

ANNUAL REPORT

2005/2006



Doc. 30/261

Glattbrugg, 21 September 2006

FIATA

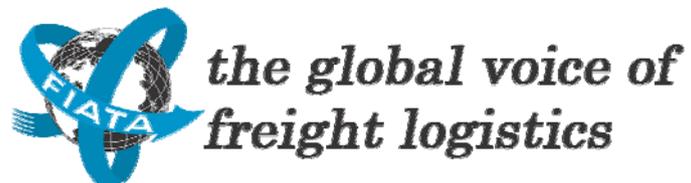
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Published by FIATA

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Composition of FIATA

Presidency

President of FIATA	Manfred Boes	Germany
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Secretary General	Martin Oeschger	Switzerland
Treasurer	Sarosh J. Nagarvala	India
Senior Vice Presidents	William Gottlieb	Canada
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Chairman CAI	Franz Schneider	Switzerland
Chairman MTI	Christopher J. Gillespie	Canada
Chairman ABDG	Göran Berg	Sweden
Chairman ABIT	t.b.n.	
Chairman ABLM	Mrs Kay Pysden	United Kingdom
Chairman ABPR	Colin Beaumont	United Kingdom
Chairman ABVT	Thomas Sim	Singapore

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Director General	Marco A. Sangaletti
Manager AFI, CAI & ABIT	Daniel Bloch
Manager ABPR & ABLM	Peter Maegerle
Manager ABDG & ABVT	Markus Schöni
Manager MTI	René Zimmermann
Administration	Mrs Florence Richard
	Mrs Nicole Wunderlin

President's Report

This is my first report to you since I was elected President of FIATA at our World Congress 2005 in Moscow. This congress which was excellently organized by FAR, our national association member in Russia, saw over 1000 participants from 75 countries.

When I began my tenure I listed my priorities for the coming two years. One of the goals was to continue to increase the number of FIATA individual members. Today I am more than happy to report that in June 2006 we have admitted the 5000th individual member! I like to thank all those who have helped to reach this ambitious goal and I have no doubts that all of us will continue with their efforts in this respect.

Another stated goal was to motivate more freight forwarders and logistics providers to attend our annual World Congress. It must be our common goal that the participation reached at Moscow will be the minimum target for future congresses. I am confident that Shanghai will also have an excellent participation, and the following venues in Dubai (2007) and Vancouver (2008) – the first one organized by FIATA itself – have excellent prospects of success. FIATA will contribute to it by selecting venues, which offer easy reachability as well as excellent business opportunities. The selection of future congress venues will be done from this point of view.

I am also glad to see that parallel to the economic development in the globalization our industry is gaining more and more respect and recognition. The logistics industry represents innovation, growth and added value, and is an important partner for the trade in the world markets.

As you can see from the following reports our various Institutes, Advisory Bodies and Working Groups have once again done an excellent job. I would like to express my thanks to all our colleagues who have contributed to this by spending a lot of their time and share their know-how with FIATA for the benefits of all of our members. Also the introduction of our online members' directory at the beginning of last year shows that FIATA is always looking for opportunities to add value to our membership.

The Young International Freight Forwarder of the Year Award and the FIATA Foundation Vocational Training remain to be excellent tools to support the positive developments in education and training in our member countries. These activities need funds and it was therefore a real pleasure to see how the participants at the Moscow Gala Dinner generously donated to the Foundation. Many thanks again to all of you!

With that I wish you all a peaceful summer – if you are at the summer zone – and I look forward to seeing all of you in at the Shanghai Congress.

Manfred F. Boes
President

Director General's Report

It has been another successful year for FIATA: The FIATA World Congress 2005, held in Moscow/Russian Federation, had an attendance of over 1'000 persons. And it has also been a great satisfaction to welcome record high 200 participants at our 2006 Headquarters' Session in Zurich/Switzerland. Last but not least the number of Individual Members has again significantly increased. Only one week after the 80th anniversary of FIATA we could welcome our 5000th individual member. I have not doubts that the membership growth is going to continue at an impressive rate.

What are the key elements of this success? Well, on the one hand is the expanding range of professional services we offer to our members, and on the other the excellent work of our different Institutes, Working Groups and Advisory Bodies. It is admirable how much time and efforts have again been spent by the Chairmen and the members of our technical bodies for the benefit of FIATA, our members, and the industry in general. On behalf of FIATA I would like to express our sincere thanks to all of them.

Other reasons are the changes our industry is going through. The globalization has lead to new challenges, which can no longer be overcome by individual companies. For example the security issue is one of the biggest challenges our industry has faced in the past few years. It is very important to our members that FIATA as the world-wide leading body of our industry is taking a lead in this issue. It has been recognized that the importance of a strong and active representation of the freight forwarding and logistics industry has never been as necessary as today.

The FIATA Foundation Vocational Training, created in 2001, has justified its existence by conducting valuable Train-the-Trainer seminars in developing areas. The latest course took place in August 2005 in Ghana, and has once again been a big success. I know that the Foundation has some new projects in the pipeline, and we shall certainly soon hear where the next seminars will take place.

The Extended Board has taken a forward-looking decision: as from 2008 onwards the FIATA World Congresses will be organized by FIATA and no longer by a National Association member. This will ensure that FIATA has a stricter control over our own congress, and it will also help to secure a certain minimum standard of this important event.

At the FIATA Secretariat in Glattbrugg/Switzerland Daniel Bloch has taken over as Manager of the Airfreight Institute (AFI), the Customs Affairs Institute (CAI), the Advisory Body Information Technology (ABIT), and the Region Asia/Pacific (RAP). He has replaced Sandro Consoli, who retired at the end of April 2006 after having been with FIATA for 19 years.

One of the main objectives of FIATA and the FIATA Secretariat is to serve our members. This could not be done without all the support we get from you. Many thanks! And please do let us know how we can increase our effectiveness or what can be done better in the future.

Marco A. Sangaletti
Director General

Airfreight Institute (AFI)

Since 13 September 2005, AFI was very active and participated into numerous meetings with IATA, ICC, ECAC and others.

I had the honour to take over the duty of Herman Donker as the Chairman to this important Institute for FIATA at the World Congress 2005 in Moscow.

I have the advantage to get advice from the previous Chairmen of AFI, Sarosh Nagarvala, Bill Gottlieb, Herman Donker and I am happy to have some new members in the Working Group who are contributing to AFI and the WG and they bring in a fresh breeze so vital for AFI.

Another change is that our Manager, Sandro Consoli, has retired by the end of March 2006 after many years of dedicated and loyal service to AFI and we wish him a happy retired life. We welcome his successor Daniel Bloch and are confident that he will provide the support to AFI.

DGTTF (Dangerous Goods Training Task Force)

Just after the FIATA World Congress the DGTTF (Dangerous Goods Training Task Force) was held in Rio from October 3 to 6, 2005. AFI was represented by Ms Christine D'Arcy.

Revised instructor qualifications were developed and put forward to DGB/87 for consideration and approval. Meanwhile the Airline-Operator Dangerous Goods Training Approval Programme has been approved by ICAO and the qualification guidelines for instructors which will come into force with the new DGR 2006.

The last DGTTF meeting took place in Montreal from May 29 – June 2, 2006.

Besides revising the actual current 47th edition of the IATA DG-regulations many important subjects were raised. AFI was present with three representatives, Christine D'Arcy, Doug Burek and Daniel Bloch. I like to mention that the Task Force decided to submit to the Dangerous Goods Board their request that by appreciating the very important contribution of AFI representatives during all the past years, they suggest that AFI should get for two representatives with the same status as the 12 Task Force Members elected by the DGB. This change means that AFI will no longer contribute as an Observer but as an official Member of the Dangerous Goods Training Task Force of IATA, representing the Forwarders Industry within this very important subject of Air Transportation.

IFCC

Three IFCC (IATA/FIATA Consultative Council) meetings took place in October 2005, January and March 2006 in Geneva.

Following items were dealt with:

Conditions of Contract

It has been now over 5 years that Resolution 600b has been sitting with DOT. At first it was decided to rescind the proposal 600b. The CSC at his conference of mid February had decided to wait till the 1st of April 2006 if any response could be elicited from the DOT. After this deadline CSC had authorized IATA to rescind the proposal and to go ahead with the current 600b (II) but those to be amended respectively modernised, to reflect the Montreal Convention and to clarify the value of the Gold Franc. The liability is limited to SDR 17 per kilogramme.

The liability of the Freight Forwarder when acting as the Contracting Carrier is SDR 17 for air carriage. However, for surface transport to/from or between two airports by other means of transport the liability is not covered by the Conventions. There applies national law or other international Conventions (CMR, CIM).

IFCC was informed by IATA Legal Counsel that the Freight Forwarders may print their own Conditions of Contract on the reverse side of the HAWB but cannot use them as MAWB. However, it has to be decided if we can live with the proposal of IATA or if we have to reword article 4 of the Conditions of Contract proposed in Resolution 600b (II).

Latest news is that subsequent to the last IFCC meeting in March a conditional approval from the US DOT had been received and is under review.

There is no guarantee that it will move forward but there does seem to be movement after all these years.

Since the order may result in a further delay (i.e. disapproving or approving with conditions that will take IATA a long time to implement) AFI proposed in the past and might propose again to IATA to exclude the USA from Resolution 600b and to make it valid for the rest of the World.

Obviously, carriers and freight forwarders have then to use two different sets of AWBs or HAWBs Resolution 600b (II) for the US and Resolution 600b for the rest of the world, but this is less cumbersome than to run the risk of unlimited liability with countries which have not ratified the Montreal Convention 1999.

Cargo Agents' Branch Registrations

At the IFCC meeting held in January 2004 AFI did not agree that a registration fee has to be charged to the agents outside the EACP area.

The minutes of the 59th IFCC meeting held in Geneva mention very clearly that AFI was against the branch office registration as a revenue generating mechanism for IATA. Further, it was also decided to recommend a new wording and that no fees for change of address would be applicable.

A contribution scheme at the IFCC to register branch offices outside the EACP area has never been discussed. IATA confused the issue with the decisions that took place in the EACPJC meeting on October 28, 2004 to implement a new fee structure in EACP.

Countries outside the EACP were not required to pay for branch locations. It was never the intention to turn the registration of branch locations into a worldwide situation only because EACPJC agreed to do so within the EACP to register and charge a fee for branch offices.

The matter was reiterated by AFI during the last two IFCC meetings but the Chairman of IFCC concluded in the March session by stating that all concerned parties accepted the fact that agency branches needed to be registered. However the fee was the contentious issue. The CAC had reviewed the matter and accepted the IATA approach.

Dangerous Goods awareness training being adopted at the CAC

In addition to the stated Dangerous Goods Acceptance training requirements, all persons assigned by the applicant to handle any consignments and / or make them ready for carriage shall have completed a Dangerous Goods Awareness course in accordance with national governmental agency and / or ICAO requirements.

This text was adopted at the CAC to be included in various Cargo Agency or Air Cargo Programme Resolutions. The AFI delegates expressed their reservations about the necessity of this additional training requirement as they felt that with this, IATA was attempting to create a business opportunity for selling its own training. It was decided to amend the text to end as: "must comply with national governmental agency and / or ICAO Dangerous Goods Awareness Training requirements".

THC Inquiry

Reference is Doc. AFI 301 dated April 18, 2006. AFI made, following a request during the last meeting, an inquiry about Terminal Handling Charges. We asked the national associations to list Airport / Invoicing Company / Equivalent Rate per kgs in USD. We asked as well for comments. The feedback was that only 5 national associations answered. This feedback is rather poor and the way the answers were not returned or returned it is quite impossible to create a useful chart with Transfer Handling charges around the world, such rates are anyway subject to change by any minute and reason. Those parties interested to get the 5 replies received may ask the AFI secretariat for e-mail forwarding.

The liability of IATA carriers operating under Chapter 11

IATA was requested last January by AFI to give a clear unequivocal statement, that carriers flying under chapter 11, are subject to the Conditions of Contract according to the Warsaw/Montreal Convention also for lost and damaged cargo occurred before filing chapter 11.

AFI will propose to the CAConf to consider an insurance scheme or fund to protect Forwarders, Shippers and Consignees against loss, stranded cargo, etc. if carriers are protected by protection of creditors or went bankrupt.

Other topics discussed at the IFCC are:

- Indian Air Cargo Programme
- Canadian Air Cargo Programme
- GLOBAL Air Cargo Programme

European Air Cargo Programme Joint Meetings

Two joint meetings were held on October 2005 and March 2006 in Geneva. The agents' handbook was distributed first time on CD-ROM.

The conversion process from Cargo Agents to Cargo Intermediaries, requiring a new agreement to be signed had been a great success with over 99% having so far converted. Additionally, a large number of CASS Associates had converted to full intermediary status and a significant number of branches had been registered.

Over 328 branch offices were registered to the EACP as per March 2006.

Montreal Convention 1999

The convention 1999 is now ratified by 71 countries.

The current status may be seen on http://www.icao.int/eshop/conventions_list.htm

Airfreight Institute Working Programme 2006-2008

The working programme of AFI has been revised and updated.

Air Cargo Security cooperation with IATA

Cooperation was launched to develop an industry view on what the future cargo- and more generally, supply chain security system should look like. We are looking forward to our cooperation with IATA regarding the issues of Air Cargo Security.

ICC (International Chamber of Commerce)

AFI participated in the Air Committee meetings held on September 25, 2005 and in May 2006 in Paris. AFI was represented by Mr Henri Krainik. Following items were discussed:

September 2005

- Presentation by Mr Guy Dallery of Airbus on the forecasts for growth of international air cargo
- Presentation by Mr Pradip Madhavji on the use of RFID for baggage screening
- ICAO report on air transport security only passenger related
- European Commission's proposal for a tax on airline tickets to finance development aid

May 2006

- Presentation of Airbus on the forecasts for growth of international air cargo
- Presentation on US Department of Transportation Notice of Proposed Rule making, dealing with foreign ownership of US airlines
- Proposal for a tax on airline tickets to finance development aid
- Air transport security
- Presentation on reducing the climate change impact of aviation by Ms Jane Barton of DG Environment, the European Commission

AFI will seek the assistance of Mr Arvind Parikh to promote the activities in respect of Air Cargo related matters.

A request by AFI was submitted to the ICC Commission on Transport and Logistics Meeting which was held on May 12, 2006 at Paris.

The request is asking in respect to the various practices set in force or planned to be adopted or the consideration of launching similar programs by various governments to require “advance admissibility entries” e.g. USA – AMS-Program, Canada – ACI-Program.

AFI is requesting the ICC to study the impact of these requirements on international trade and international traders to clarify the party responsible for complying with these regulations and the party responsible for the costs of this compliance. Further to incorporate its conclusions into the existing ICC INCOTERMS in order to provide guidance to the international community.

I am looking forward to a fruitful exchange with you at FIATA World Congress at Shanghai next September, where we will have the honour of hosting the German Minister of Transportation Mr Wolfgang Tiefensee, Mr Chris Hutchinson from Menzies Aviation at Shanghai and the Vice President of China Cargo Airlines Ltd. Mr Chen Daqian, who surely will highlight the slogan of our Forum “Aircargo in the Globalized Economy” and give us the opportunity to exchange our point of view.

I am wishing you all a safe trip to Shanghai.

Rodolfo J.C. Sagel
Chairman, Airfreight Institute

Customs Affairs Institute (CAI)

Dear colleagues,

After having taken over last year at Moscow from Mr Alberto Petrozzi I wish again to thank him and to appreciate his excellent work he has done in the past for FIATA. Again we want to thank and to refer our appreciation towards Mr Sandro Consoli about his work and his contribution for FIATA. Sandro Consoli has retired last March after many years of work given to FIATA entirely loaded with passion.

During this year, the Customs Affairs Institute was as well engaged in various meetings at the World Customs Organization (WCO). Mr Marc Delaet represented FIATA in all major WCO meetings for the first semester of the year. We thank him for his excellent work.

During the recent months we requested and got support of CLECAT itself by having some of their staff, located at Brussels, to represent FIATA and to participate in our name towards the WCO. We appreciate very much the cooperation and support received from CLECAT.

List of WCO meetings that CAI attended:

- IMSC Information Management Sub-Committee January and June 2006
IMSC activities are of importance for the freight forwarding industry especially the data model for electronic customs declaration and clearance. WCO aligned the data model to the UN/EDIFACT Directories and recommend to national customs authorities to up-date and adapt their systems according to the WCO data model. However this work is still in process as well as the set up of the WCO Data Model.
- The WCO Data Model Project Team held its last meeting prior to IMSC last June 2006
- 107/108 Sessions of the Customs Co-operation Council 29 June - 1 July 2006
- The Informal Study Group Meeting on WTO Trade Facilitation
- The High Level ad hoc Group on HS Matters April 2006
The Group was established by the Policy Commission at its 54th Session in December 2005. The Group was mandated to examine the issues of (i) the implementation of Harmonized System Committee decisions and (ii) the possibility of establishing an advance tariff ruling system at the WCO, and to make recommendations on these matters to the 55th Session of the Policy Commission in June 2006.

Memorandum of Understanding (MoU) CLECAT - FIATA

I would like to give reference to the MoU between CLECAT and FIATA, which was signed several years ago, prior to my time within FIATA.

Generally - CLECAT is also charged with the follow-up of the relationship with all the organizations seated in Brussels resp. Belgium.

This duty of CLECAT was initiated to be revitalised by CAI since we noticed that FIATA was not enough present at some of the relevant meetings due to lack of resources.

It is of absolute importance to show strong FIATA presence, give arguments and input to the various and important subjects which are under discussion at the World Customs Organisation. If there is not FIATA'S substantial presence shown and only reactive and late reaction delivered at the time after items have been already discussed and settled or are already near to a stage of settlement or adopted a significant loss of recognition, respect and reputation is obviously going to be the consequence.

An ad-hoc meeting last March during the HQ session 2006 at Zurich organized by our Director General Mr M. Sangaletti was arranged were Mr M. Boes and Mr. J.C. Delen agreed to support the need of FIATA presence at the WCO meetings. Amongst several details whereof the most important to name; is to appear versus WCO as the Label FIATA, Director General of CLECAT Mr Sorgetti was requested to set up a first draft of a Service Level Agreement to represent based on FIATA's policy and instructions and to report to FIATA .

Private Sector Consultative Group (PSCG)

To give an example: One important factor which convinced us about our Strategy that a steady and regular presence at a majority of the up to 50 yearly meetings is mandatory is that FIATA, which itself has a MoU with WCO for years, was not elected to be part of the newly established Private Sector Consultative Group PSCG created by the High Level Strategic Group (HLSG) in order to take account of all aspects relating to the implementation of the Framework of Standards and more specifically the concerns of the private sector. PSCG is composed of 30 members such as associations or individual companies. The purpose of the group is to advise the HLSG and draw attention to certain relevant questions such as the implementation of a capacity building policy for Members which express the need. The first meeting of this group was held on March 31 and 31 and FIATA was not invited or informed at all.

FIATA was taking steps to become soonest possible integrated in the PSCG. We will keep you informed.

You received the minutes of the last Customs Affairs Institute Meeting at Zurich or you have been participating to this meeting. Let me remind you a little bit about item 4 of the agenda

Coming years CAI Strategies and Priorities by the Chairman

The problems we all face as forwarders with customs are similar. Issues such as security and the new role customs plays within security is not an easy one to handle. Now there are so many new and different departments and regulations to keep track of. I appealed at that time to the national associations for their support and assistance. Only through their active participation CAI will be able to achieve our targets based on our strategies. We requested the four chairmen of the Regions to nominate either one delegate as rapporteur of their region regarding Customs Affairs, or the Chairman to report directly towards the Customs Affairs Institute.

It is without further saying, that the nominated delegates will have to collect relevant information and to canalise them, if necessary to forward relevant matters to CAI immediately, if there would occur the case, that urgent action is required. Nevertheless to act according to the two month deadline prior to each HQ-Meeting or FIATA World Congress, i.e. to send twice a year the reports to the FIATA CAI secretariat and to report accordingly at the CAI meeting.

CAI Strategies

- Promote FIATA, and its member, as primary representatives of global trade and industry in customs matters
- Support other FIATA Institutes in identifying and securing commercial advantage from new customs laws and procedures
- Through the WCO, WTO, UN/ECE UNCTAD, ICC, IRU and other relevant bodies, promote and encourage closer coordination between customs authorities to obtain commercial benefit for FIATA Members

CAI Strategy Priorities

- Within Europe co-operation with CLECAT as per the agreement.
- Collaborate with the IFCBA as per the MOU
- Influence the final draft Security Proposal at European Parliament and Council Level
- Observation, examination and influencing of all customs security policies to defend the interest of FIATA members
- Active participation on the discussion on the version of the European Customs Code, especially the Authorised Economic Operator (AEO) to defend the interest of FIATA Members
- Influence the decision makers on the urgent need to have a Single Windows (UN/CEFACT) Recommendation No. 33 where to lodge all customs declarations

The Single Window was derived from the UN Single Window Recommendation 33. However, it is a closed environment and only for use if questions relating to customs are requested. The single Window recommended by UN covers the complete trade including government issues. Hopefully the Customs Window will be integrated into the Trade Window proposed by the UN.

I am looking forward to a stronger cooperation with all mentioned parties. A first sign will be what kind of feedback we will get from the four Regions. How CLECAT cooperation in respect of representing FIATA versus WCO and others at Brussels situated Organizations will be developed.

Wishing you a smooth and safety travel to Shanghai see you in September in the booming country.

Franz Schneider
Chairman, Customs Affairs Institute

Multimodal Transport Institute (MTI)

It is interesting that in reviewing my last annual report I notice that little has changed in my opening comments concerning issues of significance impacting our industry such as those pertaining to security, fuel, and currency.

Currency and fuel surcharges have continued to eclipse those levels set at the time I made my report last year and security continues to be of concern as existing regulations are beefed up or expanded upon and more countries implement their own procedures.

While there is little our association can do concerning the costs of fuel and currency fluctuation, we can recommend to our member associations, and in consequence their members, that these are costs that must be recovered. With reference to security, it is FIATA's intention to focus on this very critical area by establishing an ad hoc Working Group Security.

During the past year, our Working Group Rail Transport, chaired by Heiner Rogge and consisting of fourteen advisors, has put the finishing touches on the quality agreement between FIATA, CLECAT and the UIC. This is a significant step and a vote of thanks should be extended to all of those who participated in achieving this result. As a service industry, we know the importance of quality in the services we extend to our clientele. It is critical that those we turn to supply these services have an equal commitment clearly stated with an understanding of the consequences for failure to meet same.

A further initiative will be the organization of joint workshops to address the implementation of security regulations in European railway services, a clear indication of the extent to which security will continue to impact our activities as international freight forwarders.

Working Group Road Transport, chaired by William Poeschmann, has a total of ten advisors. On April 6th of this year, Mr. Poeschmann resigned as chair of Working Group Road and Mr. Kostas Sandalidis of Turkey has agreed to assume the chairmanship of this working group.

I would like to extend my personal thanks to William for his contribution to FIATA as chair of Working Group Road and I wish him every success in his future endeavours.

As has traditionally been the case, Working Group Road's activities have focused to the greatest extent with Euro and EU issues. A concern brought forward by this working group was the fact that there seems to be a desire to address over capacity in Europe with the implementation of minimum rates or the inclusion of infrastructure charges into freight rates. It is my personal hope that this is a road down which national entities will not choose to travel. FIATA Working Group and the CLECAT road logistics committee believe that there is no place for interference by national bodies in a free market. Market over capacity will be addressed by the marketplace and there really is no need for interference from outside forces.

Other points of interest such as standards for cargo securing where there is clearly a need for a uniform policy, transport security where again road transportation is no less affected than any other mode, infrastructure changes, and a desire within the EU to create some harmony therein are all of ongoing concern and interest to Working Group Road.

Working Group Sea Transport has a total of 22 advisors and is chaired by Mr. Frank Boogaerts. Since our world congress in Moscow, four new advisors have been added to this working group. With new members from Egypt, Hong Kong, Chinese Taipei and Belgium, there appears to be a response to Mr. Boogaerts' request that the working group become more global with regard to its participants.

Security issues, their complexity, costs, and consequent burden upon members of our industry, has been addressed by Working Group Sea with regard to ISPS charges, the United States C-TPAT Program, and regulations concerning the U.S. Bio Terrorism Act and its implications on the export of foods or in fact anything that would enter the food chain in the United States. Again, clearly security has a wide ranging impact on all of our members.

Activities in the United States regarding the elimination of the NVOC service contract prohibition remain of concern and are being closely monitored by Working Group Sea and we have asked that our

American member continue to make whatever efforts possible to influence and hopefully reduce and/or eliminate the requirement for tariff filing in the United States.

We have been very active in the last year in attempting to address what we feel are significant flaws in the draft of the new UCP 600 due to replace UCP 500 in the upcoming year. This is a monumental undertaking and unfortunately the very real and practical concerns expressed by our members often appear to be inconsequential and lost to decision makers who appear to be focused on rules which will be implemented in an idyllic world.

In closing I would like to extend my thanks to the chairmen and members of the working groups within MTI for their continued input and assistance over this last year and remind everyone who may read these words that we are always open to greater and broader participation in these working groups.

Respectfully submitted,

Christopher J. Gillespie
Chairman, Multimodal Transport Institute

Advisory Body Dangerous Goods (ABDG)

I remember as it was yesterday when the ABDG was fully occupied with informing about new and updated dangerous goods regulations coming into force 1 January 2005. Now it is time again. All international DG regulations will be updated from 1 January 2007. It is our true believe that the freight forwarding community will seriously study those new regulations having an impact on freight forwarders operations. An intensive work has been carried out in the regulatory bodies in the current biennium and in where the ABDG has been involved in submitting proposals and taking part in the discussions.

The following dates are valid for the new regulations, including the Model Regulations:

Regulations	Mode	Start date	End date	Transitional period
UN <u>Recommendations</u> on the Transport of Dangerous Goods, Model Regulations, 15 th revised Edition	All	1 January 2007	31 December 2008	None
Annex A and B to the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR)	Road	1 January 2007	31 December 2008	The 2005 version can be used to 30 June 2007 and the 2007 version can be used to 30 June 2009
Regulations concerning the International Carriage of Dangerous Goods by Rail (RID)	Rail	1 January 2007	31 December 2008	The 2005 version can be used to 30 June 2007 and the 2007 version can be used to 30 June 2009
International Civil Aviation Organization's Technical Instructions (ICAO-TI), 2007-2008 Edition	Air	1 January 2007	31 December 2008	None
IATA Dangerous Goods Regulations (IATA-DGR), 48 th Edition*	Air	1 January 2007	31 December 2007	None
<i>International Maritime Dangerous Goods Code, amendment 33-06 (IMDG Code)</i>	Sea	<i>1 January 2008</i>	<i>31 December 2009</i>	<i>Amdt. 33-06 can be used from 1 January 2007 in parallel with current amdt. 32-04 which is valid to 31 January 2007. This very special procedure allows to sets of regulations to be used for 1 year. It is recommended that the new version (33-06) be used.</i>

* The IATA-DGR is not the legal instrument but is, in practice, used for air transport.

During the HQ session in Zurich this year, information was given on the ABDG project to try to amend the ADR regulations concerning written instruction or TremCards to be accompanying a road transport. The work is steered by the ABDG Deputy Chairman Mr. Frank Huster in cooperation with IRU. So far it seems that there is support to simplify the regulations in line with Mr. Huster's ideas. The next working group meeting is held in Brussels on 10-11 October 2006 and hopefully the matter can be concluded at the meeting and a formal proposal, in line with the industry's wish, can be submitted to the UNECE, WP.15, the regulatory body for ADR, for discussion in May 2007. If everything goes as planned and a formal decision is taken, new and simplified rules for ADR-TremCards will come into force 1 January 2009. Awaiting the formal entering into force, contracting parties to ADR have the right to sign a multilateral agreement and make the new regulations available to the industry before that date.

The matter of harmonised Limited Quantity requirements is still being discussed. It seems however that the modes are moving towards each other and if wisdom may rule, something good will hopefully emerge from the exercise. Wisdom can be discussed with regards to a LQ proposal submitted by France to put extra burden on carriers when complying with ADR rules. The most startling suggestion in the proposal is that information in the consignment note shall be transmitted to the carrier at his request. Can you imagine that the carrier shall ask the customer for a transport document, which according to the proposal shall accompany the transport when amounts more than 12 tons gross mass are carried?

An excerpt of the proposal is as follows:

"3.4.8 All transport operations involving more than 12 tons gross mass of dangerous goods packed in limited quantities in accordance with this chapter shall be accompanied by the following particulars in the consignment note:

- The words 'Dangerous goods packed in limited quantities';
- The classes of the goods carried;
- The gross mass of the goods carried;
- The name and address of the consignor;
- The name and address of the consignee.

When a grouping of quantities smaller than 12 tons results in a carriage of more than 12 tons the information required by this paragraph shall be transmitted to the carrier at his request."

Representatives of FIATA-ABDG are against the French paper but have at the same time stated that if the legislators vote for a transport document to be accompanied an ADR transport, such a document must be valid for sea transport as well in order to facilitate multimodal transport.

Activities around the world in the dangerous goods field are common. Authorities are always on alert responding to various situations. Some initiatives taken during this year are e.g.:

- Transport Canada has issued a summary document clarifying the application of the TDG Regulations to the carriage of Division 6.2 infectious substances. Canadian law permits the use of the updated ICAO TIs until Amendment 6 to the TDG Regulations becomes law, when the amendments introduced in the 13th and 14th revised editions of the UN model regulations will be incorporated into national legislation. There are also alternative methods of compliance, by using the exemptions of Sections 12.6 and 12.7 or by applying for a Permit for Equivalent Level of Safety. This guidance can be found at <http://www.tc.gc.ca/civilaviation/commerce/dangerousgoods/guidancedocument.htm>
- MPA Singapore has issued a Shipping Circular (No 17 of 2006) reminding shipping interests of the IMO recommendations on the supply and carriage of MSDSs for Marpol Annex I cargoes and marine fuel oils.
- NTSB lined up a two-day hearing to discuss safety issues surrounding the carriage of dangerous goods on cargo aircraft. The hearing, part of NTSB's investigation into the fire aboard a UPS DC-8 that landed at Philadelphia on February 8, took place in Washington, DC on July 12 and 13, and considered the potential risks of transporting cargoes such as lithium batteries on aircraft whether or not it were lithium batteries that caused the fire.
- UK Dep. of Transport obviously has a large number of questions on dangerous goods coming in why a specific e-mail address has been created: dangerousgoods@dft.gsi.gov.uk

- Malaysia is on its way to set up specialist hazardous materials teams in all districts that have storage facilities or manufacturing plants. The units will come under the Fire & Rescue Dept, which is currently being restructured.
- The US Transport Security Administration has launched a pilot program to evaluate tracking technology for vehicles carrying dangerous goods.
- A committee has been set up to look at the regulations governing the handling of dangerous goods at Laem Chabang port in Thailand. The committee will consider whether to allow temporary storage of dangerous goods at the port prior to movement to the dedicated warehouse, whether to allow low-hazard goods to be handled at the Lat Krabang container terminal, and whether goods that are to be allowed at inland container depots should be excepted from the requirement to be handled at dedicated dangerous goods warehouses.

We know that transport of dangerous goods is increasing and this is particular clear for the Asia Pacific region. Recent figures from the Ministry of Communication in China show that the volume of DG handled at Chinese ports is growing at 20% by year. Dangerous goods accounted for 13% of the 2.89 bn tons of cargo was handled last year. To have the opportunity to provide DG information at the ABDG meeting in Shanghai and address freight forwarders doing business in China is satisfying. It was a great pleasure at the meeting in Zurich to present our new ABDG member from China who will make a presentation on the DG situation in China at our meeting in Shanghai. We will also hear about security for DG and about safety during sea transport of DG.

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

Göran Berg
Chairman, Advisory Body Dangerous Goods

Advisory Body Information Technology (ABIT)

ABIT is currently being chaired by the Vice-Chairman, Mr Robert Keen, since the last World Congress at Moscow. The FIATA Presidency is looking for a new candidate to be Chairman of this important Body.

Mr. Kenneth Tiong has retired as Chairman and we wish to thank him for his hard work for the Body since taking the Chair in 1997.

Another change is that the secretary, Mr Sandro Consoli, has retired at the end of March 2006 after many years of dedicated and loyal service to ABIT and we wish him a long and happy retirement.

The last meeting of ABIT was held at Paris on November 21, 2005 and was chaired by the Vice-Chairman Mr Robert Keen. He stressed the importance that at least one practicing freight forwarder should participate in all ABIT meetings. Since 1995 nine freight forwarders have resigned from the group and have not been replaced despite promises made by several national associations to provide us with suitable people. With the vacancy left after the retirement of the last Chairman, Mr Kenneth Tiong, ABIT consists of National Association employees. There is therefore an imbalance between group members who are aware of strategic developments and can represent the views of the industry and practical freight forwarders who understand the day-to-day aspects of IT applications upon the business.

Repository Project

In December 2005 the FIATA Presidency adjourned the FIATA Documents Repository Project until a new ABIT Chairman is elected by the Presidency.

ABIT has participated and represented FIATA during this year in following meetings:

- UNCTAD Trade Facilitation meeting Geneva, September 2005
- GFP meeting, Global Facilitation for Transportation and Trade at Geneva, February 2006.
(Core partners GFP are ICC, IRU, WCO, UNECE, UNCTAD, World Bank, UNIDO and FIATA)

The participants discussed how to stimulate the public sector's involvement in tackling trade facilitation. They pointed out a number of challenges. These included lack of organization in the private sector, lack of communication between the private sector, governments and donors, difficulties of involving the private sector in projects without clear profit prospects, resistance of governments to dialogue with private sector and inability to precisely assess the implementation costs of the measures that are needed. The advantages of the private sector's involvements were acknowledged, as participants noted that the private sector could help to deliver current TF proposals to local customs and other governmental offices and support public projects on building infrastructure. Detailed Reports may be viewed under www.UNECE.org

- UN/CEFACT Symposium on Single Window Standards and Interoperability, May 2006, Geneva.

Over 200 participants from all regions of the world and many international organisations, including IMO, ISO, UNCTAD, WCO, WB, WCO, and representatives of international business associations such as IATA, FIATA, Global Express Association etc attended the meeting. On day one, the Symposium introduced the Single Window (SW) concept to countries, which were considering establishing such facilities. During the following two days, participants discussed the key implementation and interoperability issues, noting the importance of facilitating the exchange of information between the SW systems through the use of international standards. The meeting proposed the creation of a Stakeholders Group to assist Single Window operators in the simplification and harmonization of cross-border data exchange and in the development of a Cross Border Reference Data Model to allow data interoperability for end-to-end trade transactions.

Detailed Reports may be viewed under www.unece.org/trade/workshop/sw_2006/welcome.htm

ABIT's Future

ABIT is representing the forwarders interests for many years and attended and participated to various meetings and events of e.g. UN/CEFACT, the World Customs Organization (WCO) and many other organisations. Much work was already done over the past 20 years on developing tools, standards and methodologies to undertake this process. As indicated earlier FIATA needs practical freight forwarders with IT knowledge to continue this work.

EDIFOR guidelines second release

The updated new EDIFOR guidelines can be ordered on CD-ROM. The printed guidelines can be used as Interchange Agreement between two or more parties.

The EDIFOR guidelines include the following messages:

- FIATA Forwarding Instructions
- Cargo Manifest
- Unloading Report

FIATA Facilitation Manual

Further decisions about the content of the new Facilitation Manual shall be discussed with the next ABIT Chairman.

The next meeting of ABIT is scheduled for our FIATA World Congress at Shanghai in September 2006. We are looking forward to a presentation by Mr Thomas Sim, Singapore about RFID.

We are counting on you to see many participating forwarders on the next ABIT meeting.

*Robert Keen,
Vice Chairman, Advisory Body Information Technology*

Advisory Body Legal Matters (ABLM)

ABLM Membership

We said goodbye to one of our longstanding members of ABLM being Professor Jan Ramberg who has done sterling work over many years for the Body and Jochen Roschmann of Insurance ABLM who has also been a very active participant over many years. We wish them well. We welcomed new member Mr El Swefy of Egypt giving the group a welcome boost to the global make up of the Body's membership.

Uncitral

Continuing difficulties have manifested themselves in terms of reporting and flexibility of instruction under this complex and time consuming but important industry issue. Professor Ralph de Wit continues to do an admirable job as Rapporteur. A new member was elected to ABLM's Ad Hoc Working Group Uncitral (AHWGU) from WGS and members of WGS completed a questionnaire in order to seek to alleviate the continuing difficulties. The results were put to the Presidency and it is now hoped that for the coming year, the work of the AHWGU and the Rapporteur shall become more streamlined and easier to cope with. On the substantive side, the core policy has been refined to cover additional points of interest for FIATA members and will continue to be reviewed and refined if necessary. Greater flexibility has been arranged in terms of our rapporteur's ability to represent FIATA at the meetings in circumstances where prior instructions on unexpected matters arise during meetings are not possible to obtain, whilst paying heed to the core policy as refined and the spirit thereof.

Discussion Topics

In order to make meetings more interactive, discussion topics were added to the agenda for the first time in Moscow as a pilot scheme which met with great enthusiasm. This was continued in the Spring Meeting and led to the suggestion of a new risk management document being tabled as a possible useful addition to the FIATA document range. This has already been drawn up and is in the process of being considered in advance of Shanghai by members via email for possible agreement at the World Congress which would be quite an achievement. One of the discussion topics at the spring meeting was that of Security Legislation and regulation worldwide which may well become a regular agenda item in its own right. ABLM members and FIATA members in general were invited to put forward discussion topics to be placed on future agendas.

Legal cases of Importance to the Industry

This topic continues to bring forward many new and interesting cases from around the world which keeps FIATA members fully apprised of leading developments in case law. This topic will continue to be a regular point of reporting for the benefit of the Body and FIATA members into next year to include any updates on significant changes in the statutory laws of any country.

New Book

Before bowing out of active participation in Moscow, Professor Ramberg presented his new book entitled *The Law of Transport Operators in International Trade* which was an informed and very welcome addition to textbooks in this area which is available for purchase through the FIATA Secretariat.

UCP Revision and Proposed Changes to IATA Resolution 600B (II)

These issues rumble on slowly but surely. They are being kept a close eye on by Mr Dahmani and Mr Donald respectively and developments continue to be reported on regularly. These issues will no doubt continue into next year.

Surcharges

This issue has been batted around quite often and is generally steered away from at the request of the Institutes as it is a commercial one. However, it has gone legal at least in the United States in terms of claims for compensation for wrongly charged fuel and other surcharges on the back on investigations into price fixing in the United States and Europe involving a number of airlines. This could be a hot topic over the coming year.

Mrs Kay Pysden
Chairman, Advisory Body Legal Matters

Advisory Body Public Relations (ABPR)

FIATA's annual showcase Congress took place in Moscow in September 2005 under the auspices of the Russian Federation of Freight Forwarders. This key event in the FIATA calendar is apart from a working meeting involving the world's freight forwarders, a public relations opportunity that provides a window on the industry. ABPR, working in conjunction with the FIATA Secretariat, and the Presidency, uses this event to meet and provide members with the opportunity to contribute to the development of future Congresses and FIATA's communication tools.

The FIATA REVIEW and website have undergone significant improving changes in the past few months to ensure that they project an image of a dynamic and thriving industry, as well as providing support and information to the members of FIATA.

Recruiting new members remains an import priority and therefore the emphasis in PR activity is to develop FIATA as a source of industry information on the world stage. FIATA promotes a number of publications and two of these have now been translated into the Arabic language, notably the FIATA Legal Handbook on Forwarding. FIATA now has publications in Arabic, Russian, English, French, German and Spanish.

At a meeting in Zurich in 2006, the annual spring meeting of ABPR, it announced further development for the FIATA website and provided a platform for the promotion of up-coming Congress in Shanghai and Dubai.

Colin Beaumont
Chairman, Advisory Body Public Relations

Advisory Body Vocational Training (ABVT)

Thomas SIM has been elected the Chairman of the ABVT during the last congress in Moscow in September 2005. He has been a member of the ABVT since 2002 and the past Deputy Chairman of ABVT.

ABVT Restructuring

In an effort to elevate the standards and management of the ABVT and in anticipation of the wider roles which the ABVT will undertake in the near future, the ABVT organism has been restructured.

3 Working Groups dealing with 'Validation', 'Distance/Blended Learning', 'Promotion and Course Development' has been formed to better drive the respective thrusts of the ABVT.

Revision in the Rules & Procedures for Validation/Re-Validation

Validation means maintaining and sustaining the Standards of our FIATA Diploma in Freight Forwarding globally to make sure that our programmes are relevant, according to the current development in our dynamic industry. In line with the current industry practices it is necessary to make some supplementary revisions in the Validation Rules and Procedures, like the re-validation intervals, minimum training hours, mode of submissions, validation questionnaires and attendance at validation and re-validation sessions, etc.

FIATA Validation of Training Materials

Training is essential for keeping in tandem with the ever changing trends in the international freight forwarding and logistics industry. To ensure that the training courses remain relevant to rapid shifting requirements of the industry, FIATA continuously encourage national association members to revise and upgrade their training materials and curricula.

A record number of applications for Validation and Re-validation were recorded for the year. We saw new applications from - Moldova (AEM-TRANS), Kenya (KIFWA), Chinese Taipei (TILA), Ukraine (Ukrzovnishtrans/Plaske), Romania (USER) and Lebanon (LFS). For Re-Validation, we received applications from – Canada (CIFFA), Russian Federation (FAR), Georgia (AFG), Chinese Taipei (IOFFLAT), Estonia (EFFA), Kazakhstan (KFFA), Poland (PIFFA), France (AFT-IFTIM/TLF) and Belgium (CEB). However, it has been observed that more than 65% of the 44 FIATA validated materials from 39 national associations (which were mostly validated since 1996) are not current now. Therefore, the ABVT will continue to encourage and assist national associations to organize and update their training materials/programmes in line with the latest rules and procedures for FIATA Validation with the objective to be current and maintain a high level of professionalism in their conduct of the training programmes.

Global Facilitation Partnership – Distance Learning Initiatives (GFP-DLI)

Since 2001 FIATA is a regular partner in the "Global Facilitation Partnership". Core partners include World Bank, World Customs Organisation, UNCTAD, UNIDO, IRU, TIACA. The initiative is focussing on cross-border facilitation which embraces a strong element on professional education.

FIATA with its partner AFT-IFTIM - acting as the training organisation of the French national association TLF - has successfully conducted "blended learning" courses (classroom tuition combined with e-learning elements) in Balkan countries. The following countries in the region have successfully validated their courses in 2005: Bosnia and Herzegovina, Moldova and Romania. Currently, Croatia and Serbia are working on the project and Serbia will submit its course for Validation at the FIATA World Congress in Shanghai in September 2006.

GFP has given a momentum to various training initiatives (e.g. Latin America) and pooling of resources in this field should be a focal point.

Award of FIATA Diplomas

It has been very gratifying to note that between the last congress in Moscow in September 2005 and the Headquarters' Session in March 2006, a total of 286 FIATA Diplomas had been awarded, bringing the total numbers since 1996 to 3518. The recognition and popularity of the FIATA Diploma have been gaining grounds in the international arenas, evidenced especially in emerging economies and developing countries like the People's Republic of China, the CIS Countries and many parts of Asia.

Exhibition on Training Materials at FWC

In an effort to further promote the development of training initiatives in the FIATA world of international freight forwarding and logistics, the 'ABVT Exhibition on Training Materials' by national associations was introduced for the first time at the last Congress in Moscow, September 2005. A total of 6 national associations namely, CIFFA-Canadian International Freight Forwarders Association Inc., CIFA-China International Freight Forwarders Association, AFT-IFTIM/TLF-F-Monchy France, FFFAI-Federation of Freight Forwarders' Associations in India, FAR-Freight Forwarders' Association of the Russian Federation & SLA-Singapore Logistics Association successfully participated in this new initiative, which was well-received by most congress delegates as it activated a fruitful exchange on training knowledge in the industry. The fact that it created a forum on professional training including presentations and interaction with the attendants, this successful initiative shall be continued in future congresses to further promote continuous learning in our trade.

FIATA/IATA/TT Club Young International Freight Forwarder of the Year Award (YIFFA)

This year, a record of 16 participants from the following countries has been nominated by their respective National Associations :

Canada, China, Egypt, Germany, Georgia, Ghana, Hungary, Indonesia, Ireland, Italy, Nepal, Netherlands, New Zealand, Singapore, Spain and United Kingdom:

Considering the regional characteristic the repartition is as follows.

Region Africa/Middle East:	2
Region Americas:	1
Region Asia/Pacific:	5
Region Europe:	8

This positive trend in participation is certainly a very encouraging one. The YIFFA Steering Committee and the sponsor will continue to actively promote this competition, which will promote professionalism in our trade.

FIATA Foundation Vocational Training (FFVT)

We all saw another record-breaking effort of the generous contributions towards the Foundation by the FIATA memberships and delegates during the last congress! The raffle and drive on fund raising was certainly a tremendous success in Moscow, and the very encouraging result will surely assist many deserving emerging economies in the years to come...

The Foundation has received an application from Pakistan-PIFFA and a TOT Program was initially planned to be launched in early July 2006. However, due to the unexpected local state of readiness in Karachi, the program has then to be deferred to a later date.

The FFVT shall continue to explore areas of assistance to FIATA member-countries who are ready to implement sustainable training programmes for their industry.

Some of ABVT Future Directions...

Moving forward, the ABVT will be exploring several new initiatives in the areas training development and standards, with the future introduction of the FIATA Higher Diploma standards, Test Plans and the expansion of pedagogy (train-the-trainer) initiatives to assist aspiring national associations in the many areas of the training course developments and promoting sustainability in vocational training. Distance Learning initiatives/Blended Learning will also be reviewed for implementation in countries covering vast areas and outreach. The FIATA Minimum Standards (FMST) will also be constantly reviewed to reflect the latest changes in the market practices, especially in the field of Security Measures.

ABVT will continue to invite FIATA members who can contribute training resources for a noble cause by nominating delegates who are familiar with training to devote their services as part of the ABVT Team.

Finally, my sincere thanks and appreciations to all past and present members of the ABVT, as well as the past ABVT Chairman – Mr. Edward D. Little for all their guidance, efforts and commitments extended to the ABVT over the years.

Also, as the incoming Chairman of the ABVT and on behalf of my colleagues in the ABVT, I would like to record my appreciation for all the assistance received from Mr. Markus Schoeni, who has been a very important part of the ABVT.

In closing, I would like to borrow an inspirational and useful quote – “The illiterate of the 21st century will not be those who cannot read or write; but those who cannot learn, un-learn and re-learn”

Thomas SIM
Chairman, Advisory Body Vocational Training