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Deputy Director/Manager MTI	Kersten Ohl
Manager AFI, CAI & ABIT	Sandro Consoli
Manager ABDG & ABVT	Markus Schöni
Manager ABPR & ABLM	Peter Maegerle
Administration	Mrs Patricia Widmer

President's Report

This is my first report to you since I was elected President of FIATA. I would like to believe that since I have taken office, I have made proud, all those who supported me. The Bali congress of 2003 where I was elected as President, was excellently hosted by our national member in Indonesia (INFA) and saw over 600 freight forwarders from 76 countries.

There are several changes that we have witnessed over the past few months. Some initiated by us, and others that we have reacted to, but all of which we have dealt with.

The Presidency and Headquarters meetings have taken us ahead on many issues. Recent developments from the meetings include a change in the structure of the Young International Freight Forwarder of the Year Award. As you know, from 2005, the award will be regional, so instead of one winner, there will be four winners. One from each region and all will be flown to the FIATA World Congress, from where the final winner will be declared. This is just one of the changes among many taking place within FIATA. The main aim still being to promote, protect and assist our members. FIATA has also revamped its newsletter the FIATA REVIEW, the website has been made more user-friendly and as you know the FIATA Secretariat has moved to a new office facility.

Progress is never-ending at FIATA. And during my Presidency, I would like to see us take sound leaps.

As with my predecessor, I too am presiding during treacherous times. The after-effects of SARS, the Iraq war and the aftermath of 9/11. All of which brought the spotlight on our lacking security measures. In the bat of an eye, governments were up in arms with new protocols and procedures. Some would say, too quickly. Regardless, the consensus is that these measures are immensely needed. Thus, among others we are now subject to AMS, ISPS, ACI, dangerous goods regulations & border controls, war-risk surcharge, response plans for proposed threats and security fees. At the same time, the United Nations Council of International Trade Law is trying to pass a legislative guide that will assist countries in adopting modern secured transactions legislation. This will increase access to low-cost credit & facilitate cross-border movement of goods and services. This is all a lot to swallow for such a short time and the freight logistics industry has looked toward FIATA to lead the way.

As most of you are aware, a task I took upon myself was to enthuse the board to assist me in formulating a road map for FIATA. This consisted of my short term and long term vision for FIATA. In the short term, I have set out goals and activities that are achievable within my tenure. For the long term, I mapped the route I wish to see FIATA take over the next 10 years. We are now on a membership drive and all individual and national members are deeply involved in increasing our numbers. I too have spent a major part of the past year traveling to meet prospective new members, current members and attend conferences to promote FIATA. Among the places visited, I have been to Singapore, Cairo, Amsterdam, Berlin, Karachi, Geneva, Kuwait, Kampala, Nairobi, Shanghai, Sao Paulo and Buenos Aires. During every visit, I emphasized the importance of adding value and the benefits of membership within FIATA.

I hope I have covered all relevant topics and as an end note I would like to mention a very important mover for FIATA from a marketing standpoint. We are currently in the process of putting on the finishing touches and promoting the new FIATA slogan. I hope this is something that embodies our true ideals and all our members directions.

With that, dear members, I wish you a successful summer (if you are at a summery zone like I am) and look forward to seeing all of you at the Congress.

Issa Baluch
President of FIATA

Director General's Report

After a long time of evaluation the FIATA Secretariat finally moved end of November 2004 to its new premises in Glattbrugg/Zurich. It is at a very convenient location: close to the airport of Zurich, with several hotels of different standards within walking distance, but also well connected by the public transport system. There is now also a conference room for up to 14-20 persons to our disposal, which has already been often used either by the Presidency or Working Groups of FIATA for their meetings. The many visitors who have already come to see us have all been of the opinion that FIATA has now offices which are adequate for an organization of the prestige and importance like ours.

Despite the not very promising preconditions (SARS and the threat of terror attacks) our World Congress 2003 in Bali/Indonesia has been a great success. A great compliment goes to our colleagues in Indonesia who pleased us with an excellent organization at a beautiful venue. However, the decreasing number of participants shows that we cannot fail to see that we have to look into the whole structure of our congresses in order to attract more freight forwarders from all over the world. A first step has already been done by introducing a new programme structure as from 2007, which will leave more time for networking. This as a result of the analyses of the questionnaires filled out by many participants of the last congresses.

Our technical bodies - Institutes, Working Groups and Advisory Bodies - have been involved in very important topics, such as the security measures for cargo, the preparation of a draft instrument on the carriage of goods by sea, etc. The outcome will have a great influence on our industry, and I have to thank all those who are fighting along a wide front for the position of FIATA and its members.

It has also been very encouraging to see that some of our Regional Groups are getting more and more active. A very positive example is the field meeting of the Region Africa/Middle East which was held in February 2004 in Alexandria/Egypt.

Last but not least I have to inform you about some changes at the secretariat. Yvonne Widmeier has decided to go for some time to Mexico to improve her Spanish and is therefore leaving us. She will be replaced by Florence Richard whom most of you still remember. She left us about three years ago, but is happy to have the opportunity to come back to FIATA. And our Deputy Director Kersten Ohl will retire by the end of this year after working for over 16 years for FIATA. His successor has already been found, and you have the opportunity to meeting him at our FIATA World Congress 2004 in Sun City/South Africa.

Also on behalf of my colleagues at the FIATA secretariat I would like to thank all of you for the very pleasant co-operation in the past year. It is always a great pleasure for us to be in contact with you – either on the phone, but even more personally at one of our annual events!

Marco A Sangaletti
Director General

Airfreight Institute (AFI)

European Cargo Agency Programme Joint Council

The EU authorities decided that no further individual exemptions would be granted anymore as from May 1, 2004. Consequently, IATA's submission for a renewed exemption was not examined. IATA then tried to obtain a "letter of comfort" for the programme but this was not obtained either.

Therefore the European Air Cargo Programme was drafted so that it could operate in a non immunised environment.

The participants in the ECAPJC also reconfirmed three major statements made at the previous meetings as well as at the IFCC meetings that

1. The European Air Cargo Programme has been drafted first as a world-wide Programme but several times refused by some carriers at the CACConf with the unfounded argument that the New Air Cargo Agreement does not fulfil the requirements of the different areas and that the trade practice in other areas are not the same as in Europe. These arguments have been clearly rejected by the majority of the airlines as well as by the IFCC. Therefore, the European Cargo Agency Programme has been drafted in such a manner that individual non-EU country worldwide can participate in the Programme.
2. In the EACP Joint Council each country delegates one freight forwarder and one carrier with voting rights whilst additional delegates are observers which can comment proposals or propose amendments which are to be adopted by the EACP Joint Council. The majority of freight forwarders representation and the majority of the airline representation have both to agree. CACConf has no veto right.

It was acknowledged that a gradual introduction and a roll-out by country of the new programme, as had been envisaged previously, may no longer be possible in view of the deadline and loss of exemption at the end April 2004. It appeared necessary to implement the new programme throughout the current EU/EEA area replacing the current Resolution 805-programme entered into force from May 1, 2004.

There was also a need to consider the enlarged EU, as well as other interested countries, at that time and develop some transition rules, as the new EU countries and some other interested countries do not operate CASS and the new programme requires the CASS machinery to effectively monitor the cargo industry credit scheme.

The costs of operating the new programme would come from contributions via fees from all participants i.e. both airlines and intermediaries.

Further, adjustments to the Resolutions and Handbook were made. Prenotified short payment due to a dispute with a single airline would be subject to the CASS code of Conduct Rules and should be resolved bilaterally.

IATA/FIATA Consultative Council meeting

The request of India and Canada to incorporate both countries in the ECAP was discussed and it was agreed to prepare a study and report. It is envisaged that both countries may be part of the ECAP as from 2005. FIATA submitted comments in regard of the changes in the Conditions of Contract on the reverse side of the AWB due to the ratification of the Montreal Convention 1999.

FIATA's counsel was present at the meeting and referred to the longstanding FIATA complaint in respect of the gold franc conversion note at the top of the air waybill, which indicated the approximate value of 20USD for 250 gold francs. FIATA counsel noted that FIATA believed this to be inaccurate and further noted that the proposed addition of an illustrative conversion rate for the SDR in para 4 was also inaccurate

FIATA's counsel further noted that the conflict between "point of departure" and "point of arrival" and "airport of departure" and "airport of arrival" had taken on a new importance in light of recent case law and the CMR FIATA counsel contended that the air waybill in its phrasing only added to confusion for

Intermediaries and shippers and that a redrafting of the language was called for so as to better reflect the forwarder's role in the provision of carriage.

After a lengthy discussion regarding FIATA's comments, it was suggested that IATA Legal Counsel would arrange a conference call with members of the Cargo Legal Working Group and report back to the IFCC. The representative from QF Mr Finemore also offered to provide issues for consideration related to Resolution 600a to IATA Secretariat. The IATA Secretariat advised that it also planned to discuss these issues with CSC delegates in a series of conference calls prior to Conference.

CASS Update

The latest feasibility developments are:

- **Colombia** Feasibility Study: Reviewed by CPG-6. IFCC was requested to note that the CASS Policy Group had recommended deferring the endorsement of the proposed study. This postponement would allow Members to hold further consultations between Head Offices and local representatives on issues pertaining to this market.
- **Egypt** Feasibility Study: Endorsed by CPG-6. Director Cargo Area 2 in charge of pre-implementation details for 1st quarter 2004. Interviews for the CASS Manager position were held a week prior to IFCC.
- **Saudi Arabia** Feasibility Study: Endorsed by CPG-6. Director Cargo Area 2 in charge of pre-implementation details to be conducted 1st quarter 2004.
- **Thailand**: In line with the recent departure of Mr Zakris, Ms Chua Soon Keow was appointed Ad-interim Cargo Director for Area 3. It was foreseen that she would attend to this market to facilitate CASS implementation.
- **Hong Kong**: The new Ad-interim Cargo Director was expected to address issues in this market in order to continue with feasibility work.

The Group was also made aware of feasibility requests to develop CASS for Cyprus, Dominican Republic, Guatemala and El Salvador.

Montreal Convention 1999

The Montreal Convention 1999 is now ratified by 54 countries and by the end of this year it is expected that more countries will join at a forced rate.

For airfreight operations, there is very little difference between the old Warsaw convention regime and the new Montreal convention: the main changes affect passenger carriage. However it is worth noting that it is no longer possible to break the convention limit of liability (SDR 17.00/kg) on grounds of "wilful neglect" or "reckless misconduct". The limit of SDR 17.00/kg is absolute. The other main change is that the air carrier is now liable for loss or damage that occurs while the cargo is in his care, irrespective of where it occurs. The Warsaw conventions apply only to the period between receipt at an airport and delivery at the destination airport. The Montreal Convention now incorporates the rules governing the relationship between actual and contractual carriers, previously found in the Guadalajara supplementary convention.

Because of the changes caused by the Montreal Convention 1999 IATA and FIATA study a fundamental change of the AWB design as well as the Conditions of Contract on the reverse side of the AWB. However, Montreal Convention 1999 does not stipulate that the Conditions of Contract must be mentioned on the reverse side of the AWB and the same applies for the rates.

However, it is now too early to change the AWB as the Montreal Convention will only apply where both the sending and receiving airports are in signatory states. As the majority of the countries are still subject to the Amended Warsaw Convention 1929 it makes no sense to change already now the layout of the AWB.

IATA/FIATA Cargo Training Programme

Again the IATA /FIATA Training Programme has been reshuffled and this for the third time since 1996. FIATA provide a detailed history of the IATA/FIATA Cargo Training Programme. FIATA also stated its disagreement with the way IATA had handled important issues involving training. Mr Sims (XB) explained the current changes that had taken place within IATA and mentioned that under the new Matrix concept, training is now directly under his responsibility.

He believed that in this new environment he would look at resolving all issues. He added that he would meet with Mr Gottlieb to establish the parameters for a new working relationship and a joint IATA/FIATA working team would then be formed to move issues forward.

In June 2004 the IATA/FIATA Development Group met in Zurich and discussed the changes in the IATA/FIATA Training Programme. An issue was the Computer based Training and it was decided to follow up the matter. The questions for the October exams have been prepared as well as the up-date of the Training Kits.

Process to meet the Mandatory Advance Electronic Transmission of Cargo Information requirements by US CBP (AIR AMS)

IATA stated that the United States Department of Homeland Security (Bureau of Customs and Border Protection (CBP)) issued the Final Rule for required Electronic Presentation of Cargo Information last December, 2003. IATA had convened a small ad hoc working group of interested parties to develop a proposal for an industry standard approach to comply with the US CBP regulations. The group also identified deliverables and a work plan to accomplish the required associated tasks. Mr John O'Connell (BIFA) was present on behalf of FIATA.

The mentioned working group met three times in London and Geneva where it reviewed the comments related to the draft documentation circulated prior to the meeting. The group recommended that short and long term solutions were required. After a long discussion, the group agreed several actions, described as follows:

Actions:	IATA would liaise with FIATA to put a message on their (FIATA) website on what the industry is doing regarding meeting the requirements of CBP's Mandatory Advance Presentation of Cargo Information. Similarly, IATA will post the same message on its website as well. Mr Okpro to coordinate.
	To move forward with the working group as an IATA/FIATA joint effort. Formalization of the group would be sought through the CPCMG. Mr Acheson (XB) to act as Secretary.
	It was noted that the group should welcome more US based carriers and that it would be inappropriate to have suppliers in the group at this stage.
	Mr Sims (XB) reiterated IATA's support to this industry initiative.

On March 11, 2003 the first meeting took place and the IATA/FIATA guidelines on AMS published in 1998 have been redrafted and amended. At the same time the Cargo-Imp messages were up-dated to fulfil the new requirements. Meanwhile the Department of Homeland Security has extended the implementation schedule of AMS from March 5, 2003 to August 13, 2004 up to December 13, 2004 as the systems are not ready and as well as not enough trained personnel is available. This gave us time to examine our messages on mistakes and eliminate them. Further it was examined if freight forwarders can transmit the messages directly to AMS. However, carriers raised concern that the releases are not transmitted to the carrier.

As it is the airline that will be held responsible for the transfer of a complete set of information at master and house air waybill level. Many major airlines have therefore decided to transmit all necessary house air waybill data themselves. This applies for all consolidated shipments (shipments consisting of one or more house air waybills) and non-consolidated shipments (simple air waybills).

The final composition of a shipment is only known at the time of freight acceptance, as changes can occur due to split or part shipments. The airlines insist that all house air waybill information is fully disclosed to them.

Further, FIATA recommends to freight forwarders to abstain to enter their FIRMS (Facilities Information and Resources Management System) or the ABI (Automated Broker Interface) filer Code in the handling box of their HAWB if not transmitting the data directly AAMS.

IATA Cargo ID card

IATA asked input in relation to the re-design of the IATA Cargo Agent card, with the intention of making it more valuable for the forwarding Community. Whilst the concept of the re-design was presented to generate discussion and brainstorming, it was noted that at the moment there were 1.200 cards issued worldwide, with 600 in Canada alone (USA excluded), representing a drop of 30% since 1999.

FIATA noted certain value in the Canadian market given past travel requirements for staff. Most members believed the card did not provide anything of value and ultimately was not even recognized by governments or industry service providers. After a long discussion the IFCC agreed to discontinue the card.

Herman Donker
Chairman, Airfreight Institute

Customs Affairs Institute (CAI)

Dear Friends, the Customs Affairs Institute was engaged in the past year in many meetings particularly with the World Customs Organization (WCO). FIATA was represented in all major WCO meetings by CLECAT. They did a great job and many thanks.

Major issues were the Single Window meetings at WCO which deals with Single Window portal to allow importers, exporters, freight forwarders, carriers, etc. in a country to gather import and export information from governmental authorities. The aim of the governments is to assist the public for enhanced trade facilitation and expedited security measures. Obviously, Customs is the major player in the project and therefore very interested that the Single Window operates as soon as possible.

What is a Single Window?

A facility enabling the provision of standardized information with a single body to fulfill all import, export and transit related regulatory requirements. If information is electronic then individual data elements should only be submitted once.

Boundaries and Scope of the Single Window:

- Data – a minimum data set must be analyzed and agreed amongst all parties.
- Associated information systems – decisions must be made within individual countries about the systems architecture best suited to meet domestic SW functionality.
- Processes – SW has the potential to affect administrative functions within agencies, and the interface with the trade and transport industries.
- Policy – SW is a significant government policy matter that will need appropriate management within each domestic government.
- Legal Infrastructure, including legislative and contractual.

The Way Forward how to establish Single Windows in all countries. This will focus on either an individual or collaborative context.

Individual WCO Member Agencies

- Consult with trade and transport.
Identify all stakeholders and keep them involved. Use their expertise to assist with the justification of the case and the mobilizing of support.
- Show justification.
- Prepare the case for SW introduction. Calculate potential costs and savings across business and government - and collect evidence of your findings, including reference to experience available from the US, Singapore, Sweden and elsewhere.
- Get high-level support from government.
This might mean lobbying central government departments or convincing ministers and government officials of the importance and necessity for SW. Experience has shown that this is the most critical single aspect of making real progress with any SW implementation. Without such support it is much more difficult to get proceedings even started.

Collaborative

- WCO – continue close consultations with organizations such as UN CEFAC, ICC and with industry etc;
- Look internationally to the likes of APEC, NAFTA, Pan Asia Economic Alliance etc;
- Learn from the experience of others;
- Develop the justification, using the boundaries and scope areas listed above as a template;
- Identify the agencies that are able to give that justification detail.
- Continue to work closely with SITPRO including a continuation of workshops associated with the Information Management Sub-Committee.

The most advanced Single Window in operation is in the Netherlands and used by WCO as Model. However, not only WCO is pursuing the Single Window. Also UNCTAD and UN/ECE are involved in it.

The Chairman visited WCO on January 27, 2004 and brought up the concerns of FIATA regarding the responsibility of information in the "Supply Chain Security" transmitted by a letter to WCO after the FIATA World Congress in Bali. The Chairman mentioned very clearly that the responsibility of information lies in hands of the exporter or importer and not of the freight forwarder or declarant. Regarding the confidentiality of the information WCO agrees to the concerns of FIATA and mentioned

that their guidelines follow the rules of the European Commission which are very restrictive in regard of the confidentiality of information.

However, in the "UCR Accompanying Guidelines" the UCR can be generated by a "third party" on behalf of the exporter or the importer. In that case, the responsibility belongs entirely to the third party and not to the exporter/importer. Anyhow, we will suggest our members not to accept such requests and remind them that they would be fully liable towards customs if they agree to generate an UCR on behalf of the exporter/ importer.

Another issue is the security inspection costs required by the more sophisticated control equipment (scanners, etc.). Some countries already collect inspection fees (Australia, New Zealand and Senegal) to cover the costs. We understand that this is of vital importance, but from our point of view these costs should be added by customs to the goods duty and collected from the freight forwarder.

In several WCO Customs Information Management Subcommittee meetings Mr Sorgetti, Director General of CLECAT represented FIATA. Major issues were the Alignment of the Single Window Concept, Unique Consignment Reference Concept, Kyoto Convention guidelines and the management of the WCO data model. These items were submitted for review by the Permanent Technical Committee for approval to the WCO Permanent Technical Committee for approval.

The most interesting issues for freight forwarders were discussions of the ACI (Advanced Cargo Information) guidelines. The idea of the WCO Secretariat to integrate the guidelines as part of the Kyoto Convention was not accepted by the majority of WCO delegates without changes. They requested WCO also to rethink for the ACI a separate Convention. The ACI Convention will be ratified more compliant by the governments if they are not included in the Kyoto Convention. The introduction of the Kyoto Convention needs in many countries a change of the law which must be approved by the parliament which is cumbersome and time-consuming. The ACI Convention is a guideline and can be introduced by most countries without the approval of the parliament.

Until today 20 countries have ratified the new Kyoto Convention. The US government supports the new Kyoto Convention and the ratification by the US is expected in near future. This might be the stimulus for other countries to review their opinion and to ratify the Kyoto Convention.

International Standards for Phytosanitary Measures ISPM

The World Health Organization (WHO) has published guidelines for regulating wood packing material in International Trade. This standard describes phytosanitary measures to reduce the risk of introduction and/or spread of quarantine pests associated with wood packaging material (including dunnage), made of coniferous and non-coniferous raw wood, in use in international trade.

More and more countries request now to treat wooden packing material according to the ISPM 15 standard. Important is that government does not require phytosanitary certificates but accept the ISPM standard.

New Customs procedures.

The Russian Federation has since January 1, 2004 a new Customs Code which facilitates customs procedures remarkable. The Russian Federation has today a similar Customs Codex as the European Union.

In the E.U. the Commission is working on the revision of the Community Customs Code and other issues regarding the Security.

Alberto Petrozzi
Chairman, Customs Affairs Institute

Multimodal Transport Institute (MTI)

It is hard to imagine that almost another year has passed since I assumed the chairmanship of MTI from my predecessor, Juerg Hammer. On reviewing Juerg's last annual report I noted his opening comments with reference to security. The rapid implementation of initiatives in this area have kept our industry in a constant state of flux having to adjust to each new initiative placed before us.

Little has changed in this past year and in fact we have only seen an extension of initiatives such as the ISPM concerning standardized phytosanitary requirements for wood packaging, the ISPS Code which came into force the 1st of July this past year, the U.S. initiatives to address the risk of bio-terrorism, and my own country Canada's ACI Programme designed in many ways to mirror that of the U.S. AMS.

There is no question that the Secretariat and in particular, Kersten Ohl, have been pivotal in ensuring that our members are kept abreast of these developments and made aware of the impact they are likely to have on our industry and for that I wish to extend my thanks and congratulations for a job well done.

As most of us know, MTI is made up of three working groups: rail, road, and sea transport. Working Group Rail is chaired by Gustav Poschalko of Austria and one of their significant initiatives with the UIC culminated in a position paper/working plan entitled "*The Development and Liberalization of the Rail Sector in Europe*" which was tabled and approved at the spring meetings. There is little question as to the benefit of effective rail transportation and that the introduction of new players into the EU and the liberalization of this transportation mode taking place in most countries is a feature that we must follow closely. Having been somewhat taken for granted in a country such as Canada, we have seen of late how critical this mode of transport is to the effectiveness of our marine transportation infrastructure. We now must endure the result of the failure of our rail carriers to have had the foresight to accommodate the increased volumes which ocean carriers and terminals have grown to handle and as a result see major entry points clogged with backlogs of import containers unable to be moved through the system as a result of lack of rail cars.

The cooperation of FIATA's Working Group Rail and CLECAT's rail committee is of fundamental importance in dealing with the challenges facing the freight forwarding community in the EU. It is through this cooperation that FIATA will continue to be able to address the need of our members and cooperate with the service providers to improve the use of this mode of transportation to the benefit of shippers and receivers alike.

Working Group Road, chaired by William Poeschmann of the U.K., presented at our spring meetings a working plan for this working group to ensure that the needs of our members in conjunction with this area of our multimodal transportation services are addressed. Again in the case of Working Group Road, their close cooperation with the CLECAT Road Committee to ensure that the common concerns and in fact those concerns that go beyond the borders of the EU but are affected by initiatives taken within the EU are addressed in a common forum.

Much like rail transport the effects of an enlarged European Union on road transportation and a smooth integration of customs and road regulations concerning road transport are items of concern to the forwarding community and items addressed by Working Group Road.

Security too is an item of ongoing concern as rules and regulations concerning this important issue continue to evolve.

Working Group Sea chaired by Frank Boogaerts, Belgium, experienced yet again a year of challenges which appear to come from every sector. It seems nowadays that not a day goes by without a new security issued being launched by one or another country, the most recent of which was the Canadian ACI Programme. Given our experience with the U.S. AMS, the implementation of ACI seems to have gone quite smoothly.

As previously mentioned, the ISPM initiative to standardize regulations concerning wood packaging is equally gaining momentum and unfortunately creating some level of confusion as countries move to implement its regulations. India, while having amended their regulations, still appear to be indicating a

requirement for a phytosanitary certificate for wood packaging that has been fumigated while the rest of the world accepts certification of a fumigation process as evidence. This is just one of the many issues that forwarders active in the marine community must face in the years to come as the world attempts to draw some uniformity to its regulations concerning such an important environmental issue as the spread of non-native pests to the world's forests.

UNCITRAL continues to be an area of concern to our industry. The potential that the existing draft provides for the NVOCC to assume an inordinate level of liability as compared to the other parties to multimodal transportation remains unfair in our eyes. We have put in place a working group to address the UNCITRAL initiatives with a mandate to pursue those areas of greatest concern to our industry within UNCITRAL and ensure that our voice is heard wherever and whenever these issues are to be debated.

In closing I wish to remind our members that MTI and its working groups are there to address issues of concern to our members, issues we can only deal with if they are brought to our attention. While some may be regional by nature or a uniquely commercial problem, even these can benefit by an exchange of views and the experience of other in similar circumstances.

We welcome and encourage your input and participation.

Christopher J. Gillespie
Chairman, Multimodal Transport Institute

Advisory Body Dangerous Goods (ABDG)

It has become a habit to express "it is remarkable how quick the time goes by when you are having fun". Transport of dangerous goods is regarded as an important topic and it is stimulating to take part in the discussions as well as in the development on the international scene. The latest example of the importance of handling dangerous goods correctly can be found in Singapore.

Singapore's MPA has reminded chemical terminal operators of the importance of cargo segregation. A Port Circular issued July 7 highlights the risks of failing to comply with the requirements of the IBC and BCH Codes and the usefulness of USCG's Compatibility Chart as a guide to the identification of incompatible cargoes. The Circular reminds ship owners, ship masters, and owners and operators of chemical terminals of their responsibilities and asks terminal operators to report to MPA any occasions when chemical tankers arrive at their terminals with improperly segregated cargoes.

Since last year's report in where I brought up important dangerous goods matters on the regulatory bodies agenda, several decisions have been taken. New regulations for air transport, road (ADR) and rail (RID) transport in Europe will come into force on 1 January 2005. Both the ADR and the RID are allowing a transitional period of 6 months while the IATA-DGR does not deal with such periods. The IMDG Code for sea transport will be published and ready for use from the turn of the year although the sea regulations will not formally enter into force until 1 January 2006. For the IMDG Code the transitional period comes first. I have said before, "the user's efforts to catch up is as usual a challenge". The American CFR49 has been updated with regards to security and will of course take on a great number of changes adopted at UN level for the UN Recommendations. The 14th Edition of the UN Recommendations (model regulations) will enter into force 1 January and will act as the base for all other regulations coming into force 2007.

During the year representatives from the ABDG have basically attended all the regulatory dangerous goods meetings with the exception of those held at IMO in London. The regulatory work by the air mode is however not attended although Mrs D'arcy, who is the ABDG air expert, takes part in the work by the IATA training task force. The regulatory work has been aiming at getting everything in place for the new regulations coming into force next year and the FIATA representatives have carried out their task in bringing forward the freight forwarders views on relevant proposals being submitted. As always we are focusing on harmonisation between the various modes. Regulators have no problems in agreeing with us that harmonisation in order to reach a true multimodal situation is important. Unfortunately there are times when we feel that representatives from the modes believe that harmonisation with their "own" mode is the only way forward.

FIATA has submitted a number of proposals to the UN as well as to the land modes (road and rail) in Europe and been into contact with both ICAO and IMO in order to seek for support in various matters. ABDG has good contacts with ICAO, IATA as well as with the IMO secretariat.

The matters we have brought up in different papers are e.g. matters related to the transport document, the dangerous goods list to be found in the regulations and matters related to interpretation. A more detailed presentation will be held at the official meeting of the ABDG at the FIATA World Congress in South Africa.

In my last annual report I brought up a number of important matters at that time currently being discussed. Below is a short summary on the development so far.

Security in transport of dangerous goods

Maybe the most important matter this biennium is the security provisions that have been adopted for RID and ADR for entering into force 2005. For the sea and air mode nothing substantial has been included into the regulations except for training recommendations. The reason why the sea and air mode have not adopted all of the detailed security regulations developed by UN is due to the ISM and ISPS code for sea transport and the security provisions already to be found in the air mode. The new security regime for dangerous goods has lead to that some organisations have developed security guidelines for *inter alia* the freight forwarding community. Such guidelines can be found under the umbrella of CEFIC and the German Association for Freight Forwarding and Logistics (DSLVL) which is, as you all know, associated with FIATA. Security guidelines can also be found on the website of the Department for Transport in the United Kingdom. The document has been prepared in cooperation

with the Industry in the U.K. The web address where you can find the guidelines is http://www.dft.gov.uk/stellent/groups/dft_control/documents/contentservertemplate/dft_index.hcst?n=9146&l=1.

Convention on Civil Liability for damage Caused during Carriage of Dangerous Goods by Road, Rail and Inland Navigation Vessels

The work with the convention has been put on ice due to a number of comments from various countries not being in favour of the development. Difficult to predict how and when the next step will be taken. The ABDG will keep an eye on the development.

Safety in road tunnels

The work in the dangerous goods regulatory bodies has not been concluded why the tunnel provisions has not been adopted for the next Edition of the ADR and RID. The provisions are expected to be brought in for the ADR and RID regulations coming into force 2007.

Harmonisation of Limited Quantities, excepted quantities and consumer commodities

Seems to be one of the most difficult harmonisation problems to solve. A great number of documents were discussed at the last UN Sub Committee meeting in July and no decision was taken. An Industry paper, in where FIATA was co-sponsor, had been elaborated in order to put forward the Industry's view. In the paper it was proposed to continue the work during the next biennium by a working group with participant from the Industry as well as from the modes with a very clear mandate and a proper project plan. None of this was however properly discussed and the only result from the UN meeting was the development of a questionnaire to be brought to the modes attention.

Harmonisation of transport documents

The next edition of ADR will allow a transport document for sea or air transport to be used for the continuous road transport in Europe. The new ADR regulation is as follows: *"For carriage in a transport chain including maritime or air carriage, the information required under 5.4.1 and 5.4.2 and under any special provision of Chapter 3.3 may be substituted by the transport document and information required by the IMDG Code or the ICAO Technical Instructions respectively except that, when additional information is required by ADR, it shall be added or entered at the appropriate place."* For RID the following apply: *"For carriage in a transport chain including maritime or air carriage, a copy of the documentation (e.g. form for the multimodal transport of dangerous goods in accordance with 5.4.4) prescribed for maritime or air carriage may be attached to the consignment note. These documents shall be the same size as the consignment note. If the form for the multimodal transport of dangerous goods in accordance with 5.4.4 is attached to the consignment note, the information concerning the dangerous goods already contained on this form need not be shown in the consignment note, but a reference to this supplementary sheet shall be entered in the appropriate box on the consignment note."*

Standardization of emergency procedures

The International Technical Committee for the prevention and Extinction of fire (CTIF) is cooperating with e.g. Transport Canada and CANUTEK in trying to come forward with papers to the UN Committee on harmonised information systems for first responders on a world-wide basis. CTIF has asked the UN Committee for more time to analyse data and various approaches.

Procedure for Incident Reporting

A proposal for a new section in the UN recommendations has been adopted in principle. The adopted text is general in its nature and point out that relevant national and international organizations, should establish provisions for the reporting of accidents and incidents involving dangerous goods in transport. The text is intended for section 7.1.8 of the UN recommendations and is supposed to be further improved. It must be remembered however that all modal regulations already have rules for accident/incident reporting and that inclusion of such text into the UN recommendations is an adjustment to what is already regulated in the international dangerous goods regulations.

Finally, I wish to express the important thank you so much to the members of the ABDG and to Markus, our manager, for their fine work during the year.

Göran Berg
Chairman, Advisory Body Dangerous Goods

Advisory Body Information Technology (ABIT)

The past 12 months have been a rather hectic time for the Advisory Body Information Technology. The Working Group Facilitation has been dealing with issues that concern the freight forwarding industry. Main issues where:

New EDIFOR messages

The new updated EDIFOR messages complying with directory 01B has been finalised and is already out-dated because of additional security and dangerous goods requirements entered into force beginning 2004. Mostly the lately introduced security requirements by Europe and the US require again a review of the complete messages. New Data Maintenance Requests (DMRs) have been submitted for approval.

The FIATA Repository Project

The FIATA ABIT Working Group Facilitation has presented the proposal completed in February 2004.

However, some concerns raised by members after the presentation made it necessary to review the whole concept and to clarify misunderstandings.

The aim to have a safe and secure FIATA document can only be achieved in a central repository with a minimum expenditure for the users.

This can only be achieved with a unique reference number (code) given by FIATA and distributed to the individual issuer by the national freight forwarders association. The Working Group felt that the usage of an electronic means to overcome this problem must be supported by some sort of guidelines to make it operative.

The guidelines were since drafted and approved by the WG Facilitation and the Presidency.

Radio Frequencies Identification (RFID) Technology

The subject of RFID Technology is now a working agenda in our WG meeting as the subject matter has a wide technology base.

Some of the large department stores (Walmart, Tisco, etc.) implemented RFID in their shops and warehouses. That because the international standard of the Radio Frequency (MHz?) has been approved by the governments. Obviously the agreement of a world-wide unique Radio Frequency will have a fast acceptance of RFID to trace and track goods by the producing and servicing industry and the freight forwarders will not be excluded in this development.

However, it is also to consider that today a very small user group has introduced bar-code, whilst the majority has even not considered this step. Further, the RFID Technology is used by the companies as internal trace and track system and therefore, their attempt must be considered as a closed shop and not as a world-wide accepted standard as the message standards used by these companies are mostly in-house standards and not UN/EDIFACT. That means for freight forwarders to adapt their message standard to the one of his customer and in many cases it is not worthwhile to do so and to abstain to serve the specific customer.

Further, RFID labels are today expensive and will not be used for articles sold on the sales counter of the department store. There is still the bar-code first choice. That is the reason why Walmart and Tisco are using RFID only on the shipment and not on the article level. Only high value goods will be labelled with a RFID Tag, which allows also an exit control if not paid.

Further, bar-code will still be attached to an RFID labelled shipment to allow trace and track in case of RFID Frequency or equipment breakdown. Also Walmart and TISCO are using multiuse RFID tags which allows the use of the tag unlimited times. In most cases the tag will be attached to the transport equipment (pallet, container) and reloaded with the new information after the use of the equipment for another transport.

This solution might be very interesting for freight forwarders with own transport units used in their supply chain and could be a reason to change to RFID Tags. However, both techniques bar-code and RFID must be applied to grant a smooth trace and track if one of the two systems breakdown.

UNTD/ISO 7372 Directory

The UNTDED directory has not been up-dated since 1993 required a major up-date. Many DMRs (Data Message Requests) were accepted without verifying whether it could not be fitted into an existing Code. An example NVOCC and NVOC were two different codes whilst in common use both were contracting carriers with the same meaning. During the last ISO/TC154 meeting held in Brussels from June 28 to July 2, 2004 many of such double and triple DMRs have been pooled and the directory stripped with obsolete codes.

The new UN/TDED will be available at ISO and UN as from January 1, 2005. Further it was decided that DMR will be controlled by ISO/TC154 and not by the TBG 1 to 15 which was the main source of duplication of codes.

Kenneth Tiong
Chairman, Advisory Body Information Technology

Advisory Body Legal Matters (ABLM)

UNCITRAL Draft Convention on the Carriage of Goods by Sea

FIATA has been represented by Professor Ralph de Wit at all meetings of the UNCITRAL Working Group on Transport Law, which is the body currently charged with the task of drafting a text for this Convention that will be agreeable to UNCITRAL Members. Professor de Wit has also been invited to participate in the meetings of various experts who are considering the issues that come up in greater depth.

From the very beginning FIATA has been a supporter of freedom of contract. FIATA's support of this freedom is based on its recognition that the market place will find the most efficient solution to transport needs. In the case of Multimodal transport, this solution has been the UNCTAD/ICC Rules, which are the basis of the FIATA Multimodal Bill of Lading, the world's most frequently used Multimodal transport document. However, FIATA has reservations about enshrining this freedom into an international convention. Mandatory freedom of contract is an oxymoron!

Still there are powerful commercial interests pushing for just this result, and they have up to now enjoyed the support of the US Government. Issues of Freedom of Contract, Carrier's Liability and Law and Jurisdiction will be considered by interim correspondent groups for discussion at the next Uncitral session which will post date our Annual Congress. The Ad Hoc Uncitral Working Group has delegated ABLM members to draft FIATA position papers on these topics for consideration at the Annual Congress by WGS, WGU, and ABLM for final approval and delivery to the correspondent Uncitral Working Groups. The Freedom of Contract paper will focus on the need for a level playing field worldwide insofar as ocean carriers and NVO's are concerned.

ICC Banking Commission and the Issue of Clauses in ocean carrier bills of lading undermining the value of the document of title.

FIATA's delegate to the Banking Commission, Past President Dahmani, has requested the assistance of the ABLM in connection with this dispute that has surfaced at the ICC Banking Commission. For further reference go to <http://www.forwarderlaw.com/Feature/blclaus4.htm>

The ABLM should add this question to the Agenda at its next Annual Congress.

Correspondent's Agreement

The draft Correspondent's Agreement, prepared by a Working Group under the Chairmanship of Manuel Vincens Matas, has table the final draft of this agreement. No negative responses have been received. In those circumstances, the ABLM should vote on whether to recommend this agreement to the Presidency for adoption by FIATA as an approved document.

AWB Recommended by FIATA

FIATA has recommended the form of an air waybill to its members. The legal environment for air transport has been subject to many changes since that recommendation. As one of his final recommendations as a Member of the Extended Board, the past Chairman recommended that FIATA quickly undertake a legal review of the central issues arising out of the case of Siemens v. Schenker, the Montreal Convention, and the means to adopt the air waybill to a Multimodal transport document. The AFI Chairman has given some helpful steerage in this regard and it is clearly a topic worthy of discussion in our next ABLM meeting.

Freight Forwarder Definition

This topic was tabled by CLECAT and circulated for consideration back in April. Parties were asked to respond with their comments on the CLECAT draft before 20 June so results could be correlated and expanded upon at our next meeting for a final discussion on the same. Only the Italian delegation have responded so we should requested the ABLM secretary to reissue the request for final comment by the end of July and this matter should be added to the agenda

Israeli Case

We are awaiting news on this topic from Barry Pintow and if a result comes through this may well be something to add to the agenda.

New Members

We shall benefit from the input of new members having joined ABLM since the last meeting and at the next meeting, their membership will be announced formally.

Kay Pysden Mrs,
Chairman, Advisory Body Legal Matters
Peter Jones
former Chairman, Advisory Body Legal Matters

Advisory Body Public Relations (ABPR)

The focus for ABPR this year has been the styling and re-launch of the FIATA REVIEW, improvement of the FIATA Document Delivery System (FDDS) and the website. In addition, we have input into deciding on a new format for FIATA Congresses and the Presidency's current objective to re-brand FIATA as the world-wide body for freight forwarding and logistics.

The new format and content of the FIATA REVIEW has been a great success. Congratulations have been flooding in from all quarters and it is hoped that we will be able to further increase its value to Members. As always we ask for constructive comments and ideas.

The FIATA website is a window on the organisation. It receives around 2'000'000 site visits a year and is an opportunity to tell governments, organisations and the industry's clients what our industry is about and who we represent. The FIATA website is regularly up-dated and has many new features providing information about events, publications and membership. The website also hosts the FDDS, where the majority of the organisation's working papers are available to Members to download and access. ABPR has been able to enhance this facility over the past 12 months to provide additional features and user friendly applications. A decision was made by the Presidency, however, not to provide a search facility that would have been very costly for very little return.

Public Relations is not a science. It is very subjective and fashions come and go, but what is constant is the need to project FIATA to the outside world as a dynamic information rich organisation supporting a profession critical to the world's economy. I believe we do that in part, but there is plenty of scope for improvement and I know that it is the objective of our current President to do just that.

My thanks as usual to Peter Maegerle and his colleagues in Zurich for their support and hard work throughout the year.

Colin Beaumont
Chairman, Advisory Body Public Relations

Advisory Body Vocational Training (ABVT)

Thomas Sim, who took over as Deputy Chairman at the World Congress held in Bali, brought with him a wealth of knowledge and enthusiasm for learning, and was an inspiration to all.

Worldwide interest in the FIATA Diploma continued to grow. A further 471 Diplomas were awarded during 2003 and early 2004 bringing the total number to 2618. This, in many countries continues to be the only recognized qualification in Freight Forwarding.

The Syllabus and Training programme presented for validation by the Association of International Freight Forwarders of the Ukraine was accepted unanimously.

The validation process for new courses has been revised and some further amendments will be made in order to facilitate their presentation for accreditation.

The FIATA Secretariat now has a very substantial number of very good course material available and all National Associations are invited to make use of them.

The Global Facilitation Partnership – Distance Learning Initiative (GFP-DLI), instigated by the World Bank had been taken forward by AFT-IFTIM, the training arm of the French National Association TLF, which had agreed to provide the web based courses for distance learning in South-East Europe.

We are very grateful to the Through Transport Mutual Insurance Association (TT Club), IATA and FIATA for their continued sponsorship of the Young International Freight Forwarder of the Year Award, which was won, this year, by Anita van Kooten from the Netherlands for a very detailed and comprehensive dissertation.

The sponsors have very generously extended the contest for next year by offering prizes for each of the four FIATA regions – Africa Middle East, the Americas, Asia Pacific and Europe. Prizes will be awarded for the best dissertations from each of the regions with the international winner being chosen from amongst those four. It is anticipated that by splitting the competition into regions, more candidates will be encouraged to participate in this very worthwhile competition.

Following upon the success of Train-the-Trainer programme established in Mongolia, the FIATA Foundation is about to conduct a similar workshop in Africa. The competition for the new logo for the Foundation was won by China, whose very professional entry was acclaimed by all.

I would like to record my appreciation for all the assistance received from Markus Schoeni and Thomas Sim, and all of the Members of the ABVT Committee.

Edward D. Little
Chairman, Advisory Body Vocational Training