part of an all-encompassing and growing imperative for companies to become sustainable businesses in all definitions of the word. This approach was important but often forgotten before COVID – it now appears essential (see Sustainability, p10).

As 2021 came to an end, there were some reported signs of stability returning to the market, but some expect that as well as living with COVID, the 'new normal' will also involve living with higher prices and increased volatility, indefinitely. FIDI Affiliates will be supported through this time on several fronts, says outgoing FIDI President Ebru Demirel.

'It is during uncertain times like these that I see FIDI's programmes – such as **FASI** (FIDI's payment protection programme), the EY financial audits and the **FAIM Credit Risk Barometer** – in a different light,' she says. 'These are all about building financially sustainable businesses for ourselves and for the people around us.'

"FIDI's programmes are all about building financially-sustainable businesses for ourselves and for the people around us"
Ebru Demirel

"Rates of certain lanes have risen 600 per cent - this has made private moves prohibitive for many self-paying clients"
Andrew Chng

“We need to come to the table with the corporates, in collaboration, to ensure the supply chain is economically sustainable first, and work together towards environmental and social sustainability”
René Stegmann

“We are entering an era where it’s considered an untenable risk not to have climate goals”
Sofie Defour

SUSTAINABILITY

In this new world, sustainability has become a major theme, too. Since the Paris Climate Agreement was signed by almost every nation in 2016, sustainability has shot up the agenda for businesses around the globe.

However, after being deprioritised as governments battled the first months of the pandemic (which even now continues to generate large amounts of unrecyclable waste from personal protective equipment (PPE) – with 6.8 billion disposable masks used worldwide each day according to one MIT University study) the ‘climate emergency’ is now the primary issue facing the world.

Driven by customers, and many staff within organisations too, and enshrined in a growing raft of national and international legislation, movers are now being called upon to play a major role in transforming themselves into sustainable operators that don’t impact negatively – or, better, have a positive impact – on the environment.

Most corporations are now looking at not just their own impact but the credentials of their suppliers, too, and demanding changes that mitigate the imprint of their entire supply chain. Derrick Young, Director of Transportation Governance at BGRS, illustrated this: ‘A lot of our clients are being driven by the principles of measuring and reducing and this flows into their HR programmes. We have clients that are saying, we want to hire people with a mindset that is green… and we need to have flexible policies so they can choose a green move.’

These forces are changing the nature of some relocation programmes, which are moving towards flexible lump sum packages with environment-focused options such as sea rather than air freight – or allowing employees to select furniture rental rather than moving their household goods at all.

Movers should be in no doubt that we have reached the point where action on sustainability is the only option. As Sofie Defour, Climate Manager at Transport & Environment based in Belgium, told *FIDI Focus*: ‘We are entering an era where it’s considered an untenable risk not to have climate goals’, adding a stark warning about the power of (particularly young) consumers ‘destroying your public image’, if you do not follow through on your promises.

René Stegmann, Director of DSP business Relocation Africa based in South Africa, echoed this: ‘If you don’t want to do things properly… don’t bother, because your intent will be seen by your work colleagues, your leaders, your clients and your supply chain. And you will very quickly be sidelined as a business.’

So movers are being asked to choose their sustainability goals carefully, to focus not on box ticking, but on making real and long-lasting changes – and to be open about what they are doing, too. As with supply chain crises, it is essential for companies to be completely clear with their customers and partners about what they can and can’t achieve.

‘Be transparent about what you are doing already, be transparent about what you plan on doing in the next couple of years and be transparent about what you can’t or won’t do,’ said Defour. Communicating positive actions is also providing good PR, with going the extra mile on sustainability a possible differentiator now to corporate clients looking to ‘green’ their supply chains, and private customers who may have previously bought services on price alone.

With international transport – trucks, ships and planes – and offices making up the bulk of moving businesses’ carbon emissions, and many packing materials

The UN's 17 Sustainable Development Goals

"We have clients that are saying, we want to hire people with a mindset that is green"
Derrick Young

being used too, most have targeted reductions, efficiencies and switches in these three areas first, to meet or in anticipation of new legislative requirements. However, many companies have gone beyond these 'entry level' adjustments, looking at ways in which they can make a difference not only to the environment, but also to their employees and communities in which they operate – and their bottom line, too.

Indeed, in the long term it is those movers who are embracing this 'beyond green', holistic view of sustainability who will be the winners, according to commentators such as Defour. 'The real green transition will be about more than "being green",' she says.

The shift towards greater all-round sustainability brings with it the promise of helping these businesses address their long-standing weaknesses, as well as some of the issues created by the pandemic. To do this well, many companies are increasing their transparency and working towards much closer collaboration with supply chain partners. FIDI's 39 Club has produced new guidelines, **How to become environmentally sustainable in the moving business**, to help with this process. Dominic Offer, Director of Sustainability at Bristol Global Mobility, says: 'We are not going to pressure our supplier partners to make changes but encourage them to speak with us… we want to engage with our whole industry on how to make the journey to sustainable business a real possibility.'

Goal-setting and measurement of progress is crucial to this and some international moving businesses have begun to benchmark themselves against accepted metrics such as those outlined in the United Nations' 17

"We want to engage with our whole industry on how to make the journey to sustainable business a real possibility"
Dominic Offer

Sustainable Development Goals (SDGs), which cover all aspects of sustainability. However, there remains a lack of globally accepted standards, with many different programmes offering solutions for measuring and reporting sustainability, not all of which are transparent or verifiable. FIDI aims to address this situation by including a corporate sustainability pillar in the upcoming new FAIM standard, which is due to be implemented in January 2023. In addition to this, the organisation is working with partners and external stakeholders to develop common goals and a cohesive sustainability roadmap for the relocation industry.

Truly sustainable movers are those who will be able to demonstrate stewardship for environmental, social, staff and financial aspects of their businesses' operations, looking further than immediate gains for shareholders towards providing benefits for everyone. Where much of business was once about making returns no matter what the disruption to the environment, people, or your supply chain providers, the nascent philosophy today is about working towards operations that are still profitable but take a broader and longer-term view of a company's impact.

PAY YOUR BILLS

To do this properly, movers are now challenged to look first much harder at the financial sustainability of their businesses. For many, this long-overlooked focus was highlighted as essential when COVID temporarily stopped global supply chains and made firms re-evaluate the importance of reasonable payment terms and good cash flow for survival.

This provides another reason for suppliers and clients to work more openly with one another to ensure all parties' positions are as strong as possible, for the long-term good of their entire supply chain.

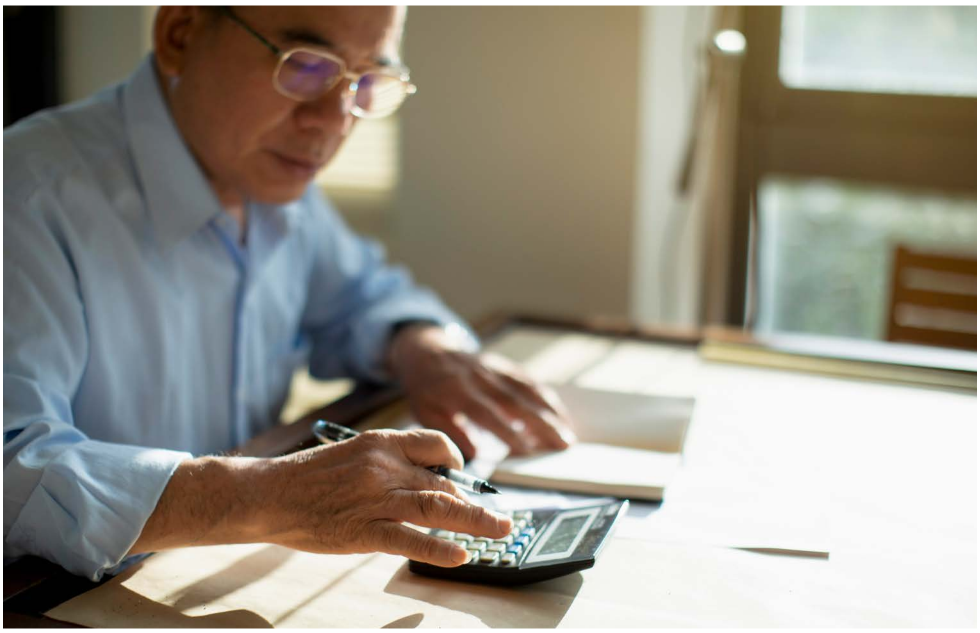
Some have taken the lead, with the likes of DSP company Relocation Africa committing to pay its suppliers within 30 days and asking its supply chain partners – including RMCs, DSPs and other movers – to do the same. However, despite the progress, breaking long-established habits of credit and long payment terms will present the industry with a challenge.

Asian Tigers chairman Gordon Bell talks about the industry 'being shy to ask for money' and credit expectations starting with contract awards and passing down the supply chain. 'We are still living in the past where a handshake is still acceptable and asking for money is distasteful; and when they finally don't pay, you realise you should have asked for the money up front – you just can't win,' he said. 'Four containers from Asia to Europe/US might cost you US$100,000 – and if you don't get paid for 90-120 days... we pay for the credit from the bank – yet another add-on.'

Steve Jordan, Editor of *The Mover* magazine, says: 'At all times, but especially during a crisis, I would encourage everyone to pay their bills on time. This keeps funds in circulation and helps everyone's cash

"[We could see] a forceful reinvention of the value proposition of RMC – and by extension, FIDI Affiliates – to relo clients"

Bill Graebel



“I’m convinced that this will be the future for us – that we recruit from the early school years”
Manuela Henk

flow on the assumption that you are taking in more than you are paying out.’

While everybody supposedly stands to gain from increasing financial transparency, sensitive conversations will clearly need to take place – perhaps with RMCs, in particular – and the more players push for more open policies, the better.

As Stegmann says: ‘We need to come to the table with the corporates, in collaboration, to ensure the supply chain is economically sustainable first, and work together towards environmental and social sustainability.’

CEO of Graebel Bill Graebel says a ‘price-based uprising’ may be coming to RMC businesses from the supply chain and clients, ‘with suppliers saying ‘no’ to further downwards pressure on their margins’. This, he, says would lead to ‘a forceful reinvention of the value proposition of RMC (and by extension, FIDI Affiliates) to relo clients… with clients asking tricky questions’. Legitimacy, accountability and transparency will be key, he says.

PUTTING PEOPLE FIRST

Working on financial stability is a good first step that firms can take towards addressing some of the staffing shortages in moving and related sectors that have beset certain regions through forces that predate, but have been intensified by the pandemic.

With employee-focused businesses such as Henk International in Germany reporting a ‘scary’ drop in applications for vacant positions, movers are having to review their operations, to ensure they can attract new employees and retain existing ones, providing a desirable working environment and remuneration. When going head-to-head not just with competitors, but also with cash-rich, and expanding, logistics operations such as Amazon, this presents a significant challenge.

Companies like Dutch Affiliate De Haan hope that a policy of ‘employees first, then customers’, coupled with clear communication will enable it to hang onto valued staff. Former Managing Director of Henk International Manuela Henk also believes looking after existing staff fosters loyalty and reduces active recruitment

and training needs. She adds that, for the future, getting your company’s image and advertising right online and on social media is vital, and connecting with prospective employees at a much earlier age, too. ‘I’m convinced that this will be the future for us – that we start to recruit from the early school years,’ she said.

A FOCUS ON CULTURE

Having an attractive company culture is going to be increasingly important to retaining good staff in regions of shortage. The pandemic heightened the focus on staff wellbeing and the flexibility to work in a way that suits the employee and makes them feel valued and engaged.

Increased salaries can help attract staff but ‘money is not the only reason; you have to give them kind of a home where they really feel comfortable. So, we have to think about company culture a lot more,’ says Henk – with the business considering supplementing regular staff training with wider coaching sessions for all staff.

Finally, Mark Oakeshott, of Mark Oakeshott Consulting, says that retaining good staff – and suppliers – is more often than not simply a case of maintaining good relationships with them. ‘Companies that have treated employees or suppliers professionally and with respect in the past are going to find it easier to retain people and services in challenging times,’ he says. ‘A driver that feels undervalued will be the first person to head for the supermarket job. Conversely, a subcontractor that has always been paid on time, is more likely to favour you against others.’

DIVERSITY ON THE RISE

International diversity-focused movements including #MeToo and #BlackLivesMatter have also helped a drive towards a broader, more open approach to recruiting, seeking to widen the participation across gender, ethnic and cultural groups and offer better opportunities for all. Management, staff, and clients have become more engaged in this issue, with business championing relevant causes. For example, Australian FIDI Affiliate Grace is supporting a national charity that aims to increase literacy in remote indigenous communities and forming an indigenous working group made of key managers, which is chaired by an indigenous staff member.

These developments aren't only bringing one-way benefits. More diverse organisations can provide opportunities to understand and connect with a wider customer base, and create bespoke services, which is better for business and an important part of creating more socially sustainable companies, too.

How this powerful and emotive movement will alter the international moving business – both in terms of its own companies and those of its supply chain partners and corporate clients – is yet to become fully clear. In South Africa, government Black Economic Empowerment (BEE) initiatives designed to redress inequality have seen companies legally obliged to meet percentages of staff from specific groups. While such quotas are perhaps unlikely to be adopted more widely, transparent approaches like open publishing of company salaries are becoming more common as measures of progress made towards making more diverse organisations.

More diverse recruitment policies – including the employment of younger staff with up-to-date tech skills – will help movers with digitisation, another process that was already under way but accelerated significantly by the pandemic. Prior to 2020, remote working was possible but not used widely, while remote survey platforms had been touted but were still to take off. The pandemic brought these and other digital solutions to the frontline of operations, allowing movers to get the job done while minimising physical closeness between staff and customers – and giving them first-hand experience of the efficiencies and cost savings that this technology brings.

"Companies that have treated employees or suppliers professionally and with respect will find it easier to retain people and services in challenging times"

Mark Oakeshott

THE DIGITISATION OF MOVING

According to Brielle Jones at Triglobal – a Dutch company connecting movers to online consumers using multiple tools – the pandemic led to a greater uptake of internet use for moving services. 'Lockdowns and working from home have pushed the remaining customers online and the internet is unquestionably the place where customers now go to find a mover,' she said. 'Movers and consumers are at ease with incorporating online volume calculators and digital surveys into their sales processes. The quick-quote functionality is also being used on many moving websites to meet customer demands and expectations on price.'

FIDI, too, found digital solutions to issues, allowing it to maintain – and even enhance – contact between its Affiliates during the most restricted phases of the pandemic, running its General Assembly online in 2020 and 2021 and offering FIDI Academy courses virtually, too.

However, when its 2020 Osaka Conference was cancelled, it resisted the temptation to move the event online, and didn't hold one during 2021.

While the organisation now plans to keep in touch with Affiliates more regularly with online sessions, it has stated its preference for in-person conferences – the next of which is due to take place in Cannes in April, 2022.

And while demand for international moves was supressed, innovative companies have carved out new market niches, helping clients move office equipment into employees' homes – and back again following the relaxation of restrictions – and working with them to set up socially distanced offices, too.

Clearly, the proliferation of remote working could threaten part of movers' customer base – while some businesses are looking at emerging hybrid remote/office-based options, too. However, as much of the world began to move again many were optimistic that demand was rebounding and would continue to do so. There are many jobs which – after the recent test – don't appear to lend themselves well to remote work; and the relocation and travel that comes with jobs at international corporations remain an attractive draw for many employees, too.

The speed with which remote and hybrid office-based/remote working has been accepted means companies have had to develop in-house policies to cover employees operating in entirely new conditions. Organisations including Worldwide ERC have highlighted the need for governments to legislate in order to protect staff rights and wellbeing, and business's interests, in this emerging area.

"Data security and compliance have become a major focus. It is a costly exercise, but a necessary one, and one that is here to stay"
Gordon Bell

A FOCUS ON DATA SECURITY

Meanwhile, as more of the relocation process has been digitised, the increased streamlining of processes and use of customer data are raising vital new questions of standardisation, data

"Lockdowns and working from home have pushed the remaining customers online and the internet is the place where customers now go to find a mover"
Brielle Jones

protection and regulation for relocation businesses. Private information is often requested on shipping documents, and it can be sold or shared by third parties, putting customers at risk of identity theft, fraud or other criminal activity. Movers need to inform themselves about their responsibilities to keep Personally Identifiable Information (PII) safe – and the consequences of non-compliance – and to inform customers of the risks involved.

'Data security and compliance have become a major focus,' said Bell at Asian Tigers. 'Groups like ours devote considerable time and resources to meet the many demands we face. It is a costly exercise, but a necessary one, and one that is here to stay.'

Illegal use of Personal Identifiable Information (PII) is an increasing issue and there have already been high-profile cases of data breaches in shipping and logistics businesses, including French container transport and shipping company CMA CGM.

In June 2021, following lobbying by military and moving associations including AMSA, ERA and IAM, the US Senate passed the US Competition and Innovation Act (USICA), to protect the details of military personnel during moves.

By the beginning of last year, some 130 countries had launched data privacy laws, around 66 per cent of the world's governments. And, while certain regions have developed common strategies – such as the EU's Digital Services Act – a widely-accepted, standardised international approach has not yet been tabled.

FIDI continues to monitor the evolving data privacy situation and to report on test cases around the world, and it recently **launched a report** on the current status of data privacy legislation around the world.

The issue will be important to the future use of any possible remote FAIM auditing, after the pandemic necessitated the development of a virtual alternative to established on-site visits. However, it is also vital to consider that this process also revealed that four out of 10 FIDI Affiliates are not yet fully paperless, or have not digitised their processes, so digital options aren't yet suitable for all.

PRE-EXISTING ISSUES

As the world continues to open up again, the above issues - the ongoing impact of COVID; global supply chain crises; the pressing need for sustainability, financial security and diversity in business; and data privacy issues – are being joined by those that pre-date the pandemic and bring their own unique impacts on mobility, albeit now in a new context. These include the forces of industry consolidation in the form of mergers and takeovers and the drawn-out award process of a single-provider contract by USTRANSCOM, which as 2021 ended had entered another phase after one of the losing bidders, American Roll-On Roll-Off Carrier Group (ARC), filed a protest to the Government Accountability Office (GAO). The US contract business is reportedly worth nearly US$20 billion across its longest possible duration, with domestic small business subcontractors taking an estimated share 40 per cent of the overall value of the contract.

FARING BETTER

At the end of the pandemic's second year, there are several notable variations in the impacts of COVID 19 on the international mobility industry. These include the effects on different regions of the world, driven diversely by factors including the area's makeup of expats and nationals and the local government's approach to implementing, enforcing and lifting restrictions.

There are differences in the impacts depending on industry sector, with movers enjoying solid demands for their core services (see below), while emerging requirements for greater transparency in supply chains may challenge RMCs in the future. There has been discussion, too, about the variance caused to asset-heavy movers compared with asset-light movers, with the latter able to leverage their flexibility and shop around for best prices, and the former capable of responding quickly – or sell/rent assets to keep cash flow smooth.

Overall, the core moving industry appears to be in much better shape than most **businesses predicted at the point of the first lockdowns early in 2020**. Out of the many interlinked challenges arising from COVID that have been presented over the past two years, sizeable opportunities have arisen – and a welcome reassessment of the mover's role. This was for a number of reasons, including movers being designated as 'essential services' in many countries, meaning in these locations they could continue to operate – albeit with restrictions – during lockdowns.

Many movers were also able to use their assets – trucks, offices and staff – to help deliver emergency and other services, generating new revenue streams during times of slower demand and connecting them to new clients, too. Some also began to work directly with large corporate accounts, as these eschewed established channels to get jobs completed by those with knowledge of often rapidly changing local conditions and able to mobilise fast.

Overall, during the pandemic there has been general reawakening to the fact movers are the core of the relocation process, the operational 'doer', who is also the vital interface with the transferee/s involved. Meanwhile, industry leaders such as Bill Graebel have described the combined effect of global crises and a disruptive environment (more buying going online) is a transformative 'hole-shot situation' for the entire supply chain, in which movers can take a leading role. With an increasing focus on transparency but also factors like sustainability and duty of care, Graebel also predicts 'a shift away from pure price-driven strategies'.

THE OUTLOOK

CHANGING FORTUNES...

FIDI's **2021 Global Business Confidence Barometer** suggests the organisation's Affiliates are indeed faring better (and in some cases, maybe better than ever). Launched a few months before the start of the pandemic and nosediving to almost 50 points below zero, the Barometer's entrepreneurial confidence index had rebounded dramatically to 50 points above zero by Q4, 2021. Other measures, including changes in revenue, prices, charges and office and crew/warehouse staff, showed positive upward movement, too, with measures suggesting that, despite the upheaval of the past two years, the upward trend was ongoing.

...CHANGING FIDI

FIDI reached its 70th anniversary during the tumultuous first year of the pandemic, providing a fitting time to discuss the organisation's role in the industry in the light of both COVID and the new reality in which the sector finds itself in 2022.

FIDI's recent SWOT analysis revealed that while business has remained unexpectedly resilient, there is underlying uncertainty about the look of the industry after the post-lockdown booms have receded. There are also questions about the expansive impact of movers growing into new services and the potential of new technologies to disrupt existing business models entirely.

FIDI is looking into adapting its services and decision-making process, although, according to Affiliate interviews, there are some contradictions as to exactly how the organisation should adapt – some believing it is too democratic while others say it's not democratic enough, for example – the central tenets for change are clear.

BUILT ON REPUTATION

To begin, according to Affiliates, FIDI has a reputation for quality, authority and all-round excellence; for the trust its membership and the wider industry puts in it; and for the deep, long-lasting bonds of its network. Any developments the organisation makes should – and will be – founded on this reputation.
On the other hand, there are clear areas in which FIDI needs to develop to stay relevant in the rapidly changing market, while maintaining its core quality remit. One of the main developments in this direction it is looking into is to diversify its membership base, by allowing DSP companies to apply to the **FAIM DSP certification programme**, which was launched for FIDI Affiliates in 2019.

This broadening of membership will go hand in hand with FIDI's strategy of strengthening its external links, with DSPs, RMCs and other stakeholders, including corporate customers. It will help the organisation build bridges between these different parts of the industry and facilitate cooperation across the mobility supply chain to create a mutually beneficial approach to tackling challenges, driving forward common projects such as standardisation and sustainability.

FIDI is also looking at how it can update its complex governance structure to enable it to react fast, stay at the forefront of developments and revise its service offer accordingly. Once again, this needs to be done without compromising its reputation for excellence. Given the pivotal role of younger people in driving forward current agendas on topics such as sustainability, diversity and digitalisation, it will be looking to step up their involvement, through the FIDI 39 Club and other channels, too.

As FIDI evolves, it will continue to reflect the core needs of its membership, protecting the interests of the international moving and relocation sector. At the same time it will shape its service offering and use its global reach and reputation to build bridges between different stakeholders in international mobility to unify and progress mutually beneficial projects in areas such as industry standardisation. Its Affiliates and partners will have a key role to play in shaping this future.

CREDITS

FIDI thanks everyone who has given their contributions for this report and to the interviewees in *FIDI Focus* magazine over the past year. These include:

Gordon Bell, Chairman of Asian Tigers
Laura Busettini, of Vinelli & Scotto International Movers and Vice President of FIDI Italy
Andrew Chng, Country Manager at Vanpac Group Asia in Singapore and FIDI 39 Club Board member
Ebru Demirel, President of ASYA International Movers and outgoing FIDI President
Sofie Defour, Climate Manager at Transport & Environment, Belgium
Bill Graebel, CEO of Graebel
Manuela Henk, former Managing Director of Henk International
Brielle Jones, of Triglobal
Steve Jordan, Editor of *The Mover* magazine
Joleen Lauffer, President, Aires
Mark Oakeshott, of Mark Oakeshott Consulting
Dominic Offer, Director of Sustainability at Bristol Global Mobility
Gavin Simmonds, Commercial Policy Director at the UK-based Chamber of Shipping
René Stegmann, owner of DSP business Relocation Africa
Derrick Young, Director of Transportation Governance at BGRS

For more information or questions about the FIDI State of the Industry report, please contact

Magali Horbert
magali.horbert@fidi.org
www.fidi.org

FIDI Global Alliance
Fountain Plaza Building 501
1st Floor, Belgicastraat 1
1930 Zaventem, Belgium
fidi@fidi.org
www.fidi.org

CPL

Published on behalf of FIDI Global Alliance by CPL (Cambridge Publishers Ltd)
For details on future reports and opportunities, please contact:

Dominic Weaver
+44 1223 378000
dominic.weaver@cpl.co.uk
www.cpl.co.uk