

**International Federation of Freight Forwarders Association (FIATA)**

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## **FIATA POSITION PAPER**

on

### **Revisiting the Yamoussoukro Decision**

#### **About FIATA**

FIATA, the International Federation of Freight Forwarders Associations was founded in Vienna, Austria on May 31, 1926. It is a non-governmental organization that today represents an industry covering approximately 40,000 forwarding and logistics firms, employing around 8-10 million people in some 160 countries. FIATA has consultative status with the Economic and Social Council (ECOSOC) of the United Nations (inter alia ECE, ESCAP, ESCWA), the United Nations Conference on Trade and Development (UNCTAD), and the UN Commission on International Trade Law (UNCITRAL). It is recognized as representing the freight forwarding industry by many other governmental organizations, governmental authorities, private international organizations in the field of transport such as the European Commission (through CLECAT), the International Chamber of Commerce (ICC), the International Air Transport Association (IATA), the International Union of Railways (UIC), the International Road Transport Union (IRU), the World Customs Organization (WCO), the World Trade Organization (WTO), etc.

#### **Understanding the issues**

For a number of years FIATA has been following the challenges faced by its African members having established one of its Regional Bodies in the Region Africa Middle East with a view to identify and work on the emerging issues of this crucial area. The African continent possesses enormous economic potential, but it is also faced with challenges, in particular surrounding its transport and logistics sector.

These challenges are focused within five key areas:

- Insufficient Transport infrastructure, not strong enough to sustain development
- Improving the quality of service providers
- Ensuring Safety and Security: more work is required to reach harmonised international standards
- Implementing best practices of integrity in public and private sector to fight corruption
- Insufficient consistency of policy regulation

With its diverse landscape and 16 land-locked countries, development projects, backed by investment from the international donors' community to stimulate the continent's growth, should be launched in a well-coordinated manner.

FIATA believes that investments in a robust and world-class infrastructure across the 53 African countries are required in order to ensure economic prosperity throughout Africa. There is a well-documented relationship between the development of infrastructure and the increase of prosperity, as it has been recalled in FIATA's submissions to the United Nations with regard to the post-2015 Sustainable Development Goals agenda. This will however take a considerable amount of time, effort, and financial resources before becoming feasible. In other words, let us work swiftly on infrastructure, but this is not enough at this point in time.

In Africa, all modes of transport play a critical role in stimulating the continent's economy and we should therefore keep sea, road and rail presently in mind. One particular mode though, air transport and airfreight in particular, seems to be unable to reach its full growth potential within the region; the reasons for falling short of this opportunity may not necessarily be due to missing infrastructure, but they could actually be connected with the fifth of the above mentioned critical elements.

FIATA is therefore urging policy makers in the region to revisit regulation involving the air transport industry with a novel approach by looking at airfreight as a serious opportunity for the development of their countries. There is an existing agreement which, if further implemented, can

instigate new rules for the air transport sector in Africa. In a world in quest of uniform and safe rules, Africa has the right legal instrument in place and could bank on its existence.

The Yamoussoukro Declaration has been established in October 1988 as an African Civil Aviation Policy agreement geared towards a comprehensive reform of the air transport industry and the unification of the fragmented African air transport market. A decade later, in November 1999, the Yamoussoukro Decision has been implemented to liberalize intra-Africa air transport markets.

The Yamoussoukro Decision, which became fully binding in 2002, unfortunately has yet to produce the expected widespread effects on improving Africa's air transport circumstances. This was confirmed in a report published by the World Bank which stated that "only a few cases of the exercise of new air traffic rights granted by applying the principles and mechanism of the Yamoussoukro Decision have been observed." In this light FIATA believes that it is time for a change of gear.

### **An Emphasis on change in policy**

The Yamoussoukro Decision, in theory, was an essential agreement which Africa expected would stimulate growth throughout the region. The reality was that its implementation within Africa was lagged due to insufficient cooperation, competing and different priorities, and the absence of unison among industry players, who have been unable to advocate for their wider interest. With a view to promoting the Yamoussoukro Decision reaching the impact that Africa had expected more coordination and collaboration between public and private is required. At the current stage, Africa's air space is still seeking initiatives that would result in a more liberalised market.

It was evident that the implementation the Yamoussoukro Decision had not been given the right tools to succeed and therefore, in its absence, this created an increase in the number of bottlenecks in the air transport industry in Africa.

Some of the emerging and/or developed bottlenecks (and the consequent gear change required) include:

- The absence of traffic rights and the lack of open or fair landing rights.

- With intra-Africa trade growing at 20 percent the in the last decade, it important to eradicate the closed skies concept and allow for intra-Africa services and fifth freedom operation as widely as possible within the continent.
- The need to remove any protectionist policy for local in-operational airlines.
  - Countries in Africa tend to be more receptive to international airlines than regional and pan-Africa operators. It does make sense to put all operators on the same level playing field, as liberalised as possible in regards of the common access rules.
- The Ground handling sector remains in the hands of the public sector, not an issue per se, but best practice could assist.
  - Studies have found that sectors which are supervised by the public sector whilst managed by the private sector tend to be more efficient and experience faster growth and often better services.
- Privatization of facets in handling, security and scores of others require assistance to progress.
  - With enhanced privatisation comes the need for more Public Private Partnerships (PPP) which bridges the gap between both sectors and develops a common understanding of moving forward.

In order to tackle these issues surrounding Africa's air transport sector, FIATA suggests that the Yamoussoukro Decision be revised by adopting appropriate protocols for the enhanced implementation of its principles, by privileging the following areas:

- Courageous policy: i.e. Governments should feel encouraged to work with one another and with other stakeholders in more close cooperation.
- Greater facilitation: i.e. a broad-minded Implementation of agreements and protocols that would honour the fifth freedom air traffic rights.
- Investing in the future: i.e. increased competency ensured by receptiveness and support to training and development in the logistics sector
- Holistic view: i.e. a multimodal approach to transport for air, road, rail, sea and their combination in order to address transit bottlenecks.

- Cutting red-tape and duplication: i.e. interconnected (or even interoperable) Single-  
Windows to facilitate the relationship between the regulator and trade.

## **Conclusions**

FIATA wishes to highlight that the immediate result of the re-implementation of Yamoussoukro Decision would require little upfront investments.

With key focus on specific bottlenecks and a re-focused implementation approach toward open skies and the fifth freedom air traffic rights, FIATA believes this policy action would result as a catalyst to initiate transformation and progress in Africa's development and eventually kick-start the process to review its infrastructure needs.

FIATA is a supporter of the Yamoussoukro agreement and we look forward to continuing the discussion on its re-implementation. With over two decades behind us since the decision of the Yamoussoukro agreement had been reached FIATA believes that the revival of the agreement seeking a new focused and targeted implementation initiative would realise the fulfilment of the Yamoussoukro agreement's objectives and contribute to creating greater prosperity in the African continent through better trade.

We remain available to discuss any of these key points with the institutions and other stakeholders in the African region with a view to the facilitation of African trade.

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