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FIATA

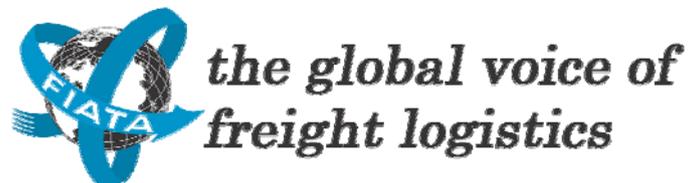
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Contents

Composition of FIATA

President's Report

Director General's Report

Airfreight Institute (AFI)

Customs Affairs Institute (CAI)

Multimodal Transport Institute (MTI)

Advisory Body Dangerous Goods (ABDG)

Advisory Body Legal Matters (ABLM)

Advisory Body Security Matters (ABSM)

Advisory Body Vocational Training (ABVT)

Composition of FIATA

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Manager ABLM & ABSM	Peter Maegerle
Manager ABDG & ABVT	Markus Schöni
Manager MTI	René Zimmermann
Administration	Mrs Barbara Wieser
	Mrs Sabrina Bonacker

President's Report

Saying time flies is surely beyond reality!

This is my second year of office, and believe me it has been full of exciting happenings, the Presidency has had their hands and brains fully occupied by many important topics and you will see many developments folding out in the weeks, months to come. You may be assured that the Cairo Egypt world congress will be worth while to attend.

Reading the Director General report, you will see that the secretariat as well has increasingly been involved in many meetings and topics, the FIATA presence with UNCTAD, WCO, WTO and obviously GACAG has considerably increased. All in order to better serve the interest of our members and our industry.

Several members of the Presidency attended various Members' meeting and international congresses highly contributing to their success and paving the strategy for the industry.

Personally I was honored to attend the RAME field meeting which was as usual very well organized and attended by many delegates from the region.

I like to take this opportunity to re-convey the Presidency position regarding these field meetings, we, believe these meeting are of great interest to the Regional members, however these should remain working meetings dealing with regional topics and should not take place the same year in the region in which the world congress is organized.

Unfortunately going back to my last year report, I cannot but have to confirm that indeed the world economy is still very much underperforming, and no region of the world escape from this general negative trend.

Carriers both Air and Ocean are suffering the same way as we do and the fact that they are not able to plan capacity and route development hamper their operation and profitability.

This peculiar situation is obviously not helping smooth development and stability.

Therefore in these difficult times, we the Forwarders, architect of transport and customers of these carriers need to enhance our capabilities through automation and staff training.

Talking about Vocational Training, I am proud of the work that has been done in this area.

Hard working and dedication has resulted in the ICAO/FIATA training agreement, this is a great achievement and my recognition goes to the actors of this great success and FIATA capabilities in vocational training recognition. Now the work starts, we need to coop with new training needs and update our courses.

All of us associated and individual members must support the FIATA vocational training, make use of it and do not hesitate to call on our training specialist.

You may as well have caught some information's regarding the future of our secretariat, well yes our Director General has reached the well-deserved retirement age and will be leaving us after the Cairo congress, no doubt it will be difficult to replace his many years of experience and in-depth know how of our organization pattern. We will during the congress introduce you to the new man who will have this very important position.

More information will come to you on this topic during the Cairo congress.

Jean-Claude Delen
FIATA President

Director General's Report

First the good news: since admitting further associations on the occasion of our congress in Bangkok, FIATA today has a total of 112 Association members and has thus reached its highest ever number. This continual increase in the number of Association members shows that it is precisely in difficult times that an active world Federation like FIATA can be of great use to its members. The total of over 5'600 Individual members in some 150 countries is also gratifying. In order to increase the advantages offered to these Individual members too, the Secretariat already began last year to send a regular 'FIATA E-Flash' to all our members, listing the latest developments in our industry.

Now the less good news: the unstable political and economic situation throughout the world does not make the work in our industry any easier, and this naturally makes it harder in turn for our members and for us. The local political problems meant that our World Congress 2010 in Bangkok did not get off to a good start, and the result was a relatively low turnout. But I would like to take the opportunity to express my sincere thanks to our co-organizer TIFFA for their excellent support in organizing this congress. Without a doubt, none of the participants regretted coming to Bangkok. Unfortunately, however, the prospects for the World Congress 2011 in Cairo are no rosier – and once more it is on account of local political unrest. Nevertheless, I am convinced that in Cairo, too, we will have a congress that is excellent in every way. The preparations hitherto made by our Association member EIFFA are very promising and also include a varied accompanying programme.

In the last reporting period, there has been a further increase in the number of Secretariat staff members attending the conferences of various international organizations. Our experts have regularly participated in expert meetings of UNCTAD and UNECE in Geneva, UNESCAP in Bangkok, the ICC in Paris, the WCO in Brussels and also – a new development – in various events of the OECD, OSCE and the International Transport Forum. It has been shown once again that FIATA's presence at such occasions is incredibly important for representing the interests of our industry.

Our Institutes and Advisory Bodies too have been very busy, as we can see from their reports on their activities. I thus wish to thank all the active members of these technical bodies, who in the interests of all our members have invested their considerable technical knowledge and much of their time in this work. Without their magnificent support, FIATA would hardly be in a position to keep its members properly informed on a continual basis about the latest developments in the different specialist areas.

The various field meetings of our Regional Bodies showed a continuing high level of participation. The concept we adopted of dealing with regional problems at such regional meetings, then referring them where necessary to the appropriate technical bodies of FIATA, has proven itself to be successful.

And now, to close, something more personal: this will be my last annual report, since I have decided to stand down at the end of 2011 and go into retirement. Almost fifteen years as General Director are a long time. Nevertheless, I would not want to have missed a minute of it! It was always a pleasure to be in contact with our members from across the world, and to meet them in person at FIATA events. For this, and for your constant support, I wish to express my heartfelt thanks.

Marco A. Sangaletti
Director General

Airfreight Institute (AFI)

The FIATA Airfreight Institute is looking back on a very active year.

We have opened new avenues of industry dialogue with both international organizations and industry focused NGO's.

You will find below an overview of what we have accomplished and what lies ahead.

ICAO – The International Civil Aviation Organization

Last September FIATA was invited to attend the 37th Assembly of ICAO in Montreal, which commenced a path to bring the two organizations closer together in an effort to improve aviation security and safety in the air cargo supply chain,

In April 2011 ICAO's Secretary General, Raymond Benjamin and FIATA's President Jean-Claude Delen, signed a MoU to establish a basis for collaboration between ICAO and FIATA on the development of an ICAO/FIATA freight forwarder dangerous goods training programme and other training activities in the areas of aviation safety and security.

On July 13, 2011 ICAO and FIATA concluded an agreement to implement an Air Dangerous Goods Training Programme for the Freight Forwarding industry. At signing Mr Benjamin commented: "This is an extremely important initiative for enhancing the safety of the global air transport system. Freight forwarders account for a large segment of all shipments transported by air and constitute a critical element for strengthening the air cargo supply chain around the world. "

The two organizations are looking at extending their partnership to include air cargo security and to establish a related programme for freight forwarders in the near future.

FIATA and AFI trust that our members will promote and participate to the new ICAO FIATA Air Dangerous Goods Training Programme, and may contact the AFI Manager for any details or questions.

GACAG – The Global Air Cargo Advisory Group

At the invitation of The International Air Cargo Association Mr Delen attended TIACA's Air Cargo Forum last October 2011, and FIATA along with TIACA, IATA and the Global Shipper's Forum (GFS) committed to form an industry advisory group facilitated by TIACA to present a single voice to worldwide regulatory authorities.

Mr Delen said at the time; "FIATA is recognized globally as representing the freight forwarding industry and this is a role I believe we perform successfully. We are constantly looking at how we can bring even greater value to FIATA's membership and we therefore see strong potential in being part of any group that is intent on protecting the vital services forwarders perform. We clearly have a lot of areas to consider but we believe it is time for associations like FIATA, TIACA and IATA and hopefully others, , to look at how we can collectively approach the issue of regulatory and industry affairs as this is an area where we need the strongest representation. We need to be able to influence decisions that are outside of our direct control but that can have the most dramatic impact on the effectiveness of the members of all our associations."

The four associations will come together to look at their current positions on issues such as security, customs reform, e-Commerce, and the environment and to try to find common ground to best protect and promote the interests of the air cargo industry, the organizations and its customers.

IATA – International Air Transport Association

Training

Following various discussions between IATA and FIATA, and a meeting of the IATA / FIATA Consultative Council in February 2011, where it was agreed by airline and forwarder representatives to send a unanimous recommendation to the Cargo Agency Conference to amend the training

requirements to recognize FIATA training. IATA and FIATA amicably agreed to separate their training activities. Additionally, IATA and FIATA, through the IATA FIATA Consultative Council (IFCC) will collaborate with each other to offer independent training solutions.

However, following the signing of the termination agreement between FIATA and IATA, IATA's Cargo Agency Conference rejected the unanimous recommendation of the IFCC.

Industry Relations

During meetings with the IATA Cargo executives and separately with the IATA Cargo Committee at IATA's March Symposium in Istanbul, FIATA presented its views on the future direction of Forwarder – Airline relations.

The specifics were presented to FIATA members at the Zurich Head Quarters meeting a week later, and were then detailed in FIATA Press Release 11/03 of 21 March 2011 titled FIATA Air Freight Institute announces Industry Relations Action Plan.

CASS

The Cargo Accounts Settlement System (CASS), is an area where AFI is advocating for an adoption of the CASS model operating in the United States, where due to anti-trust issues; there is no mandatory use of collective credit policies, collective credit terms and zero tolerance,

Last year AFI identified an urgent need to review and revise the existing Criteria for Registration and Retention of the European Air Cargo Programme (EACP) considering that the strict application of CASS Financial criteria had resulted in a situation where perfectly compliant forwarders had been required to provide additional security bonds.

As a direct result of the efforts made by Vice Chair of the EACPJC Mr Hermann Donker with the support of Mr John O'Connell, we were able to report recently on the changes to the Criteria in EACP countries. The agreement and changes to the Criteria for Registration and Retention of the European Air Cargo Programme will alleviate most of the current difficulties and will greatly reduce the number of financial reviews.

In overall terms, the agreement is proof that in the correct forum airlines and forwarders can reach an agreement on changes that are clearly for the common good of both parties and the overall industry

In closing I want to stress that AFI is working hard to protect the interest of our members, the Freight Forwarding Community, therefore we need your input and comments on problems which arise in your country, so we can act accordingly in "real time"

Let me welcome you all to our Congress in Cairo and especially to the Main Forum where we will showcase our new relationship with ICAO.

Rodolfo Sagel
Chairman Airfreight Institute

Customs Affairs Institute (CAI)

Border security continues as the *raison d'être* for customs administrations. While traditional functions of facilitation of trade, fiscal requirements and other community safety obligations continue the focus on security has been escalated. New processes as to the receipt of information in relation to cargo report and import declarations have been, or are being introduced, in order to enable early profiling of goods and service providers in the international supply chain.

Customs administrations have taken on a variety of new roles in terms of border security requirements whether that be related to import prohibitions and restrictions, product safety, intellectual property or biosecurity / agriculture requirements. This is seen as a natural fit to the roles of customs administrations however in relation to many of these functionalities a different mindset as to the tasks of security, safety and the facilitation of trade for legitimate traders need to be applied by customs administrations.

All of these changes cannot be accomplished in the amalgamation of border agency processes as differing philosophies on regulation apply in these different applications and there is the need to integrate these aspects closely with business processes. It is this *leap* in the mindset of customs administrations as to the integration of changed regulatory objectives into long-standing cost efficient business practices which needs early and sustained attention. These are challenges which face not only regulators but also service providers in international trade logistics and supply chain management.

Border security initiatives such as the Import Security Filing (10+2) of the United States Customs and Border Protection are now maturing as industry and regulator now integrate processes to ensure the necessary information exchange within required time frames. The ISF *benchmark* is now being translated into process improvement in many other developed or emerging economies customs administration. These new requirements when combined with transport security and soft economies place a significant financial burden on international freight forwarders as administrations cost recover or pass on their costs to the private sector. It is therefore appropriate that International Federation of Freight Forwarders Associations (FIATA) through its Customs Affairs Institute (CAI) intervenes in these *changes in practice* to protect the interest of service providers.

In taking up this challenge the CAI has continued to work through international governmental bodies such as the World Customs Organization (WCO), International Civil Aviation Organisation and the World Trade Organization to address FIATA members' interests.

Through the WCO Private Sector Consulting Group (PSCG) FIATA continues its work on WCO policy which impacts on national customs administrations. FIATA is the largest international non-governmental association on the PSCG and in support of those WCO initiatives FIATA re-signed a new Memorandum of Understanding (MOU) with the WCO in late 2010.

This new MOU, participation in the PSCG and its bilateral discussions with the WCO has enabled FIATA to position itself as to its recognition by customs administrations (and other regulatory agencies) as the leading advocate on border management and freight forwarding issues. In this regard FIATA was invited to participate with the WCO in discussions with International Civil Aviation Organization (ICAO), International Air Transport Association (IATA) and other key entities on issues relating (Annex 9 and 17 of the Convention on Civil Aviation) to air cargo security.

This invitation to FIATA represented recognition by the WCO, ICAO and IATA as to FIATA's key role in the representation of service providers in the international movement of airfreight.

Other issues being referenced by CAI include:

- WCO SAFE Framework of Standards to Secure and Facilitate Global Trade,
- Revised Kyoto Convention,
- Development of the Authorised Economic Operator concept
- Mutual recognition
- Supply chain security
- Globally networked customs

A variety of other issues being considered in international and regional customs forums remain *work in progress* for the CAI.

In the European Union context this work has been facilitated by the close liaison between FIATA and the European Association for Forwarding, Transport, Logistics and Customs Services (CLECAT) which has continued to ably represent FIATA, and articulate its policy, at WCO meetings where it attends on behalf of FIATA.

In addition, to support the work of CAI and facilitate issues with CLECAT, the appointment of Mr John-Francois Auzeau as Vice Chair of CAI has provided considerable technical skill and support on European Union issues (which now appear to mirror those of the United States).

As previously reported CAI has over the last twelve (12) months sought to develop a wider base on members input into its work by way of the establishment of a CAI Customs Reference Group. I would like to be able to advise that this has been a total success however unfortunately we still have the *few* that were noted in the 2010 report. I again urge FIATA members to contact the CAI Manager, Daniel Bloch to contribute to the work of the Reference Group. I also thank Daniel for his ongoing support as to the Secretarial support to CAI.

As reported in 2010 customs intervention in supply chain security has not, in the past twelve (12) months, abated and such intervention continues to add costs and delays in the supply chain process. FIATA and its member associations must strive for the balance between appropriate regulatory control and trade facilitation.

The challenge as highlighted in 2010 as to customs, transport security and other induced cost pressures remain. FIATA member support is crucial in delivering appropriate member outcomes on these challenges.

Steve Morris
Chairman Customs Affairs Institute

Multimodal Transport Institute (MTI)

2010 will be remembered as a year of financial recovery for virtually all modes of transportation.

While it appeared to welcome in a new period of growth and prosperity, this may well have been wishful thinking as towards the end of 2010 and early 2011, there appeared to be an economic slowdown which surprisingly the major ocean carriers for one seem to be ignoring as orders are placed for new buildings from 9 – 10,000 TEU vessels to be delivered in the upcoming years. In fact of the 230 ships due for delivery next year, 59 have a container capacity of approximately 10,000 TEU's or more. Projections for global economic growth may support these plans and the sheer economy of scale may well favor such vessels in major trade lanes but world trade, as we well known, is a fickle thing.

One thing that may soften the impact the influx of new vessels however is if the equipment manufacturers cannot make up for equipment shortages experienced in 2010, which came about as the previous year's oversupply gave rise to retiring a huge portion of the global container fleet, not yet fully replaced.

As mentioned in our report last year, the introduction of the EU's ENS System gave rise to, from what we have been able to determine, little or no concerns brought to our attention, while this may change as increased enforcement is announced for the year ahead.

One thing that we can embrace as international freight forwarders is the fact that as the complexity of transportation increases, the demand for trained and skilled professional transportation intermediaries (a reality our industry supports through our training initiatives and in fact FIATA's training program certification) will continue to grow as outsourcing of transportation services to the forwarding industry will continue to meet that demand.

The following are highlights of the activities of our three working groups and the initiatives they continue to pursue on behalf of our membership. We have tried to limit these to those of greatest significance and with this in mind; our Working Group Road contributed the following update.

Our Chairman, Mr. Kosta Sandalcidis, invited Mr. Haydar Ozkan to make a short presentation about the last developments of the TIP System and E-TIR. Mr. Ozkan is the delegate of the IRU for the Middle East and CIS countries. He made his presentation during the 10th SEEFF Congress (South East European Freight forwarders Congress) which was held in Istanbul on 27th May. Our Chairman also moderated the panel where Mr. Ozkan spoke and wherein he informed the audience (some 250 attendees from various regional countries, including our Past President, Aldo da Ros, Ivan Liptuga, Extended Board Member and Francesco Parisi, Presidency Member and addressed in his speech the recent activities of the IRU.

As has traditionally been the case, Working Group Sea has been active in a wide variety of initiatives.

Membership of the FIATA Working Group Sea has remained strong and members have met three times in the past year. In fact the meeting aligned to the FIATA World Congress in Bangkok in 2010 was attended by the highest number of advisors previously recorded.

Meetings were also held in Rotterdam (February 2011) and Chinese Taipei (June 2011) and Working Group Sea extended their thanks to the Netherlands and Taiwan Associations for their kind invitations and subsequent generosity for meetings held in these locations.

In fact at the Rotterdam meeting it was decided to attempt to interface with local stakeholders, an initiative undertaken for the first time in Chinese Taipei with executives of Yang Ming and Evergreen invited to make presentations and engage in discussions with the Working Group. The success of these interface sessions will undoubtedly lead to more of these initiatives in future.

Working Group Sea's agenda includes the following topics that are being followed and acted upon:

- Piracy – regarding which the Working Group continues to support any and all initiatives to reduce the threat of global piracy and supports the ICC activity in this area.

- Incoterms 2010 – Where the Working Group continues to be consulted by the ICC and promotes the use and understanding of the new Incoterms through our membership and their client base.
- Rotterdam Rules – continued monitoring of this topic and work to position FIATA documentation to adhere to any revisions that the adoption of such a Convention may bring about.
- Global Security –
 - C-TPAT, PIP, AEO, etc. and other security schemes and their global recognition is a topic of continued concern.
 - 100 percent container scanning as proposed by the U.S.A. has been followed closely and we remain hopeful that enhanced screening will replace scanning as a viable solution.
- NVOCC and US Tariff Filing – An initiative that the Working Group continues through the U.S. members to pursue and address inconsistencies of treatment in U.S. and non-U.S. forwarders.
- and finally, Implementation of an Advanced Manifest System for China and the possible NVOCC rate filing – followed closely by the Working Group which has reinforced its contact through the assistance of our colleagues at HAFFA to ensure that we remain aware of developments in this regard.

Working Group Rail's activities are highlighted herein.

The activities of the Working Group Rail have continued to embrace a broad scope of issues.

The marketplace seminars first initiated in Prague in 2008 have continued with marked success in Istanbul 2009, Barcelona 2010 and Hamburg 2011 scheduled for end September/early October.

In the past year this Working Group made an effort to examine rail on a broader than traditional scale and our Bangkok Conference reflected a good example of this as increasingly we address issues beyond traditional area of the E.U.

Rail and its relationship to combined/multimodal transport and even ferry services in the Black, North and Caspian Seas have been subjects of interest.

Issues of joint concern addressed with CLECAT are regularly pursued through this mechanism while broadening our contact with partners to address rail transport issues within the UIC in Paris includes communications with IBS (Interessengemeinschaft der Bahnspediteure), ESC and UIRR.

And finally, E-freight and the CIM/SMGS common transport document is a matter under review to widen the legal area and expand the application to cargoes such as dangerous goods, chemicals, etc. E-freight and the pilot project between DBSR – SNCF Fret on CIM electronic exchange is of continuing interest as well.

In reviewing this report we hope that the activities of MTI and in fact the working groups therein address the needs of the FIATA membership and if not, please bear in mind that we are there to serve our members and welcome any and every issue which may be of concern. We may not always be able to address each and every one for a variety of reasons but you can always be assured of an explanation as to why we cannot or otherwise an initiative undertaken at your suggestion.

In closing I would like to thank the chairmen and members of our working groups for their assistance over the last year. Mr. Kosta Sandalcidis, Chair of our Working Group Road, Mr. Ivan Petrov, Chair of our Working Group Rail and Mr. Robert Keen, Chair of our Working Group Sea, thank you again.

Respectfully submitted,

Christopher J. Gillespie
Chairman Multimodal Transport Institute

Advisory Body Dangerous Goods (ABDG)

Although the dangerous goods regulatory framework generally still is dynamic, fortunately for freight forwarders, carriers and shippers, the process of further development of the regulations has reached calm water. The legal structure has been settled and also the process of harmonisation between mode specific dangerous goods (DG) regulations has reached a more or less comfortable level for the stakeholders. Much has been achieved, but, despite all efforts made, some issues are still pending. The fact that the last twelve months were not marked by particular highlights in the sector of hazardous cargo transportation must not lead to the illusion that the freight forwarding business will not be affected by future activities of the regular international DG committees and their sub-groups at UN level that each meets at least two times a year to fine-tune the provisions. This and the fact that, also from the freight forwarder's point of view, the DG regulatory framework still is not perfect, makes it necessary for FIATA to regularly attend UN and other meetings in order to closely follow and influence discussions by own proposals.

Iceland has recently joined the ADR Convention for international DG road transport which now has an extent of 47 Contracting Parties covering an area from the very north of Europe down to North Africa (Morocco and Tunisia) and already touching western parts of the Asian Continent like Azerbaijan and Kazakhstan (RID for DG rail transport has 44 members including Algeria, Tunisia, Iran and Iraq). FIATA is glad to notice that some non-UNECE countries in the Middle-East, Southern Asia and Latin America also already apply some of its provisions to domestic transport. To further facilitate international DG carriage FIATA strongly endorses a wide dissemination of ADR / RID not only for cross-border transportation but also for domestic transports like already regulated in the EU in order to abolish obsolete national provisions. To facilitate Euro-Asian transport, harmonization of the Agreement on International Goods Transport by Rail (SMGS) Annex II (applicable in Eastern Europe and Asia) with RID (applicable in Western and Central Europe, the Middle East and North Africa) would be highly desirable. Although an increasing number of non-UNECE countries have expressed an interest in acceding to ADR / RID, the technical regulations are complex and implementation requires the availability of expertise and properly organized administrative structures for the management of such regulations and their enforcement for both, government and industry. Training, including training of competent authorities, is an important factor of safety and security. FIATA urges that more efforts should be made to ensure the availability of expertise not only in companies in the logistics chain but also in governmental administrative structures. A key role to ensure compliance with DG regulations in industry has the DG Safety Adviser who should be implemented in any company handling DG in a country which is Contracting Party of ADR / RID.

From FIATA's point of view lobbying the further development of the surface DG regulations ADR and RID continued to be largely successful. At present FIATA is focusing its activities on the on-going work for the 2013 edition of the DG regulations. Still, one major project is the elaboration of a legal framework for a set of telematics solutions for the safe and secure hazardous cargo transport by road, rail and inland navigation. This work is based on a mandate given at UN level to an informal working group with the membership of FIATA. FIATA emphasises that any telematics applications, not only for the DG sector, will be supported as long as they provide significant measurable safety, environmental and economic benefits under the condition of stakeholder's voluntary implementation. Two research projects have started investigating demands, solutions (e. g. electronic consignments notes or electronic transmissions of load and vehicle conditions to first response teams) and cost-benefits situations. It is planned that legal provisions on this topic will enter into ADR / RID in 2017.

The role of freight forwarders when handling DG air cargo is still not really satisfying in terms of ICAO-TI and IATA-DGR training requirements. Although it is clear that personnel are required to receive training commensurate with their responsibilities, air regulations define training by profession (freight forwarder) rather than the function involved. As a result many freight forwarders receive DG training in excess of their real responsibilities which might vary from case to case as intermediaries between shippers and operators. ABDG and AFI will keep this topic on their agendas.

After being successful in achieving observer status at the International Civil Aviation Organization (ICAO), which filled a gap in the field of active DG lobbying, FIATA unfortunately failed in getting consultative status at the International Maritime Organization's Subcommittee on Dangerous Goods, Solid Cargoes and Containers (IMO DSC). IMO rejected FIATA's application and decided not to allow FIATA to reapply before it had taken action to realign its "practices" with the UN confirmed IMO "One

China policy". The "problem" remains that FIATA, in full agreement with its member association in China and Taiwan, recognizes Taiwan as "Taipei, China".

I would like to thank all my colleagues from ABDG who gave support and contribution to our joint work. A special thank goes to Mr Markus Schoeni from the FIATA Secretariat, who will retire by the end of this year, for his excellent administrative work "back stage".

Frank Huster
Chairman Advisory Body Dangerous Goods

Advisory Body Legal Matters (ABLM)

Rotterdam Rules

ABLM continued to follow consideration by various national governments and industry groups of the proposed UN convention on cargo liability for shipments wholly or partly by sea (the “Rotterdam Rules”). The convention will not become effective until it is ratified by at least 20 member states of the UN. It was reported that serious questions about the consequences of the proposed convention had been raised by legal experts from Latin America, who had signed a public statement to that effect entitled the “Montevideo Declaration.” Some European members also reported that the ratification process was very slow, and that many countries were looking to the United States to ratify before taking any action of their own. China has not taken a position on ratification, and has just begun soliciting industry views on the convention under the auspices of Dalian Maritime University.

Iran Sanctions

ABLM also continued to report to the membership on enhanced sanctions against trading with Iran by both the US and the EC, including restrictions on financial institutions that have held up payments on forwarding transactions affecting Iran. It was noted that the US sanctions generally prohibit trade with Iran unless an exception has been granted, while EC rules permit shipments to Iran unless items are on a prohibited list. The inconsistencies between the two sanctions regimes make it very difficult for forwarders to monitor compliance by themselves or their agents. Many questions and issues on this subject were raised by representatives from national associations attending the ABLM sessions.

Air Freight

The Air Freight Institute sought ABLM’s advice in opposing certain credit practices adopted by IATA and CASS that unduly burdened many forwarders. ABLM also assisted AFI in considering a request for FIATA to intervene as *amicus curiae* in a US court case that considers whether the Warsaw Convention’s two year time limit for the filing of cargo loss and damage claims includes indemnification claims brought by air freight forwarders against air carriers. While FIATA declined to participate, the case is being followed closely by ABLM and AFI.

Actions to Prevent Fraudulent Delivery against House Bills of Lading

The Pakistan International Freight Forwarders Association (PIFFA) reported on actions taken by the State Bank of Pakistan to prevent fraudulent delivery using house bills of lading for ocean shipments. Representatives from insurers noted that release of cargo before payment for the goods has become the single largest source of claims under insurance for the forwarding industry. It was decided that ABLM would form an ad hoc working group made up of co-opted experts and ABLM members to suggest recommended best practices to address shipment documentation and release of cargo at destination.

Port Reforms and Privatization of the Port Industry in Israel

The delegate from Israel made a detailed presentation to the ABLM about reforms in the administration of the ports in Israel and the resulting effect on port tariff charges, operational procedures and customs clearance.

Case Law Updates

An update on recent case law, mainly involving major cargo claims from around the world, is given at each ABLM session by a representative from the TT Club and continues to be one of the most popular items on the meeting agenda.

Antitrust Warning

The Presidency adopted a new FIATA antitrust compliance policy recommended by the ABLM chairman, as well as a written form of notice to be given to all delegates to FIATA meetings. The policy and a brief explanation were published as an article in the *FIATA Review*.

Correspondents' Agreement

A revised and updated edition of the *FIATA Model Correspondents' Agreement* was prepared by Manuel M. Vicens, ABLM member from Spain. This publication contains both a form of model agreement with alternative clauses, and explanatory text advising the freight forwarder about business issues to consider in selecting the proper terms for the agreement.

Richard Gluck
Chairman Advisory Body Legal Matters

Advisory Body Security Matters (ABSM)

2010/11 has seen a number of issues come to light particularly in respect of airfreight security and with the rapid recovery in many parts of the world after the economic downturns in 2009, just 2 years ago.

As expected the new Obama Administration in the White House has now settled in and after a slow start has in the last year promulgated several wide sweeping changes in respect of cargo security. The most noticeable of these was the reaction to the "ink cartridge" bomb from Yemen to the U.S. which was discovered by an express carrier in the UK. As of June 2011, the use of ETD (Explosive Trace Detection) was being considered inadequate in place of x-raying, but this requirement may well change. Further the administration recognize the need to involve forwarders to achieve higher percentages of screening and move the task upstream away from congested airports was being considered,

During the year there was again increased pressure to achieve 100% screening of passenger and freighter cargo, the former being targeted by the end of 2011 and pressure being applied to bring forward the requirement for cargo. However current DHS Secretary Janet Napolitano contends in a public statement earlier this year that 100% screening on all-cargo aircraft would be impractical and highly difficult to implement. In respect of ocean freight the U.S. has stated that the deadline for 100% scanning of maritime containers at foreign ports had been extended until 14th July 2012; however many people, including people within the U.S. administration, doubt we can achieve this target and certainly not by the stated date.

For many years there has been talk about mutual recognition but little action. However in November 2010, a U.S. - EU summit in Lisbon focused on the aspirations of prosperity and security. As a result at a further joint meeting in Brussels on 23 June 2011, The EU and U.S. officials signed a declaration adopting the Toledo statement on aviation security which was founded on previous transatlantic dialogue in the area of supply-chain security. This will have a significant impact as the U.S. and EU have the largest bilateral trade relationship and, together, account for about one-third of world trade. One of the major targets which will have the biggest impact to forwarding is the implementation of mutual recognition of U.S. and EU trade partnership programs i.e. AEO and C-TPAT.

Reporting on customs security programs, for AEO, it is encouraging to learn that a total of 2972 Full C&S certificates of compliance had been issued as of 1st March 2011 compared with our report last year which mentioned 2145 certificates, this being a year on year of 38%. However in respect of C-TPAT it is discouraging that while the U.S. administration has announced plans to increase the number of C-TPAT certified companies, CBP continues to apparently block attempts to extend the program to forwarders involved in international truck transport.

In January 2011, the FIATA Secretariat was invited to and attended the UNECE Inland Transport Security Discussion Forum in Geneva/Switzerland. Discussion points have been – amongst others – the security and safety situation in North Africa, the tragic railway accident in Eastern Germany, the accident on the river Rhine (Inland water transport security) of a ship loaded full with dangerous goods and the assault at Domodedovo Airport (Russia).

Although FIATA would seek to promote Annex 17 as the standard there is no getting away from the fact that IATA's Secure Freight program continues to attract interest from various governments albeit the standards have yet to be finalized. FIATA is, therefore involved in ensuring these standards and requirements are acceptable to the forwarding industry and at the same time protecting our dominance in our sphere of the transport change i.e. outside of airport to airport. Apart from Australia, where trails are still ongoing, interest has been shown by governments from the Middle East (Abu Dhabi, Dubai, Qatar), LATAM (Chile, Mexico), Africa (Kenya); and Netherlands while previous interest shown from Egypt is on hold.

While advances made with ICAO have continued, other than a further invite to attend the second ICAO Security Secretariat working group on supply chain security held in Switzerland in early 2011, there has not been much further development in respect of Security especially since the most recent amendment to Annex 17 has now been adopted

In respect of specific country issues, Forwarders in Indonesia have specific concerns. The authorities in Indonesia, in an attempt to improve security but without much notice endeavored to restrict 100% screening of cargo to 3 designated off-airport Regulated Agents at least one of whom was over 3 hours away from the airport. Both forwarders and airlines alike objected that post-inspection transport security was an issue as well as cost affects to shipments. This resulted in a delay of 3 months to the implementation and we must wait until August to see what will happen when the 3 months are up. FIATA has maintained a wait and see supporting role by publicizing what is going on

The Global Air cargo Advisory Group (GASAG) of which FIATA is one of the four partners has been established with 4 task group of which Security is one. During the coming year we are excited to see how this will allow us to shape the future of security within our cargo industry given all major stake holders have a part to this.

Finally in closing I would like to thank the members of the Advisory Body and in particularly Piet Timmermans who has stepped down after many years of involvement with ABSM and other parts of FIATA representing a security perspective such as ACSIF.

David Fielder
Chairman Advisory Body Security Matters

Advisory Body Vocational Training (ABVT)

ABVT – General

Vocational Education and Training (VET) prepares trainees for jobs that are based on manual or practical activities. In close collaboration with FIATA Association members, the FIATA Advisory Body Vocational Training continuously endeavors to promote and to raise awareness in training, to improve competitiveness through knowledge, skills and attributes acquisition in our rapidly changing industry. The introduction of training standards, i.e. the “FIATA Minimum Standards” (FMST) to obtain the FIATA Diploma as well as the newer Minimum Standards for the “FIATA Higher Diploma in Supply Chain Management” (FHDSM) is under continuous reviews to keep pace with the rapid technological developments, changes in our industry practices and requirements.

Revision in the Rules & Procedures for Validation/Re-validation of training materials developed by Association Members

Globalization has fostered two powerful trends of particular importance to the field of adult education: The infusion of non-Western perspectives into our thinking about learning, and the emergence of lifelong learning as a unifying concept of practice. FIATA Associations as adult educators can respond to these challenges and leverage on the opportunities that globalization brings. In line with the current industry practices, the ABVT adapts its Validation Rules and Procedures and monitors the re-validation intervals, minimum training hours, mode of submissions, validation questionnaires, attendance at validation and re-validation sessions, etc. ABVT continuously encourages all FIATA Association Members and assists them in developing a structured training framework as to promote professionalism in their respective spheres of interests.

FIATA Validation of Training Materials

In October 2010 (FIATA World Congress, Bangkok, Thailand) the materials/syllabus of Czech Rep. (SLS) Indonesia (INFA) Lithuania (LINEKA) Kazakhstan (KFFA) Singapore (SLA), Ukraine (AIFFU and UKRZOVNISHTRANS) and in March 2011 (FIATA HQ Session), Australia (FIFCBA) - France (AFT-IFTIM), Georgia (AFG), Ghana (GIFF), Chinese Taipei (IOFFLAT) Poland (PISIL) and Moldova (AEM-Trans) had been successfully validated or re-validated.

There are now 48 countries (as per 16th March 2011) that have FIATA validated training materials with 54 national training programmes. However, there are still 8 programmes (or 14%) of the FIATA-approved programs which have not been re-validated since 1996; these programs therefore no longer comply with the FIATA Rules & Procedures for Re-validation (exceeded the 4 years' intervals).

Awarding of FIATA Diplomas

2010/2011 has been another fulfilling year for ABVT. From 1st January 1996 until early March 2011, a total of 6'841 FIATA Diplomas were issued. From September 2010 to early March 2011, 242 Diplomas were delivered with Isl. Rep. of Iran heading the country rankings with 63 Diplomas, followed by Egypt (53) and Chinese Taipei and Ukraine both with respective 22 distinctions.

ABVT Forum

ABVT has organized so far, three Forums on Professional Education (in Vancouver, Geneva and Bangkok). These events were positive and well received particularly the last Forum in Bangkok – now officially listed in the Congress Agenda – saw many global attendants wishing to learn more on professional education and exchange views with other members.

The ABVT Forum is a strategic platform for Association Members, its Training Providers and those generally interested in the development of professional education for the industry to focus on best practices in training developments and executions in our business of freight, transport and logistics.

From this year's 4th ABVT Forum in Cairo (Egypt) we shall probably have again three sections, namely –Core Activities of ABVT, New Technologies in Training and Cooperation with other Organizations in field of training. A panel discussion with experts has been scheduled after each of the 3 segments. Invitations will be sent out to Association Members in due course.

FIATA/IATA/TT Club Young International Freight Forwarder of the Year Award (YIFFY Award) Competition 2010 and 2011

During the World Congress in Bangkok, Thailand in October 2010, the President of FIATA (Mr. Jean-Claude Delen) and the Chairman of the Steering Group of the Award (Mr Andrew Kemp, TT Club) were happy to welcome and award the four regional winners from Canada, Germany, Singapore and South Africa. Before the graduation ceremony and for the first time, the four winners had to present their dissertation to the Steering Group, thus to select the overall winner. The candidate from Germany was nominated "Young International Freight Forwarder of the Year 2010".

For 2011, 22 Candidates have been nominated by their respective Associations – the highest participations since the initiation of the competition in 1999 - finally 19 young professionals submitted their dissertations by the 30th April 2011. The YIFFY Steering Committee has selected the four regional winners. The lucky four has been announced in July 2011 and they will be invited to attend the FWC 2010 in Cairo (Egypt) where the Overall Winner is elected.

For the YIFFY competition 2012, the Steering Group will probably select again an "open" topic. This format should allow candidates to interpret the assignment in a more flexible, personal and locally adapted way. ABVT strongly recommends that Associations should organize National Competitions to select their top candidates for YIFFY Award.

FIATA Foundation Vocational Training (FFVT)

In February/March 2011 the Foundation was asked to assist UNCTAD (United Nations Conference on Development and Trade) and PIFFA, the Pakistan International Freight Forwarders Association in the delivery of a Train-the-Trainer (TOT) course in Northern Pakistan (Lahore). This course was mainly sponsored by UNCTAD and the World Bank.

A project in East Africa had to be postponed due to some local problems but FFVT hopes to realize this venture later in 2011. Furthermore the Foundation is working on a project in Latin America.

The Foundation takes the opportunity to warmly thank its regular Sponsors and all those FIATA Individual Members which have voluntarily increased their annual membership fee by an optional donation of Swiss Francs (CHF) 25 for the Foundation. A large number of the members have chosen to donate in this way.

During the World Congress in Cairo, Egypt the Foundation will again organize its traditional fundraising raffle. Raffle tickets can also be purchased via the Registration form.

Projects of FIATA ABVT

- FIATA Higher Diploma in Supply Chain Management

ABVT Validation Committee is ready to validate programmes of the FIATA Higher Diploma in Supply Chain Management (FHDSM). At the moment four Associations (AFT-IFTIM/France, SLA/Singapore, AIFFU and UKRZOVNISHTRANS – both Ukraine) have been approved by FIATA ABVT and are therefore entitled to deliver courses for the FHDSM. Applicants for this distinction should however be in possession of a FIATA Diploma before enrolling and applying for the FHDSM.

- Trainer Certification

Those participants who had attended successfully TOT Courses – FIATA or self-funded - can apply for a Trainer Certificate to be recognized as a trainer within the respective Associations.

- Associations' Self-Initiatives - TOT Programmes

The TILSCA/Chinese Taipei had conducted their TOT for FHDSM Program in Nov 2010 (Part 1) and Feb 2011 (Part 2) in Chinese Taipei successfully attended by over a dozen of specialist trainers.

Future Directions of the ABVT

International research clearly indicates that effective training and learning in organizations is critical, and there is a new role definition for training and trainers as supporting, accelerating and directing learning interventions that meet organizational needs and are appropriate to the learner and the context. Going forward, ABVT will continue to explore new initiatives in training development and

enhancing training standards with the objective to introduce vocational training pathways for FIATA Associations and their graduands as well as to assist Association Members in developing and promoting training sustainability through its training standards and best practices.

Capacity building in the area of Trainer Resources will continue to be one of the primary focuses of the ABVT. We shall build-up the capability of a competent pool of Trainers with recognition through periodic pedagogical, andragogical trainings and certifications, as well as professional upgrading opportunities for trainers in our domain.

New members of ABVT

ABVT is pleased to announce a recent application for ABVT Membership from Australia, Mr Bill Murphy who has accepted to join the ABVT sub-group "New Technologies" (e-learning/blended learning), and from France, Mr Christopher Ley (AFT-IFTIM) replacing Mrs Sally O'Farrell. She has asked to be released from her functions in the Body due to a change in her professional focus.

As we reflect on the past periods, I am deeply grateful for the strong support from all our ABVT members, the FIATA Secretariat, as well as their assistance and commitments, as ABVT continue its efforts in elevating the standards of professionalism in vocational training to greater heights in World of FIATA!

Thomas SIM
Chairman Advisory Body Vocational Training