

# ANNUAL REPORT

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# FIATA

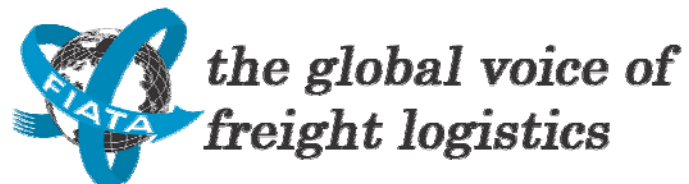
International Federation of Freight Forwarders Associations  
Schaffhauserstrasse 104  
P.O. Box 364  
CH- 8152 Glattbrugg  
Switzerland

Phone: +41 (0)43 211 65 00  
Fax: +41 (0)43 211 65 65

E-mail: [info@fiata.com](mailto:info@fiata.com)  
Internet: [www.fiata.com](http://www.fiata.com)

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## Composition of FIATA

### Presidency

President of FIATA	Manfred F. Boes	Germany
Immediate Past President	Issa Baluch	United Arab Emirates
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 ABLM	Mrs Kay Pysden	United Kingdom
Chairman ABVT	Thomas Sim	Singapore

### Secretariat

Director General	Marco A. Sangaletti
Manager AFI & CAI	Daniel Bloch
Manager ABLM	Peter Maegerle
Manager ABDG & ABVT	Markus Schöni
Manager MTI	René Zimmermann
Administration	Mrs Diana B. Bertschmann
	Mrs Nicole Peter

## President's Report

After our congress in Shanghai, which was organized wonderfully by our Chinese friends and which was a real experience for us, we all turned to our daily tasks once more. For me as FIATA President, this meant constant contact with our office in Zurich, but also almost daily internet communications with the members of the Presidency. It is truly fascinating, how simple it is today to discuss matters with each other across the world and to take necessary decisions, all via modern media and contemporary means of communication.

Besides this work, it is my duty to maintain contact with our members on my many travels, but also to promote our freight forwarding and logistics industry.

In this matter, I have paid special attention to developing and emerging nations, in order to give our members on-the-spot support from their world organization, but also in order to present the logistics industry to a broad public – namely to those who do not deal with our industry every day.

At the beginning of 2007, the Presidency met in Dubai, not least in order to prepare for the congress that will take place there in October 2007.

From there, I went straight to Karachi in Pakistan, where I took part in an international logistics forum. The fact that my Pakistani colleague and I were invited to Islamabad to a private audience with the Premier of the country is a sign of the significance of this visit. It is clear that the Pakistani government is very much aware that the further industrialization of Pakistan will demand a simultaneous development in its logistical infrastructure.

The Headquarter's Session in March in Zurich was a great success, with 210 people from 58 countries taking part. This is proof to me of the increasing importance of FIATA, also within our own community.

The Balkan Conference in Belgrade was my next destination. On the day before my arrival, a new Serbian government had been appointed, after lengthy negotiations. The organizer of the conference, the President of the Serbian Chamber of Commerce, had just taken on a ministerial post in the new government. I happened to be the first foreign visitor and can here report that FIATA has an exceptional reputation in this region.

This visit was followed by one to India, where I took part in the biennial conference of our colleagues there. India is at the moment in a state of change. Globalization is opening up the greatest possible potential to India, but this goes hand in hand with the readiness of our Indian colleagues to turn their traditional business – which used to comprise customs clearance – into freight forwarding industry providers.

In June, the Transport and Logistics Trade Fair opened its doors in Munich – the biggest logistics trade fair in the world, and which I attended only briefly. On the invitation of the EU Commission, I was invited to governmental negotiations and hearings between the EU and the USA in Washington. The security needs of the USA were there expressed once again by new demands upon the EU and on the rest of the world.

These security questions are in my opinion the matters with which we will have to occupy ourselves more and more in the coming years.

I also took part in a transport forum in Iran on the invitation of the Iranian Transport Minister.

The above lines will confirm for you that travelling is a very important aspect of my work. I hope that I have been able to make a contribution to getting our industry better known, especially in the developing and emerging nations, and that in so doing I have helped to simplify the business lives of our members.

*Manfred F. Boes*  
*FIATA President*

## Director General's Report

The significance and importance of FIATA continues to prove itself with the admission of new members. On the occasion of the FIATA World Congress 2006 in Shanghai, it therefore gave us great pleasure to welcome national freight forwarding associations from Ethiopia, Australia, Mauritius, Montenegro, Saudi Arabia, Tanzania and the USA as new members. As a result, the number of national association members has increased to 96. In addition, the number of individual members has more than doubled within a few years to almost 5'400 in 150 countries. This tendency was also reflected in the registration of over 1'000 participants for our two last FIATA World Congresses in Moscow (2005) and Shanghai (2006).

What is behind this continually mounting interest in our world federation? The on-going globalization in international trade has surely contributed much to this. Probably never before were so many goods transported worldwide as today. And our industry has made an important contribution to this. The importance that the handling of these transports is regulated by uniform guidelines makes one of the most important activities of FIATA apparent. We represent the interests of our industry on many international committees in which such uniform rules are worked out.

The threat posed by international terrorism did not spare our industry either and, within a very short time, this led to many, and in part highly important, measures. That such measures are necessary is recognized by FIATA with no ifs or buts. We have taken up this new challenge and, in particular, actively take part in the regular meetings between high-ranking government representatives from the USA and the EU. And thanks to the contribution and the know-how of our newly created ad hoc Working Group Security Issues, we hope that new measures will be taken in a way that is practical and with corresponding sustainable prospects of success.

In addition, FIATA was actively participating at the drafting group for the revision of the Uniform Customs and Practice for Documentary Credits (commonly called UCP) carried out by the International Chamber of Commerce (ICC) in Paris. In October 2006 the members of the ICC unanimously adopted the revised UCP 500 as the new UCP 600. Even if not all of FIATA's proposed recommendations were taken into consideration, the new UCP 600 nevertheless represents an improvement over the previous regulations.

Another of FIATA's important tasks was again the promotion of training. Thanks to the examination introduced by FIATA and the recognition of national training programs, great progress has been made in this respect. The FIATA Foundation for Vocational Training has carried out another successful project in Pakistan. The available competence of FIATA in this area also resulted in us being brought in by UNCTAD for building up customs and transport facilities in Afghanistan.

These are just a few examples of FIATA's diverse activities in the past year. Even if these activities are not always in the spotlight or do not produce short-term results, they are still extremely important for our industry. In addition, our various Institutes and Advisory Bodies are continually working on technical challenges, whether these involve revising existing standards or introducing new ones. We owe all those in FIATA a debt of gratitude who were actively involved in the work of our various technical bodies.

The cooperation with our colleagues from the National Association members has again been excellent. I therefore like to express – also on behalf of my colleagues at the Secretariat – our thanks to you for your ongoing support.

*Marco A. Sangaletti*  
*Director General*

## **Airfreight Institute**

A year ago the Airfreight Forum was held on September 20, 2006 in Shanghai during the FIATA World Congress. More than 170 persons were in attendance. The spring meeting attracted a number of more than eighty participants. Details of the meeting and forum are available to members on the FIATA website in the FDSS under Doc AFI 305 those of the AFI meeting of last march at the HQ-Session under Doc AFI 311.

Since 2006 AFI delegates have participated in various meetings with IATA, ICC, ECAC and other international organizations, and the highlights of issues from those meeting are as follows;

### **Dangerous Goods Training Task Force (DGTTF)**

The Dangerous Goods Training Task Force (DGTTF) held its recent meetings in November 2006 in Beijing and another one at Memphis, USA in May 2007. AFI sent two representatives, Mrs Christine Darcy, from Davies Turner & Co. Ltd UK and Mr Doug Burek from CIFFA. Canada. A report of the Beijing meeting written by Mrs. Christine D'Arcy is included to the Half Yearly Report Annex 1 to Doc AFI 309.

### **IATA / FIATA Consultative Committee (IFCC)**



The 64th meeting of the IATA / FIATA Consultative Committee (IFCC) was held on November 15 in Geneva. The IFCC is established and composed of representatives from IATA Members and from the Airfreight Institute of FIATA. The Council is empowered to initiate, consider and make recommendations to the appropriate Cargo Procedures Conference on issues affecting the Carrier/Intermediary relationship. It may also provide general policy guidance to the Joint IATA/FIATA Cargo Agents Training Programmes.

Issues discussed included air cargo security, e-freight, cargo claims & loss prevention, in addition to the regional IATA/Intermediaries Joint Accreditation Programs and global CASS initiatives. FIATA's Airfreight Institute delegates were (from left) Daniel Bloch-AFI Secretary/Manager, John O'Connell-United Kingdom, Sarosh Nagarvala-India, Koen Somers- Belgium, Keshav Tanna-India, Piet Timmermans-Belgium, Brandon Fried-USA (observer), William Gottlieb-Canada (AFI Vice Chair), Rodolfo Sagel-Argentina (AFI Chairman), Masayoshi Dobashi-Japan, Herman Donker-Belgium, Willem van der Schalk-Germany, absent from photo Barry Vining-Australia. The 65<sup>th</sup> meeting was held at Geneva

last February and I have the pleasure to inform you that the 66<sup>th</sup> IFCC will be held in October 2007 prior to the FIATA World Congress at Dubai Cargo Village

**Some words about the Resolution 600b Conditions of Carriage, well known and pending since years.**

IATA has received several US DOT directives. IATA is believing that they have come nearly to a final conclusion. A directive has been received from the DOT where they have given their final position about what they would consider acceptable in the conditions of contract. The latest amendments were provided by Mr Hughes to AFI at the last HQ-Meeting. In the meantime time Conference voting period was sent on its way. The filing period runs from 25 May 2007 to 25 July 2007, and the intended effectiveness date of the resolution is December 1, 2007. As soon as all required government approvals have been obtained the final effectiveness date will be communicated.

It is clear that once the changes to the IATA AWB are effective, the text of the neutral AWB recommended by FIATA for use by forwarders as House Air Waybill will have to be amended as well. We remind you that we adopted the lay out of the IATA AWB mainly in order to fulfil the UCP requirements of a carrier type document. This is essential to avoid rejection of the HB by banks in cases where a letter of credit has been issued.

For this reason the secretariat has repeatedly advised the members to keep the existing stock of neutral AWB's to a minimum. As soon as we are advised by IATA that all required governmental approvals have been obtained, we will advise our members immediately so that they can order a new stock of AWB's compliant with the amended resolution.

**Air Cargo Security cooperation with IATA**

All of you are aware that we have signed with IATA an agreement to launch GACSITF the Global Air Cargo Security Industry Task-Force. We see after the first meeting together with many other heavily interested stakeholder groups that it was a good decision to start up and to take together with IATA the initiative to have this Group launched. Very good for the reputation of FIATA stands as well the creation of the new Ad hoc WG Security. It is without any doubt that all of us will have to deal with these issues for many years to come. End of last June this Task Force held its first meeting in Brussels, around 20 stake holders organisations sent their representatives to this first meeting. The name was changed into ACSIF (Air Cargo Security Industry Forum). Everybody recognised that the power from the workgroup as a global forum can not be ignored by the regulators if we speak with one voice. Further details to be presented by our Security expert Mr Piet Timmermans in Dubai.

**IATA/ FIATA Training Agreement.**

For some three decades there is been a joint operation between IATA and FIATA on a Training Program for Air cargo, annually several thousands of freight forwarders are enrolled in these courses and successfully passed it. The delivery is done through training kits.

The courses include:

- The Dangerous Goods regulations initial course
- The recurrent Dangerous Goods course
- Cargo English
- Cargo Introductory
- Cargo Rating

Over the years there has been an evolution as far as the distribution network for some bodies training courses which has been growing to a rather complex and sometimes confusing mechanism which includes endorse schools, accredit training schools, accrediting training centres. As we reported at several past AFI meeting there have been ongoing discussions between IATA and FIATA and how we can simplify the business. As a consequence we basically concluded a blue-print last March to re-structure the FIATA / IATA Training Program. What is foreseen in this new undertaking; instead of the three distribution channels, we will have one distribution channel. That will be an IATA / FIATA Authorized Training Centre. It has been felt that the best party as a primary party to offer training to the forwarder community is the National Forwarding Association. They are on the ground, directly involved in the needs and requirements of their membership and those are the people we want to reach out to

and to bring in to the programme. And also to enhance the value to those which are already working-within the IATA / FIATA Working Programme. We will be lobbying our National members to become part of the IATA / FIATA Air Cargo Working Programme. By the time we convene in Dubai it is our intention to have convenient information for you than we will actively seeking and soliciting your support for this programme. We are looking forward to offering through our National Associations a course of study which will bring even to higher levels the professionalism and the quality of education training to our membership for air cargo.

I am looking forward to meet you at the FIATA World Congress, many interesting topics will be tackled and this by far not only within the Airfreight Institute.

I am wishing you all a safe trip to Dubai.

*Rodolfo J.C. Sagel*  
*Chairman, Airfreight Institute*

## Customs Affairs Institute

Customs issues and formalities are the daily bread of the forwarder like this always used to be in the past and same applies for the future.

These words taken from our FIATA's web-site introduction of the Customs Affairs Institute are demanding to have a stronger cooperation from all of our members to continue to build up a strong and known and productive FIATA Customs Affairs Institute.

The participation during the two meetings in Shanghai and Zurich was excellent enriched by very interesting speeches. But you are cordially invited to support us more and we are in particular seeking to get more input from you as well throughout the year in between the CAI meetings.

After last year's proclamation of our new CAI Strategies and Priorities some important steps were taken.

- With the support and action of the Presidency it was possible to install a permanent FIATA delegate at the WCO. A first report was received at the last HQ-Meeting and attached to the minutes of this last CAI meeting.
  - This is serving to our objectives as follows:
    - To promote FIATA, and its members, as primary representatives of global trade and industry in customs matters
    - To promote and encourage closer coordination between customs authorities to obtain commercial benefits for FIATA members through the presence at the WCO
    - To observe, examine and influence all customs security policies to defend the interests of FIATA members.
- The FIATA Region Rapporteurs to the Customs Affairs Institute were nominated.

ASIA Pacific	Mr Stanley Lim
EUROPE	Mr Marco Sorgetti
AMERICAS	Mr Moises Solis
AFRICA/M'EAAT	Mr Ibrahim Naouri

Reports were already received and we are looking forward to have this new tool at every future CAI meeting installed. To listen and to react to reports of collected relevant information having the intention to get information by the Regions rapporteurs feeding back to their member countries sources about important problems or important information of International effect. Any member who has an issue which it believes is of concern to forwarders in general, should send first a report to the regional rapporteur of its region, who will decide whether the matter should be referred to CAI or not.

We are looking forward to have after Dubai our new CAI Vice Chairman on board. His name I am not yet going to disclose to you. He is nominated by his Association and the General Meeting will have to give its approval.

We are looking forward to navigate with the help of this new crew-member the ship on to the right course. But keep in mind. We need input and active participation by the entire fleet of FIATA but last but not least from our members, the crew and that's you.

Wishing you a smooth and save travel to Dubai.

*Franz Schneider*  
*Chairman, Customs Affairs Institute*

## MULTIMODAL TRANSPORT INSTITUTE REPORT

Another year has come and gone and there is clearly no end in sight with regard to rising fuel costs and currency fluctuations. Security continues to be one of the driving forces behind any number of new government initiatives and everything seems to push the international freight forwarder to a more significant level of responsibility and liability well beyond his traditional role.

This past year we were saddened to report the passing of Mr. William Poeschmann, our former Chairman of Working Group Road. William passed away early in February 2007 and he will be missed by all those who knew him, his friends, colleagues and co-workers. I would personally like to extend our sympathies to his family and acknowledge herein the excellent work he performed as Chairman of WGR.

In the past year WG Road, chaired by Kostas Sandalcidis, has addressed a wide range of issues of concern to those of us active in road transportation.

As with all other modes of transport, security concerns are driving many initiatives while infrastructure, and the environment are equally contentious aspects. Recent concerns over TIR problems critical to road transportation and introduction of the new NCTS System were examined and addressed. Transportation innovation to improve capacity and efficiency are encouraged by FIATA while political restrictions to the free flow of trade in the form of visa requirements for drivers or third country permits are considered ineffective and contributing to delays which in turn penalize the mode's efficiency. Recently in at least two of Canada's provinces, speed limit restrictions to be tightly enforced on truckers have been under consideration included in a wider range of road safety initiatives. There are growing trends influenced by security, safety, the environment, and aging infrastructures that will continue to impact road transport and regarding which we must remain vigilant and prepared to address.

Working Group Rail chaired by Mr. Heiner Rogge successfully completed their quality agreement initiated with the UIC for complete trains and groups of more than nine wagons and it was introduced 3/8/07 by CIT. More work is ahead to address this policy to single wagon traffic. Joint meetings with CLECAT ran logistic committee have proven beneficial and ensure a broader base of input for the views of our industry concerning this critical mode.

Some items of concern include "neutrality agreements" (a rather delicate item given competition laws), and the new CIM/SMGS regime, an apparently successful initiative where it has been implemented and one in need of expanded use and an electronic platform. The basic relationship with the railway companies in general and their evolving and changing concerns and focus is important to our strategy when approaching issues of joint concern.

Security, equally as critical here as everywhere else, is an item of concern for joint meetings as is the new customs code. Cooperation and not confrontation is the key with the continued strain on the land based transportation modes impacting the environment and infrastructure rail will remain of significant importance to our members.

Working Group Sea chaired by Mr. Frank Boogaerts has had another busy year. Security and related initiatives CTPAT, ACI, AMS, AEO, etc. continue to be in the forefront of our concerns given the impact that these programs can and do have on our members. The feeling that governments should embrace reciprocity in these programs is strong within FIATA. It is one of FIATA's prime objectives to stay current with such initiatives and attempt to influence their development to ensure that our concerns are addressed. Few, if any other, parties to the transport logistics chain, have the extent of contacts and understanding of those relationships as does in our industry, so we can foresee issues that in many cases are beyond the scope of bureaucrats developing such programs. Advance data collection systems similar to AMS and ACI are being considered by other countries and one would hope that enhancement of such systems (ACE) could reduce or eliminate the push for 100% container examination at least as is being proposed in some circles in the U.S.A.

The WG followed the developments of the revision of UCP 500 closely, with our concerns and recommendations and the new UCP 600 came into force 7/1/07. Members have been made aware of these efforts and how they will impact our activities.

Uncitral and its slow plodding progress has been of concern to our industry since it was first raised and we have tried to influence its development as well with regard to its impact on freight forwarding practitioners. The difficulty here is that this is highly technical in a legal sense and sessions are very lengthy creating a serious strain on the resources of our volunteers. We believe we have addressed (and will continue to) our concerns but the rewrites often open to question items previously thought to be resolved so here again we continue our vigilance.

The Indian Ship Trading Act, recent initiatives in Bangladesh where the government has seemingly decided to interfere in well-established and recognized international trade terms, and new rules for freight forwarders in China are all matters being followed by WG Sea.

In closing, as I have in the past, 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

Another year has passed and the volume of dangerous goods, handled and transported, is without doubt constantly increasing and thus the risk for accidents to occur. In my last report I informed about the DG market in China growing at 20% by year and a corresponding development can be seen in the rest of the world even if the rates are lower. It is inevitably so that dangerous goods is of vital importance in our society and the freight forwarding community is of course heavily involved in the safe supply of chemicals.

It becomes more and more important that all parties involved in the supply chain have a responsibility to see to that they receive training commensurate with their responsibilities. All modes of transport, except IMO for sea transport under the IMDG Code, have instituted mandatory training to ensure that transport is classified, packed, labelled, documented and carried out in a safe way. Does this mean that sea transport of DG is more unsafe than transport by other modes? Well, IMO member states reported last year the results of inspections of 25,284 cargo transport units containing DG and 7,979 or more than 30% of them were found with deficiencies.

The need for requirements in the IMDG Code for mandatory DG training for shore side personnel has been highlighted and inspection statistics as well as the loss of Hyundai Fortune and Hanjin Pennsylvania has reinforced this need. The United Kingdom intends to present a proposal on mandatory training at the next meeting by DSC 12 in September. If adopted, the freight forwarder will be affected.

### ABDG activities

The ABDG is as expected monitoring what is going on in the dangerous goods world and is trying to influence the rule making process together with other industry colleagues. The ABDG's role in informing the freight forwarding industry at the HQ sessions and World Congresses is also an important task. It is of course assumed that the information given at the FIATA meetings are channelled to the member companies of the national associations which to a great extent are attending our meetings.

With respect to FIATA-ABDG's impact on the regulatory work I am happy to announce that our organisation has played a very important role in a historical decision that took place at the last ADR regulatory meeting (WP.15). I am referring to Written Instructions (Tremcards) to accompany every transport with DG in amounts over a certain limit. During the HQ session in Zurich this year, information was given on the ABDG project in cooperation with IRU to amend those requirements of the ADR and that the matter was scheduled for the May meeting. The original FIATA/IRU proposal had been taken over by Germany and when discussed at the meeting it was an overwhelming majority to go for what FIATA/IRU previously had proposed and reflected in the German document. Some minor adjustments will take place at the November meeting but the basic principle is agreed upon and the freight forwarding industry will greatly benefit from the new regulations on Written Instructions when entering into force 1 January 2009.

Other matters up for discussion in WP.15, where FIATA, if not playing an active role at the moment but strongly supports various initiatives, is the removing special Class 1 driver training for transport of 1.4S loaded together with other DG. Class 1 training is not mandatory for a full load of 1.4S so why should Class 1 training be mandatory when the driver add DG not being Class 1 on to the 1.4S vehicle? Another matter for discussion relates to marking of vehicles on the sides when tank containers are carried. CEFIC has submitted a paper which is supported by FIATA. Our wish is that vehicles should not be forced to be marked on the sides with orange plates if carrying small containers. This is not required for e.g. IBC's that might be larger and do not trigger such marking requirements.

Another item we have focussed on is that our business needs to be able to carry out proper transport planning where tunnel restrictions are taken into account. It is important that our business has easy access to all tunnel restrictions in Europe. A text reflecting this has been adopted for the ADR and it is impossible today to speculate on the effect the adopted text will have.

## EU related issues on DG

All EC Directives for DG are currently being merged into one EC Directive and EU member states are taking the opportunity to add various pieces and France has proposed some paragraphs giving member states the possibility to severely restrict the transport of DG on a member state territory with regards to e.g. routing.

IRU has warned that proposals to impose routing restrictions on the transport of DG in Europe will further restrict the competitiveness of the European chemical industry. A proposal from the European Commission was up for discussion by the EU Council at its Transport, Telecommunications and Energy session, to prescribe certain modes of transport for each route. IRU strongly opposed the principle of imposing the use of any specific mode of transport for dangerous goods. Not only it is anti-competitive and, therefore, questionable under European law, but it will also dramatically penalize dangerous goods industries, their competitiveness, and the carriers of dangerous goods themselves.

A task force was set up by the European Commission in October 2006 to examine the handling of explosives. A number of recommendations were put forward and it is supposed that the recommendations will form an action plan on enhancing the security of explosives. The recommendations, if adopted, will most probably lead to a decrease in transports of explosives managed by a "normal" freight forwarder.

Telematics to be used for transport of DG is another issue pushed by the European Commission. Germany and France are very supportive. The idea is to create a tracking and tracing system for DG vehicles/containers in line with the MITRA project (**M**onitoring and **I**ntervention for the **T**ransport of **D**angerous **G**oods) using GALILEO and GSM. A possible role for the EU, according to the Commission, would be to create a regulation which makes the use of communication terminals mandatory. Comments from the industry are that there is no need for such systems for DG except maybe for HCDG. Moreover, a number of companies have already installed tracing and tracking and alarm systems for e.g. theft endangered goods on all their vehicles regardless if such goods are DG. To institute EU legislation is, according to many, to go too far.

## Conclusion

Surely it is time to recognise the important work by freight forwarding personnel being the guarantors in ensuring that our industry play by the rules and thus minimize the risk for accidents. Whether or not the industry's dangerous goods personnel are given proper and rightful attention is debated. Companies as well as legislators in Europe and USA have brought this to attention and specialists in the transport of DG are sounding the alarm over what they see as the fading public profile of their profession at a time when others are expressing concern over the large number of misdeclared and undeclared DG shipments. Therefore I am happy to note that the DOT in the US together with the Council on Safe Transportation of Hazardous Articles (COSTHA) has signed a partnership agreement with a purpose to enhance the image of managers who oversee DG transports so it is considered as a more desirable profession among both employees and job seekers. I sincerely hope that such an initiative will be exported to the rest of the world and that terms of employment will reflect this.

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 LEGAL MATTERS (ABLM)**

### **ABLM Membership**

This is under continuing review as many full, co opted and ad hoc members are not attending often enough and it is felt that the group may benefit from certain members resigning and new blood coming in. New members are routinely advised that membership is dependent on a good level of attendance.

### **UNCITRAL**

It has been a good year for FIATA in terms of its involvement in this process. Whilst sadly we had to say goodbye to Ralph de Wit as our Rapporteur, this job has been admirably filled by some very able individuals being Mayur Contractor and Richard Gluck, and we have been able to persuade Professor Jan Ramberg out of retirement from his FIATA involvement. He was invited by the UNCITRAL Group running the meetings to put in a paper setting out forwarder concerns which has been requested 10 weeks in advance of the next meeting in November 2007 so that it may be translated and disseminated to all members. This is quite a development as normally, it is delegates who put forward papers and it is unusual for any particular group to be invited by UNCITRAL to put forward their overall position. This will be a major opportunity for FIATA to put forward its entire core policy and the reasons behind it so work will continue in this vein into next year.

### **DISCUSSION TOPICS**

This was a pilot scheme in Moscow and has proved popular so it will remain on forthcoming agendas. That said, we have yet to receive any suggested topics into the secretariat from members which we would welcome as this agenda item is specifically for their benefit and we want topics to be discussed that are of interest to them.

### **RISK MANAGEMENT GUIDELINES**

The body drew up guidelines for risk management this year which are now published by FIATA and ready for use. This was quite an achievement given that all was completed from the idea arising to publication within the year. A document concerning Guidelines for Logistics Contracts is under consideration.

### **UCP REVISION AND PROPOSED CHANGES TO IATA RESOLUTION 600B(II)**

The UCP 600 were finally published this year and came into force on 1 July 2007 and we thank Mr. Abdelmalek Dahmani for keeping us apprised of developments throughout preparation of these new rules. The IATA Resolution 600B(II) proposed changes still remain on the agenda as this issue has yet to be concluded.

*Mrs. Kay Pysden*  
*Chairman, Advisory Body Legal Matters*

## **Advisory Body Vocational Training (ABVT)**

### **ABVT General**

Playing a pivotal role in promoting Vocational Training in the world of FIATA, the ABVT has been constantly active in all of its traditional segments, i.e. Validation and Re-validation of Training Materials, Distance Learning Initiatives, awarding of the FIATA Diplomas, organization of the FIATA/TT Club/IATA Young Freight Forwarder of the Year Award (2007) and the FIATA Foundation activities.

In the work year, we saw the introduction of three **Working Groups** within the ABVT dealing with 'Validation/Revalidation', 'Distance/Blended Learning', 'Promotion and Course Development' to enhance the operational efficiency of the body and this has proved to be a helpful management and organizational tool.

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

In line with the current industry practices, the aim of the Body is to adapt Validation Rules and Procedures and to monitor the re-validation intervals, minimum training hours, mode of submissions, validation questionnaires, attendance at validation and re-validation sessions, etc.

Existing FIATA Minimum Standards (FMST) to Obtain the FIATA Diploma will be continuously reviewed to keep abreast with the rapid technological advances and changes in the industry requirements. New training needs will be identified and developed as standards to train technical manpower for the global freight and logistics industry so as to provide avenues for existing freight & logistics professionals to upgrade their skills and knowledge.

These measures, gradually put in place, are assuming shape and shall demonstrate positive results in the course of time...

### **FIATA Validation of Training Materials**

To ensure that the training courses remain relevant to rapid evolving requirements of the industry, FIATA ABVT continuously encourages national associations' members to revise and upgrade their training materials and curricula.

### **Validations/Re-Validations at the FIATA World Congress in Shanghai (16 September 2006)**

The following FIATA National Association Members submitted their Training Programmes for Validations :

- ❖ Serbia
- ❖ France

It is also pleasing to receive Training Materials submitted for Re-Validations from the FIATA National Associations from :

- ❖ Indonesia
- ❖ Kazakhstan
- ❖ Singapore

### **Validations/Re-Validations at the FIATA Head Quarter Session in Zurich (14 March 2007)**

During this session, the ABVT had successful validated new training programme from :

- ❖ Slovakia

Re-Validations requests were also received from National Associations of :

- ❖ Chinese Taipei and
- ❖ United Arab Emirates

It must also be noted that out of 47 national associations from 40 countries who have already FIATA validated training programmes; there are still more than 46% of the programmes which have not been re-validated in the last four years, with some of them even not been re-validated since the introduction of the FIATA Diploma in 1996.

The associations concerned should urgently apply for Re-Validation of their material in order to make sure that an up-to-date level of professional education can be achieved, thus enabling them to continue to offer FIATA Diploma courses in accordance to the latest FMST. ABVT would be happy to assist associations in the preparation of the training material for Validation or Re-Validation.

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

The GFP programme has come to an end in 2006. Croatia has not yet fulfilled the requirements of the GFP programme and consequently has not been able to validate the course. Macedonia on the other hand is very interested in joining the GFP project but it will be necessary to clarify whether or not the GFP programme can be re-activated.

### **Award of FIATA Diplomas**

It has been very motivating to note that between the last congress in Shanghai in September 2006 and the Head Quarter Session in March 2007, a total of 501 FIATA Diplomas (a whopping increment of 49 %!) had been awarded, bringing the total numbers FIATA Diplomas issued since 1996 to 4355. The recognition and popularity of the FIATA Diploma have been fast gaining grounds in the international arenas, evidenced especially in emerging economies and developing countries like the People's Republic of China, the Balkans, the former CIS Countries and many parts of Asia.

### **Exhibition on Training Materials at FWC**

To promote the development of training initiatives, FIATA launched the '*ABVT Exhibition on Training Materials*' for the first time in the Congress in Moscow, September 2005.

A total of 6 national associations used this platform successfully and participated & supported the initiative.

A second edition of this training event took place in Shanghai, with a similar number of participants. They displayed highly interesting material used in training for our industry.

ABVT is prepared to continue with this initiative but may be inclined to break for a year in order to deliberate more intensively on a better positioning and the development of this interesting venture into a larger forum on training possibilities in our industry.

### **FIATA/IATA/TT Club Young International Freight Forwarder of the Year Award (YIFFA) - Competition 2007**

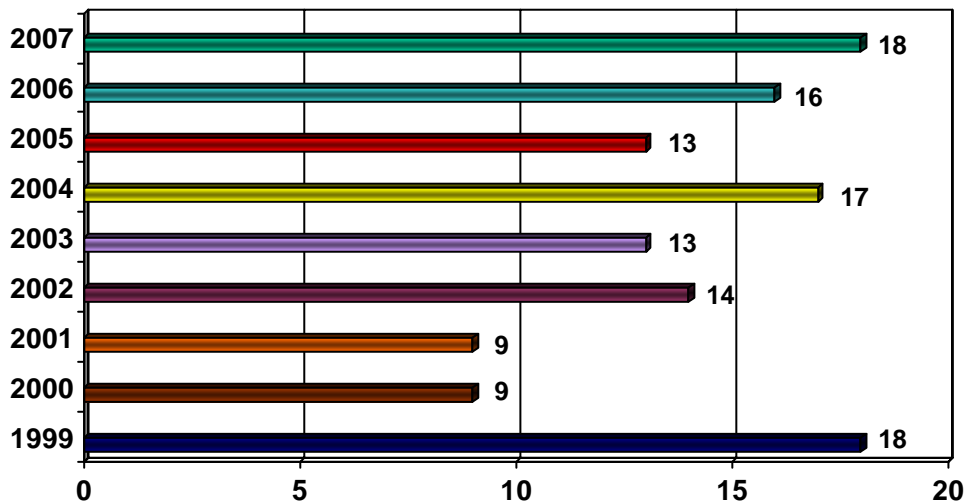
This year, the respective National Associations nominated a record of 18 participants from the following countries:

- Region Africa/Middle East** : Egypt and South Africa
- Region Americas** : Canada
- Region Asia/Pacific** : Armenia, Georgia, Indonesia, New Zealand, Singapore, and Sri Lanka

**Region Europe**

: Estonia, Germany, Hungary, Ireland, Netherlands, Poland, Spain, United Kingdom, and Ukraine

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



Total participation score YIFFA Award 1999 - 2007

Some of the participating Associations (Canada, Germany and UK) have chosen to organize a National Award, thereby the winner of the National Awards will become automatically the candidate for the YIFFA Award. This formula enables the National Association to profile the national activities and at the same time facilitates the selection process for the international candidate.

**FIATA Foundation Vocational Training (FFVT)**

The raffle and drive on fund raising was yet again an enormous success in Shanghai, and the very encouraging result will surely assist many emerging economies in the years to come.

The Foundation has conducted a "Train-the-Trainer" (TOT) course in Pakistan, hosted by Pakistan International Freight Forwarders Association (PIFFA) during the end of November/early December 2006. After some problems at the beginning, the PIFFA Training Committee has in the meantime developed very interesting material and the ABVT is looking forward to validate their training course during the FWC 2007 in Dubai.

The FFVT shall continue to explore areas of assistance to FIATA member-countries who are ready to implement sustainable training programmes for their industry. However the applying Associations should be committed to develop sustainable Training Programmes and fulfill the criteria requested by the Foundation.

**Future Directions of the ABVT**

The ABVT has been exploring new initiatives in training development and standards, with an objective to introduce the FIATA Higher Diploma standards and the Train-the-Trainer (TOT) Standards to assist FIATA national associations focusing in the areas of the training-course developments and promoting sustainability in vocational training.

The FIATA Minimum Standards (FMST) has been reviewed to include latest changes in the market practices, especially in the field of Multimodal Transport and Security Measures. This will be announced during this year's FWC 2007 in Dubai.

As announced in its meetings, ABVT will propose seminars for "Train-the-Trainer" courses in Western and Eastern Europe and Asia and introduce the necessary Standards in due course.

I would like to express my sincere thanks and appreciations to all members of the ABVT as well as Mr. Markus Schoeni, our ever-efficient ABVT Manager for all their support, assistance and commitments in making the ABVT's work an enjoyable and fruitful one !

*Thomas Sim*  
*Chairman, Advisory Body Vocational Training*