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The Structure of FIATA

**Presidency**

President of FIATA: Stanley Lim Hwee Hong, Singapore
Immediate Past President: Jean-Claude Delen, Belgium
Secretary General: Heiner Rogge, Germany
Treasurer: William M. Gottlieb, Canada
Senior Vice Presidents: Babar Badat, Pakistan; Francesco S. Parisi, Italy; Suwit Ratanachinda, Thailand

**Extended Board**

Vice Presidents: Mrs Christine D’Arcy*, United Kingdom; Wassim Housami, Syria; Zhao Huxiang, P.R. China; Chris Kanter, Indonesia; Ivan Liptuga, Ukraine; Mazen Nadim, Egypt; K.C. Pelle, United States of America; Ivan Petrov, Bulgaria; Kostas Sandalcidis, Turkey; Ernesto Arevalo Schoedl, Mexico; Peter Yang Shu-Ping, Chinese Taipei; Sergey Zhelannov, Russia

Chairman AFI: Rodolfo J.C. Sagel, Argentina
Chairman CAI: Stephen J. Morris, Australia
Chairman MTI: Christopher J. Gillespie, Canada
Chairman ABDG: Frank Huster, Germany
Chairman ABLM: Richard D. Gluck, United States of America
Chairman ABSM: David Fielder, Australia
Chairman ABVT: Thomas Sim, Singapore

- Ms D’Arcy retired during 2012

**Secretariat**

Director-General: Marco L. Sorgetti
Manager AFI & CAI: Daniel Bloch
Manager ABLM & ABSM: Peter Maegerle
Manager ABDG & ABVT: Markus Schöni*, Ajay Pande
Manager MTI: René Zimmermann

Administration & FIATA Foundation: Mrs Sabrina Bonacker, Mrs Barbara Wieser

- Mr Schoeni retired during 2012.
This is my first annual report as President of FIATA, but not my first annual report as being part of FIATA. I have been so long inside the structure of FIATA that I think very little of what happened in the last couple of decades failed to catch my eye. In this light I am quite thankful for the work done by my predecessors, which contributes to making my job a little easier, but let me tell you... what a job! There is no private life in your term of office and you are often on the run for FIATA. Since I took office I have been in China, South Africa, Thailand, Australia, Italy, Egypt and I even had to decline the invitation to travel to Ukraine and Lebanon, as there was really no way that I could be there. Fortunately one of the conferences was in Singapore, and I must say I enjoyed my home town in a different light, being invited as a guest, even if I like travelling.

And let me also tell you that I was not the only one travelling and waving the FIATA flag on behalf of our Members. Many of the Board Members were invited to speak in several conferences in all corners of the earth. As usual our main external contacts were with UN bodies and other governmental representative organisations such as the WCO. Serving the interests of our members and our industry is our statutory mission as my predecessor Jean-Claude told you last year. My view is that now, with a brand new Board and a flexible and proactive Presidency team, we can progress more effectively than ever, especially assisted by a more culturally diverse Secretariat.

FIATA managed to speak in public often, with thoughtful position papers and commanded the attention of the Institutions, the specialised Press and our colleagues in related interest representative organisations.
The Immediate Past President gave us his guidance last year in regards of the organisation of regional meetings. I have been in line with this view all along and it was then my task to implement these suggestions. I think the success of this year’s field meetings is the confirmation that our choices were right and that we need to shine our light globally, but we also need to take aliment from the experience that comes from being closer to the different regions of the world that are represented in FIATA in numbers and quality that have no parallel to my knowledge in any other organisation in the world.

It is traditional to spend a word about the general condition of our business and the world economy in particular. My personal feeling is that we have not yet resolved a number of the issues that came as a bequest of the financial crisis in 2008. It is true that 2011 has not been a bad year and 2012 did not start badly, but we really fail to see the progress that everyone is expecting. Asia is steadily growing, but even powerhouse like China have shown some signs of slowing in their phenomenal growth. Europe is still struggling with its growth percentages and we do not see the traditional enterprising optimism on the European faces that we were so accustomed to seeing and, sometimes, to envy. Africa is continuing to grow, albeit with some tensions in some areas that have yet to manage their contradictions. In the Americas the picture seems to take a pink hue, but some uncertainties still remain about the growth rate of the US. We all know that if the US does not grow sufficiently the rest of the world struggles. In summary, we see a patched picture with lights and shadows that reflect almost one to one into the growth of our sector.

Let me mention some of the homework we have done over and above the public part: we have managed to start pilots in e-learning, we are well ahead in the selection of the providers for our own e-Docs project which will make all FIATA documents available in electronic format and we are making some progress in the automation of some of the typical FIATA functions, such as Membership applications, payments and trade facilitation instruments. In this light we have started working on updating our portfolio to the era of e-commerce. I shall not be long on these items as these are all in the pipeline, but I prefer to talk about the achieved results, rather than promising them.

In one word, this has been a year of important steps and decisions taken. In working with the new Secretariat I must say that the more proactive attitude of our staff is well appreciated, in view of higher and more important results for FIATA in the future. It also contributes to keeping us all well awake and focussed, which is what we really need in these complex and sometimes testing times.

Stanley Lim Hwee Hong  
President of FIATA
**Director General’s Report**

Whilst many of you may know me already from my previous appearances in FIATA, with different “hats”, such as APSACI, FEDESPEDI and CLECAT – in fact my première was in Florence in 1992 – I must say that having been selected as DG of FIATA is probably the biggest achievement of my life. This statement reflects the enthusiasm with which I have taken this new position. I hope my work will contribute to the progress of FIATA and I am ready to go out of my way to achieve good results for our Members. I must thank my staff for their friendly welcome and their intelligently challenging approach in “adopting” the first non-Swiss director in very many years and I am equally thankful for the trust of the Members and the Board.

Tradition expects me to give you some information about our membership base: there are no new Association Members, so these remain 112, but we have received new applications. Individual members are now 5319 in 156 countries and this is the accurate figure that reflects the recent difficulties in our sector. This being said, we receive many individual applications and I am confident this number will grow significantly in the near future. We can safely state that FIATA is the largest industry representative organisation in the world in the area of transport related activities.

The information flow from the Secretariat is sound and my impression is that its quantity and quality are improving, an element for which we must pay our tribute to the work done by the Chairpersons. Their voluntary contribution to FIATA is the element that makes FIATA so unique in the landscape of logistics. The quantity and quality of the information, which is mirrored by an unprecedented number of public appearances and statements, are the ingredients of the success we expect to see portrayed during our World Congress in Los Angeles. The programme is now clear, interesting and understandably attentive to American issues, and the number of participants is still growing steadily.

The Secretariat’s activity has been very lively. The number of requests and issues that have been tabled in the few months since my arrival has been outstanding, filling all agendas and all available time. Many issues had been in the making for quite some time, but from Zurich our impression is that our activity is now expanding in all directions. Attending conferences and workshops of various international organisations, such as
UNCTAD, UNECE, UNESCAP, OECD, OSCE, WCO, ICC, and others has become ordinary work for our staff and results are filtered through to the members in our normal information flow.

In conjunction with the International Transport Forum and CLECAT we organised a very high level workshop on the digitalisation process of transport Documents in Leipzig on May 2\textsuperscript{nd} 2012 that raised favourable comments as far as Canada and China. This was also the occasion to publicly launch our initiative on the digitalisation of the FIATA documents, in my view one of the most important initiatives on FIATA’s horizon in this period.

We have the advantage of an entirely new IT system which has brought state of the art computers and programmes to the Secretariat. Now our expectation is that by the end of next year all Members will benefit from an entirely new FIATA website, an e-business portal and automated processes for membership application, endorsement, payment and certification. In addition we plan to create a FIATA expanded e-shop where your favourite articles will be up for sale and immediate delivery.

This is an ambitious programme that I have accepted to implement on behalf of the Presidency. I really need everyone’s help and I thank you all in advance for your trust and confidence. Let us work together to achieve these important results. As you all know I have expanded time tables and I have best intentions to be available for all of you as and when you need me.

Marco Leonardo SORGETTI
Director General of FIATA

The baton is passed from Cairo to Los Angeles, Cairo, Egypt, 2011.
AIRFREIGHT INSTITUTE (AFI)

The FIATA Airfreight Institute is looking back on a very intensive year, with the one ahead being loaded with even more challenges.

Forwarder / Airline Relationship

Last year AFI felt the need to challenge IATA with its press release titled FIATA Air Freight Institute announces Industry Relations Action Plan. This was just the tip of the iceberg after years of polite but persistent efforts during numerous meetings and discussions with IATA where AFI heard many promises but came to realize that most were just empty words. We were disappointed, having not reached even a minimum of tangible or sustainable improvements.

Following the July 2011 change of leadership at IATA, there has been a realization that the tradition, now more than 40 years old, between airline and forwarder, seems outdated. Therefore, a joint working group has been meeting since April and is scheduled to continue its work until November, with the objective to develop a new framework for this relationship. An update of the progress will be tabled in Los Angeles to the AFI delegates.

ICAO-FIATA Training

The ICAO-FIATA Dangerous Goods by Air Training Program continues to gain momentum with newly approved training facilities, operated by both FIATA Association members and private training organizations in North America, Latin America, Europe, and the Far East. In addition there are further applications pending, and we expect they will commence providing ICAO – FIATA Training by the end of the year, which will include facilities in Africa and Australia.

This joint training initiative makes DG training a cost effective option available to forwarders and others, without compromising on quality, and it is fully recognized by IATA and IATA Airlines as meeting training requirements required by IATA Cargo Agency Resolutions.

We continue to encourage all our members to contact the FIATA Secretariat to learn how this training program can benefit your (membership).

GACAG

Since last year’s report, FIATA has continued to partner with TIACA, GSF and IATA under the air cargo supply chain umbrella group - Global Air Cargo Advisory Group. We continue to dialogue with stakeholders in the areas of e-commerce, sustainability, security and customs facilitation. AFI delegates will be receiving a detailed report on GACAG activities in Los Angeles.

IATA Legal Action

In April 2011, a lawsuit was instituted by IATA against FIATA, alleging FIATA breached its contractual obligation following the separation of the two organizations joint training program. In the opinion of FIATA's lawyers, this action has no merit, and FIATA has taken the necessary steps to defend itself. Efforts to amicably dismiss this suit have been on-going, but have yet to produce the desired results.

AFI is committed to achieving the improvements which airfreight forwarders expect, and will continue in discussions with IATA to further the recognition of the Forwarder and Airline as equal partners, AFI counts on your support and assistance - together we will build a new modern system in the airfreight industry.

Your participation, solidarity and contribution are vital, therefore as the chairman of the Airfreight Institute I look forward to seeing you in Los Angeles this October.

Rodolfo J.C. Sagel
Chairman, Airfreight Institute
Since the last report in 2011 we have seen a continuation of border interdiction arrangements where customs administrations take the lead agency role. Issues remain very much **work-in-progress** with customs administrations maintaining border security as their key policy objective. What is now evident from the work of customs administration is that the standard or benchmark on maritime container security set by the United States Customs and Border Protection (USCBP) in its *Importer Security Filing* (24 hour load rule) is now becoming the norm for other customs administrations.

It was not unexpected in their overview of the USCBP arrangements that other customs administrations would assess their own needs, particularly in relation to container maritime traffic, from the proven ability of service providers to international trade logistics and supply chain management to provide prescribed information 24 hours before the cargo was loaded on board a vessel. This initiative did not create a hiatus in industry either with carriers or the service providers in that data was available as to cargo booking(s) and export manifest build up after cargo receipt. In essence industry was able to comply with the challenge and through international governmental bodies such as the World Customs Organisation (WCO) the benefits of early receipt of data, in prescribed data models, enabled regulators to become comfortable with the benefits of early profiling of cargo which in turn (hopefully) enhanced the early release of cargo at the place of destination. This profiling (combining the requirements of other regulators whose functionality resides in customs data) should provide for more efficient combined / integrated border management. This can only be to the benefit of all parties in international trade.

The International Federation of Freight Forwarders Associations (FIATA) through the Customs Affairs Institute (CAI) has closely monitored these changes and intervened in such discussions to ensure the position of FIATA members is understood by regulators so all parties receive the benefit of facilitated coordinated border management.

**Customs Affairs Institute**

What is clear is that the AEO concept is now being spoken about in terms of integration into bilateral and multilateral trade negotiations and into supply chain security contractual arrangements.
To this end the WCO SAFE Framework of Standards and the Revised Kyoto Convention will become the underpinning blocks for such arrangements. Within the context of SAFE the Authorised Economic Operator (AEO) continues to achieve wider attention and integration into international trade logistics and supply chain management processes. However the AEO arrangement appears more about being a benefit to regulators. The FIATA position however is that the AEO is not just for the regulator’s benefit but for all supply chain service providers and their clients.

What is clear is that the AEO concept is now being spoken about in terms of integration into bi-lateral and multi-lateral trade negotiations and into supply chain security contractual arrangements. Economies which do not have an AEO type arrangement may be placing their service providers and economies at a disadvantage. Members are therefore urged to ensure their respective customs administration understand the implications of the AEO as to service provider’s ability to compete in end-to-end supply chain security arrangements.

In meeting the requirements of FIATA members the CAI provides support in relation to international Conventions and WCO policy related to:

- SAFE
- Globally networked customs philosophy
- Revised Kyoto Convention
- International border management best practice

In essence the CAI is an information repository for FIATA members as to international developing trends, directions and observations on customs and related matters. In this regard CAI works on behalf of members through the WCO Private Sector Consulting Group and other industry forums.

It should be noted that CAI is a resource tool for members and not the driver of change in respective economies.

Today service providers to international trade continue to be faced with the challenge of:

- Economic downturn
- Government budgetary constraints
- On-going regulatory intervention on border management
- Enhanced border security requirements as to community safety and security

The work outcomes of FIATA Institutes and Advisory Bodies, including CAI, are about knowledge sharing and to that end such information for members must be:

- of value
- able to be understood (in reference to member associations and their respective needs)
- able to be used to the best benefit of FIATA members on behalf of their members in discussions with governmental and non-governmental entities

To achieve these objectives, FIATA members are urged to actively participate in the work of FIATA and of the CAI.

My role as CAI Chair is ably supported by the CAI Vice Chair, Mr Jean-François Auzeau and the FIATA Manager, Mr Daniel Bloch. I thank them both for the continued input and support on technical and policy issues. My thanks also to the FIATA Presidency and the FIATA Director-General, Marco Sorgetti for on-going guidance and support.

The challenges of 2011 remain. Only with the support of FIATA members can we deliver policy and process to meet these challenges at international, regional and national levels.

Stephen J Morris
Chairman, Customs Affairs Institute
ADVISORY BODY DANGEROUS GOODS (ABDG)

Although the dangerous goods regulatory framework generally is very dynamic, fortunately for freight forwarders, carriers and shippers, the process of further development of the regulations has now reached calm water. The legal structure has been settled and also the process of harmonisation between mode specific dangerous goods (DG) provisions has reached a more or less comfortable level for the stakeholders.

Much has been achieved, but, despite all efforts made, some issues are still pending. The fact that the last twelve months were not marked by particular highlights in the sector of hazardous cargo transportation must not lead to the illusion that the freight forwarding business will not be affected by future activities of the regular international DG committees and their sub-groups at UN level that each meets at least two times a year to fine-tune the provisions. This and the fact that, also from the freight forwarder’s point of view, the DG regulatory framework still is not perfect, makes it necessary for FIATA to regularly attend UN and other meetings in order to closely follow and influence discussions by own proposals.

It is important to underline that through the eyes of a Non-Governmental Organisation (NGO) like FIATA, success quite often means having prevented its members from new legislation which would impose additional administrative burdens to our business with not necessarily positive effects on the level of safety.

From FIATA’s point of view the lobbying for the development of the “greater” European DG surface transportation regulations (ADR for road transport, RID for rail transport and ADN for inland navigation) continued to be largely successful. FIATA is happy to notice that Azerbaijan has joined the ADR Convention which now has an extent of 47 member states (44 states are RID members, 16 have joined ADN) covering now an area from the north of Europe down to North Africa and already touching western parts of Asia.

In detail FIATA took influence on recent negotiations at UN ECE WP.15 and Joint RID/ADR/ADN Meeting on the 2013 edition especially on amendments for ADR and RID, e.g. new provisions concerning mandatory accident reporting, tunnel passage limitation, marking and labelling. FIATA was successful with own proposals on load securing standards and mixed loading provisions which, as a result, fosters harmonisation between mode specific regulations and facilitates dangerous goods transports as such.

FIATA also continued focusing its activities on the on-going work on the elaboration of a legal framework for a telematics solution for the safe and secure hazardous cargo transport by road, rail and inland navigation. This work is based on a mandate given at UN level to an informal working group with the membership of FIATA. FIATA emphasised that any telematics applications, not only for the DG sector, will be supported as long as they provide significant measurable safety, environmental and economic benefits under the condition of stakeholder’s voluntary implementation.

Luckily, euphoria of those regulators who wanted to create a “big brother scenario” for dangerous cargo transport has cooled down. Two German and French research projects, which were meant to investigate solutions such as electronic consignment notes or electronic transmissions of the load conditions to first response teams, had been implying legal requirements for the use of telematics: this will not enter the ADR or RID before 2017.

FIATA has already been successful in achieving observer status at the International Civil Aviation Organization (ICAO) but, much to our regret, we could not manage to fill the gap of representation at the ICAO Dangerous Goods Panel (DGP) due to ABDG manpower. Now, FIATA is confident, that additional expertise can be gained very soon in order to observe and to contribute to the on-going developments of the ICAO Technical Instructions for the Safe Transport of Dangerous Goods by Air.

Still, the role of freight forwarders when handling DG air cargo is not really satisfying in terms of ICAO-TI as well as IATA-DGR training requirements. Although it is clear that personnel are required to receive training commensurate with their responsibilities, air regulations define training by profession (freight forwarder) rather than the function involved. As a result many freight forwarders receive DG training in excess of their real responsibilities which might vary from case to case as intermediaries between shippers and operators. ABDG and AFI will keep this topic on their agendas.
I would like to thank all my colleagues from ABDG who gave support and contribution to our joint work. A special thank you goes to Mrs Christine D’Arcy (UK) who co-chaired the ABDG for quite a long time with excellent expertise and commitment. ABDG wishes to express its gratefulness and wish her all the best for her retirement. This also goes for Mr Marcus Schöni from the FIATA Secretariat who always did excellent administrative work “backstage” and who as well retired in the first half of 2012.

Frank Huster  
Chairman, Advisory Body Dangerous Goods

The Egyptian Night Reception, Cairo, 2011

ADVISORY BODY LEGAL MATTERS (ABLM)

Regulation of the Freight Forwarding Industry in China

During the past year ABLM welcomed the active involvement of representatives of the Chinese association in providing information about the law and regulations governing the freight forwarding industry in China. Due to the size and importance of the Chinese market, many questions have arisen from member associations about the rules governing the licensing and operation of international forwarders in China.

Dr Yang Yuntao, Chair of the Legal Committee of the Chinese Freight Forwarders Association and in house counsel for Sinotrans, accepted an appointment as Deputy Chair of the ABLM. For the first time, at the HQ session he gave FIATA an in-depth presentation on the current state of the industry’s regulation in China. He also answered questions about the tariff filing requirements administered by the Shanghai Shipping Exchange, and invited members with further questions to contact him.

Rotterdam Rules

ABLM continued to follow consideration by various national governments and industry groups of the proposed UN convention on cargo liability for shipments wholly or partly by sea (the “Rotterdam Rules”). The convention will not become effective until it is ratified by at least 20 member states of the UN, and only two (Spain and Togo) have ratified it as of this writing. Some European members
also reported that the ratification process was very slow, and that many countries were looking to the United States to ratify before taking any action of their own. China has not taken a position on ratification, and its industry has expressed concern about a number of provisions, including the use of volume contracts that derogate from the terms of the convention and the possibility of delivery without presentation of bills of lading permitted by the convention upon agreement of shipper and consignee.

**Iran Sanctions**

ABLM also continued to report to the membership on enhanced sanctions against trading with Iran by both the US and the EC, including restrictions on financial institutions that have held up payments on forwarding transactions affecting Iran. It was decided by the Extended Board that this issue would be assigned to the Customs Affairs Institute, with assistance from ABLM.

**Air Freight**

The featured speaker at the ABLM meeting in Cairo was Mike McDaniel, an ABLM member and attorney for UPS, in the U.S. case holding that the two year statute of limitations under the Montreal Convention does not apply to forwarder claims for indemnification against air carriers for loss and damage claims.

**Actions to Prevent Fraudulent Delivery against House Bills of Lading**

The ABLM formed an ad hoc working group made up of co-opted experts and ABLM members to suggest recommended best practices to address the problem of release of cargo in the USA that results in unauthorized or fraudulent delivery. The group is attempting to formulate recommendations to be considered at the annual Congress in Los Angeles. Its work has been complicated by the complex legal issues surrounding issuance and surrender of bills of lading, and the difficulty of working within the standard terms of such documents to remedy this problem.

**Case Law Updates**

An update on recent case law, mainly involving major cargo claims from around the world, is given at each ABLM session by a representative from the TT Club. A larger committee of insurance industry representatives is being formed, to be chaired by the TT Club representative, to focus these reports on a few key issues in depth. The regular members of the ABLM in future will be expected to report on general legal developments in their respective regions under new terms of reference adopted by the Presidency to govern the ABLM.

Richard D. Gluck
Chairman, Advisory Body Legal Matters
Advisory Body Security Matters

2011/2012 has seen a revised focus of attention in respect of regulatory security initiatives having a global impact away from America and TSA/CBP to Europe and the EU commission with the enactment of EU859 in early 2012. Throughout the latter part of 2011 and early 2012, USA regulatory requirements for securing cargo, be it air or ocean freight, remained fairly consistent. 2011 did see a weakening of re-active requirements initially put out in respect of the ink cartridge bomb of November 2010. What was new apart from EU 859 was the ‘gentle’ introduction by TSA jointly with CBP, of ACAS: Air Cargo Advance Screening, to the forwarding and express communities. To support the mandated USA deadlines for 100% cargo screening and listening to industry the TSA has taken a risk based approach by identifying cargo requiring enhanced pre-departure physical screening protocols, and prevent the loading of high-risk cargo before it departs from an overseas airport.

During the 2011 Congress in Egypt in addition to providing AEO updates (approx. 4000 ‘Customs’ and ‘security’ certificates of compliance having been issued by about 2Q 2011), ABSM introduced and showed a video on ACAS which was well received. Additionally issues surrounding EU regulation EC859 were reviewed and presented to the audience, as well as updates on FIATA involvement with GACAG (Global Air Cargo Advisory Group). Considering the ‘political’ climate in Egypt and despite lesser international delegates being present ABSM still enjoyed a reasonably well attended session with a lively and engaging audience.

The HQ session in Zurich provided an interesting forum for a lively discussion on the then very recent enactment of EC859. Taking this important subject as the focal point of the ABSM session, the previous format was changed to that of an interactive session covering 3 subjects with encouragement to the 4 delegates to present their concerns and thoughts over the EU ruling. This was the first time the ABSM session had moved away from what is a fairly standard format for HQ and Congress sessions and it proved to be very successful. In fact, the 2012 congress will be developing the new format further to encourage even more audience participation and focus on a few current issues rather than presenting several small non-global issues.

One Major issue surrounding EC839 that attracted much discussion and indeed concern was the requirement for airlines to ensure that all forwarders after June 2014 were independently audited against security requirements and that concerns that IATA was offering their services despite clear
potential issues with them not being entirely “independent”. No doubt this issue will be further debated in the coming year.

During the year, outside of the HQ and Congress work, ABSM has been very active in its involvement with GACAG, the Secure Freight Program, and its recent invitation to actively partake in AAPA (Assn. of Asia Pacific Airlines) cargo security working group, which has allowed open and information sharing along with express carriers and local carriers of cargo issues affecting the Far East where indeed a very large percentage of world cargo movements originates. Another initiative taken by ABSM was to support the RAP field meeting using Skype. This proved very successful and we will investigate developing this to support other field meetings in the coming year.

In drawing this report together I would thank (both the members of ABSM) who have provided support for various activities during the year and very importantly to the delegates who continue to strongly support the two public sessions each year and who have encouraged ABSM to develop a more interactive format for the sessions. Indeed this will help us well as we move on into 2012 and with dealing with the various mutual recognitions that are starting to appear alongside further development of ACAS.

And finally, I could not close this report without giving a worthy mention to the upcoming 2012 Congress in Los Angeles. I am convinced the ABSM session, which will have a very new format with speakers and on very important and relevant issues, will present opportunities we have not had before for very lively debates and hopefully we can even come away with a few action items. So without further words: See you all in Los Angeles.

David Fielder
Chairman, Advisory Body Security Matters

MULTIMODAL TRANSPORT INSTITUTE (MTI)

2011 proved to be another globally lacklustre year economically and in the marine mode, the first five months of 2012 showed a slower trade growth coupled with an increase in container slots available.

China, one of the world’s economic engines has shown a gradual decline in GDP 2011 through 2012 with an annual growth target below 8% for the first time in almost a decade. The Euro Zone with unemployment around 11.1% and its economy set to shrink .3% this year (German GDP expected to grow .7) is equally disheartening. The U.S. has unemployment at 8.2% and a GDP of 2% for this year. India had a GDP growth of 5.3% in the first quarter of 2012, the slowest in 9 years. All of this to say we are in for what appears to be a slow recovery in global economics.

That said, vessel capacity continues to increase and was 16,000,000 TEUS in June 2012. Even with attempted rate increases, carriers still reported losses, Maersk 600,000,000 and CMA 248,000,000 in the first quarter alone. None of these indicators bode well for our industry given that transportation is the lifeblood of the global marketplace.

Even as we struggle to address the basic issues of our day to day business, global concerns with security, environment, workplace safety, to name only a few that impact transportation, continue to demand a strong central voice to represent our industry. This is the voice of FIATA and this report will touch on our efforts in MTI and its working groups to address these and other issues to our industry’s benefit.

Working Group Road, under the chairmanship of Kostas Sandalcidis has met twice in this last year, the last meeting prior to this report in Sofia, Bulgaria in March. Monitoring and participating in IRU activities remains critical to this working group and in particular the expansion and evolution of the TIR Carnet System, so critical to cross border truck transportation.

One excellent example of customs collaboration is the Customs Union between Belarus, Kazakhstan and the Russian Federation which has been in full force since 01.07.2011. The customs border between these three countries has virtually disappeared as of that date. In practice this means that a transport operation from the EU (e.g. Portugal) travelling to the external border of the customs union (e.g. the Kazakh-Chinese border) can be carried out with the cost effective 4-volet TIR carnet.
The UNECE e-TIR Project, ten years in the making, still remains a daunting initiative with numerous practical, financial and legal questions unanswered.

Syria and conditions there, which have continued to worsen, is of concern to our Syrian and neighbouring country colleagues with no end in sight and little we, as transport practitioners, can do.

Working Group Rail, under the chairmanship of Dr Ivan Petrov, has continued to pursue issues of concern to our members active in this mode. WG Rail is the only body of FIATA which is acting in close cooperation with the representatives of the respective organizations – UIC, Paris, as well as those of CLECAT Rail Institute, Brussels. It welcomes guests from IBS, Berlin; CIT, Bern and CCTT, Moscow to our discussions.

The real challenge is to unite people (more than 30) to reach a common understanding and position on rail issues covering not only European Union matters, but as many other countries as possible.

The direction of the WG in regards to issues that may emerge, is the enlargement of the scope of perspectives of the WG Rail which it is hoped will evolve from an EU oriented body towards a more global one covering rail related issues in a larger Europe, Europe and Asia, North America, and effectively anywhere rail has a role in the transport infrastructure.

The scope includes not only geographical engagement, but also the widening of rail related issues, such as combined transport (container traffic, ferry lines, etc.), co-modal transport, different legal regimes for rail and combined transport and their further unification, e-documents, and usage transport documents for customs purposes, etc.

In order to increase the interest towards specific market issues, WG Rail organizes yearly Market Place Seminars which are attended by 150-200 people and count among the speakers senior officials and top managers from the largest companies in the industry many which are indifferent and unaware of the activity of international bodies such as FIATA, so the benefits are significant in promoting a better understanding of our role.

Working Group Sea under the chairmanship of Robert Keen has met twice in this past year, Basle in February and Antwerp in June. The Working Group Sea Transport (WG) has continued the policy of seeking to interface with local stakeholders when holding meetings.

In Basle the Swiss Forwarders Association organized an interactive visit to a container station on the River Rhine and the complexities of container transfers between trucks, barges and trains were observed at first hand by WG members from the cab of a crane. In our June meeting, the Port of Antwerp were our hosts for a presentation of their plans on the expansion of the port. The Belgian Forwarders Association also organized visits to see inland waterway infrastructure.

We are grateful to both the Swiss and Belgian Forwarders Associations for their hospitality and for providing informative meetings and visits.

The membership of the WG remains strong. A number of subjects are currently being studied and there follows a brief summary of the main topics and bodies that we liaise with:

- There has been a big increase in countries that are requesting submission of advance manifest details and the WG has been instrumental in providing information to the FIATA membership where clear facts are available. This year such systems have been introduced in Turkey and Korea with Japan making plans for 2013.

- The WG also studies global security initiatives and supply chain security such as C-TPAT, PIP, and AEO, etc.

- The WG continues to express reservations to the US DHS (Department of Homeland Security) regarding the plans to insist on 100% scanning or screening of containers by mid-2014. The Transport Intermediaries Association has been very active on behalf of the WG regarding this topic.
• Thanks to The Transport Intermediaries Association we continue to represent the view of NVOCC regarding tariff filing matters and equal treatment for intermediaries with the US Federal Maritime Commission.

• The slow progress with the so called Rotterdam Rules is monitored together with planning for any revisions to FIATA documentation whether electronic or paper based.

• We continue to attend ICC (International Chamber of Commerce) meetings supporting many of their proposals and ideas.

• Developments in China are monitored with assistance from our friends at HAFFA and in the past year we have established a closer relationship with CIFA giving us a greater insight into the initiatives that are underway in China such as NVOCC rate filing, the Chinese AMS and the introduction of a pilot VAT scheme.

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

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

Christopher J. Gillespie
Chairman, Multimodal Transport Institute
Vocational Education and Training (VET) prepares trainees for jobs that are based on performance. The FIATA Advisory Body Vocational Training (ABVT), in close collaboration with FIATA Association members, continuously endeavours to promote and raise awareness in training. It strives to enhance competitiveness through acquisition of knowledge, skills and attributes in our rapidly changing industry. The “FIATA Minimum Standards” (FMST) for obtaining the FIATA Diploma as well as the new minimum standards for the “FIATA Higher Diploma in Supply Chain Management” (FHDS SCM) ensure continuous benchmarking of uniform quality. These standards are in turn under constant review to keep pace with the rapid changes and technological advances in our industry practices and requirements.

Validation/Re-validation of training materials developed by Association Members

FIATA Associations, as adult educators, can respond to industry challenges and leverage the opportunities that globalisation offers. In line with the current industry practices, the ABVT adapts its Validation Rules and Procedures and monitors the re-validation intervals, minimum training hours, mode of submissions, assessment criteria and validation questionnaires. The ABVT continuously encourages all FIATA Association Members and assists them in developing a structured training framework to promote professionalism in their respective spheres of activities. It also counts on the Association Members’ commitment to offer up-to-date, cutting-edge training programmes in their countries in freight logistics and supply chain management.

FIATA Validation of Training Materials

In October 2011 (FIATA World Congress, Cairo, Egypt) the materials/syllabus of Chinese Taipei (TILSCA), Malaysia (FMFF), Estonia (ELEA/ELFA) & Pakistan (PIFFA) and in March 2012 (FIATA HQ Session), Canada (GIFFA), Bulgaria (NSBS), Slovakia (ZLZ SR), Ukraine (AIFFU UZT), Zimbabwe (SFAAZ) and Iran (ITCA) had been successfully validated or re-validated.

There are now 52 countries (as of March 2012) that have FIATA validated training materials with 60 national training programmes. However, there are still 9 programmes (or 17%) of the FIATA-approved programs which have not been re-validated since 1996; these programs therefore no longer comply with the FIATA Rules & Procedures for Re-validation (exceeded the 4 years’ intervals).

Awarding of FIATA Diplomas

2011/2012 has been another fulfilling year for ABVT. From 1st January 1996 until 31st July 2012, a total of 7707 FIATA Diplomas were issued. From mid October 2011 to 31st July 2012, 575 Diplomas were delivered with Ghana heading the country rankings with 118 Diplomas, followed by Egypt 77 and Estonia with 43 distinctions. Members’ attention is drawn to the fact that it is now possible to request the electronic version of diplomas at a significantly reduced rate.

ABVT Forum

ABVT has organized so far, four Forums on Professional Education (in Vancouver, Geneva, Bangkok and Cairo) so far. These events were positive and well received. They are now officially listed in the Congress Agenda. These Forums hosted a number of delegates from around the world who wished to learn more on professional education and exchange views with other members.

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

This year’s 5th ABVT Forum in Los Angeles (USA) will probably have three sections, namely –Core Activities of ABVT, New Technologies in Training, and Cooperation with other Organizations in the field of training. A panel discussion with experts has been scheduled after each of the 3 segments. Invitations will be sent out to Association Members in due course.
FIATA/IATA/TT Club Young International Freight Forwarder of the Year Award (YIFFY Award) Competition 2011 and 2012

During the World Congress in Cairo, Egypt in October 2011, the President of FIATA (Mr Jean-Claude Delen) and the Chairman of the Steering Group of the Award (Mr Andrew Kemp, TT Club) were happy to welcome and award the four regional winners from Hong Kong, Mexico, Ireland and U.A.E. Before the final award ceremony the four winners had to present their dissertation to the Steering Group for selecting the overall winner. The candidate from Ireland was nominated “Young International Freight Forwarder of the Year 2011”.

For 2012, 17 Candidates have been nominated by their respective Associations. Of these, 14 young professionals submitted their dissertations by the stipulated deadline. The YIFFY Steering Committee has selected the four regional winners. The deserving four are from Germany, South Africa, Australia and Canada have been announced in July 2012 and they will be invited to attend the FWC 2012 in Los Angeles (USA) where the Overall Winner will be evaluated and announced.

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

The Young Freight forwarder of the Year Award winner, Cairo, Egypt, 2011

FIATA Foundation Vocational Training (FFVT)

During the remaining part of 2011 the Foundation did not receive any successful application for a Train-the-Trainer (TOT) course. The anticipated projects in East Africa and Latin America did not materialise.

The Foundation’s pool of SME’s (Subject Matter Experts) delivering the ToT was further augmented by the addition of two very well qualified and experienced lecturers from Germany.
After the HQ Session in Zurich in March 2012, the Foundation received an application from the Tanzanian Association for a TOT. A preliminary assessment visit was conducted in May 2012 and based on the satisfactory report received; a TOT has just been successfully delivered in Tanzania from 25th July to 7th August 2012. Full TOT Reports will be featured in the FIATA Reviews as well as FIATA Circulars to all members.

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

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

Projects of FIATA ABVT

- FIATA Higher Diploma in Supply Chain Management

ABVT Validation Committee is ready to validate programmes of the FIATA Higher Diploma in Supply Chain Management (FHDSCM). Applicants for this qualification should however be in possession of a FIATA Diploma before enrolling and applying for the FHDSCM. Association Members from Belarus, Kazakhstan, South Africa, Vietnam and the Russian Federation have applied for getting their programmes to be validated at Los Angeles in October 2012.

- Trainer Certification

Those participants who had successfully completed the TOT Courses – FIATA or self-funded - can apply for a Trainer Certificate to be recognized as a trainer within the respective Associations. Applications have been received from Malaysia, Belarus and South Africa so far.

Future Directions of the ABVT

It is well established that effective training and learning in organizations is critical. The role of training and trainers is being redefined. Increasingly, they are required to support, accelerate and direct learning interventions which meet organisational needs and are appropriate to the learner and the context.

ABVT will continue to explore new initiatives in training and development and enhance training standards. Its primary objective will always be to introduce vocational training pathways for FIATA Associations and their graduates, as well as to assist Association Members in developing and promoting training sustainability through its training standards and best practices.

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

As we reflect upon the period under review, on behalf of the ABVT I would like to acknowledge the many years of sterling efforts by Markus Schöni, FIATA’s Manager for ABVT who retired at the end of March 2012. ABVT’s efforts to elevate the standards of professionalism in vocational training to greater heights in the world of FIATA would not bear fruit without the strong support, assistance and commitment from all our ABVT members and the FIATA Secretariat. I would also like to formally welcome Mr Ajay Pande, a well experienced industry practitioner as our new ABVT Manager. To all these, I express my sincere gratitude.

Thomas SIM
Chairman, Advisory Body Vocational Training