



## FIATA E-Flash No 14 – 20 October 2010

### Special edition “FIATA World Congress 2010 in Bangkok”

The 2010 FIATA World Congress was held from 4th to 8th October in Bangkok, Thailand. The attractive congress programme and the concurrently running exhibition attracted hundreds of participants from 73 countries. For your information please find hereafter a summary of the various meetings held by our technical bodies. If you wish to receive more information please do not hesitate to contact the responsible Manager at our Secretariat.

#### **AFI - Airfreight Institute**

The Chairman of the Airfreight Institute expressed "cautious optimism" following the constructive meeting of AFI Members with Mr Des Vertannes, Head of Global Cargo IATA (International Air Transport Association). It was felt that meaningful progress has been made towards resolving a number of long standing industry concerns in particular those relative to IATA's Cargo Agency Programme.

For his part, and on behalf of the IATA Secretariat, Mr Vertannes was subsequently invited to address the Plenary Meeting of the Airfreight Institute. There he outlined his readiness and determination to improve levels of facilitation and cooperation with FIATA and its members in order to bring about the improvements needed to achieve a mutually equitable Industry partnership.

*For more information please contact our Manager Daniel Bloch ([bloch@fiata.com](mailto:bloch@fiata.com)).*

#### **CAI - Customs Affairs Institute**

The Customs Affairs Institute Meeting provided the opportunity for delegates to address the impending implementation of the European Unions Import Control System (ICS). In particular cargo security requirements effective 1 January 2011 as to cargo first port of arrival or departure. Delegates were appraised as to the need for ensuring the accurate reporting of data for border cargo security purpose and the need to ensure the relationship with the carriers as the principle reporter as clearly understood, agreed and documented.

This new arrangements and benchmarking of processes have taken their precedence from the United States Customs and Border Protection Advanced Cargo Information and Importer Security Filing (10+2) processes. Delegates noted that these regulatory compliance requirements would necessarily require business process change and additional costs and these would then necessarily flow through to clients and/or traders.

In addition the bilateral work of FIATA with the World Customs Organization (WCO) was highlighted as was the recent restatement of the relationship with the WCO under a new Memorandum of Understanding signed between the parties in June 2010.

The meeting noted the ever increasing level of compliance intervention by regulatory agencies at the border as to the need for international freight forwarders to deliver cost efficient outcomes for their clients.

The meeting called for transparency by regulators in this change process and agreed deliverables for both the public and private sector in these changes.

The opportunities for the Customs Affairs Institute of FIATA to be integral in these changes was called for.

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## **MTI - Multimodal Transport Institute**

Mr Mukul Saran Mathur, Head of UIC Asia Region Office in New Delhi, gave an interesting presentation on Rail traffic in Asia. He made clear in his speech that container traffic will extremely grow in the Asian area within the next years and the potential is enormous for rail companies in this region. For enhancing rail transport, the infrastructure must improve and operation problems have to be settled.

The Chairman of the Working Group Rail Transport of FIATA reported that the freight forwarders welcomed the X-rail project but regrettably only seven railway companies participated in this important project. He felt that more competition will improve railway services which are still a weak point in rail freight transportation. He encouraged the delegates to attend the next FIATA/UIC Market Place Seminar that will take place on 2 to 3 November 2010 in Barcelona, Spain.

The Chairman of the Working Group Road Transport stated that the Visa and quota problem for Turkish, Iranian, Syrian and Russian trucks still exists and a mutual solution should be negotiated between the European Union and the relevant countries. It means that truck drivers from those countries can only stay for 45 days in a six months period in the EU and due to this restriction freight forwarders are faced with a lack of sufficiently trained drivers.

The secure parking places are still insufficient and especially at borders secure and safe parking place have to be established. FIATA expects some results in the near future. The auxiliary infrastructure for truck drivers is much better in North America than in Europe. Another problem that has been raised is that truck drivers are not willing to invest an amount for a secure parking lot, shippers should insist with freight forwarders and trucking companies that their goods should be stored overnight on secure parking lots. Insurance companies should also be interested that the trucks are parked in a secure and safe environment.

The Chairman of the Working Group Sea Transport reported that the new edition of INCOTERMS 2010 will be effective from 1 January 2011. FIATA is an observer to the ICC and has been a regular contributor to Incoterms meetings and studied and reacted to propose changes as each draft has been published. Incoterms are to be divided into two categories instead of the previous four as follows: Terms for any modes of transport or terms for sea and inland waterway transport. There is also a reduction from the existing thirteen Incoterms to eleven only. DAF, DES, DEQ and DDU have been deleted and two new Incoterms, DAT and DAP, are introduced.

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## **ABDG – Advisory Body Dangerous Goods**

The Chairman informed on the adopted proposals of the ADR/RID 2011 (land transport of Dangerous Goods) and gave an update on the air mode IATA DGR (ICAO-TI and sea mode IMDG code:

- new definition and obligations for “unloaders”
- complete reformatting of LQ providers
- transport document – change of sequence of entries for dangerous waste
- transport document – new entry (environmentally hazardous substances)
- retention of Dangerous Goods transport information
- additional changes of the instructions in writing
- ADR driver training – change of system and certificate

The Chairman provided furthermore a brief update on the future regulatory work program for Telematics (electronic monitoring of dangerous goods transports). Additionally interesting information on the responsibility of Freight Forwarders when transporting Dangerous Goods Transport by Air was presented.

He was also happy to introduce an expert on transports of Dangerous Goods in Thailand, Mr Pongnarin Petchu, Dangerous Goods Safety Adviser (DGSA) who provided a highly interesting insight into the handling of Dangerous Goods in the hosting country of the FIATA World Congress. On the land mode – particularly road – Thailand follows to a large extent the European Regulations on transports of Dangerous Goods.

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### **ABLM – Advisory Body Legal Matters**

Chairman Richard Gluck (USA) welcomed delegates from all over the world to this interesting meeting. After the approval of the minutes of the last ABLM meeting, the Chairman informed the delegates about the newest development on the Iranian sanctions. The update on increased enforcement of mainly the US and EU sanctions on parties facilitating trade with Iran was given by the Chair, and has attracted a large floor discussion.

Recent case law updates from all over the world provided to the delegates by the TTClub was much appreciated. Next on the agenda was the new FIATA booklet “Correspondents’ Agreement” presented by the Chairman and the ABLM Manager. The ABLM also adopted the new co-opted member Ms Veronica Taubas from Argentina. She will join the ABLM expert team with immediate effect.

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### **ABSM - Advisory Body Security Matters**

The following topics were raised and discussed during the meeting of the ABSM:

- Hong Kong freight forwarding community is working to develop new Security standards which will be similar to the USA screening requirements.
- Australian Government has announced a multimillion dollar package to the industry to improve aviation security including cargo security.
- AEO Update: Situation as of 30/09/2010 3382 Companies certified (2145 in 1q 2010) an increase of approx 50%.
- The implementation of 100% screening by the USA has created confusion.
- USA DHS announced the deadline for 100% scanning of maritime containers at foreign ports was extended until July 14, 2012.
- Malaysia is going ahead initiating soft launch of Secure Freight with the full launch planned at end of October 2010.
- FIATA was invited to attend the 2010 ICAO FAL committee meeting in Montreal during which our work on the Study Group on Supply Chain Security was discussed and accepted.
- There has been significant increase in trucking thefts globally, in one country alone 95 % of acts were executed with automatic weapons

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### **ABVT – Advisory Body Vocational Training**

Mr Thomas Sim, Chairman ABVT warmly welcomed the delegates. Certificates were delivered to Associations that have successfully re-validated their training material, i.e. the Czech Republic, Indonesia, Kazakhstan, Lithuania, and Singapore. For the first time ABVT has validated a program for the FIATA Higher Diploma in Supply Chain Management for two Associations in Ukraine. The Chairman invited once more those Associations which have not yet applied for a re-validation of its current material within the last four years to come forward.

Since the HQ Session in March 2010 a further 266 course attendants have been awarded the renowned FIATA Diploma.

The total number of Diplomas released since 1996 amounts now to 6'599.

On behalf of the Chairman of the YIFFY Award Steering Group the Manager ABVT invited the overall and regional winner Mr Philipp Küffner to voice his experience and personal impression with Young International Freight Forwarder of the Year Award 2010. For the year 2010, 16 nominations were registered.

The FIATA Foundation Vocational Training has organised a successful mission in Ethiopia in cooperation with the Ethiopian Freight Forwarding and Shipping Agents Association. The President of the FFVT, Aldo Da Ros reported on ongoing evaluation of projects in East Africa and Latin America. He also thanked the supporting members and donors for their continuous support. After the traditional raffle in favour of the Foundation a short recognition ceremony of the donors was held at the Gala Dinner. In 2010, self-funded short courses teaching techniques for trainers were delivered in South Africa and Malaysia.

The Chinese Association (CIFA) reported on training initiatives in China where the number of trainees (national courses) is quite impressive – though training according to the FIATA standards needs to be further developed.

The 3rd ABVT Forum on Vocational Training took place on 7 October offering a platform and panel discussion to Association members interested in training, concentrating on general tasks and future activities of ABVT, new tools and technologies in training, and finally the cooperation on vocational education with similar organizations or institutions.

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## **RAME – Region Africa/Middle East**

The RAME meeting, chaired by former FIATA President Issa Baluch (United Arab Emirates) was attended by a large number of delegates who took actively part in the dialogue.

Honourable mention was made for last year's Young International Freight Forwarder of the Year Award winner, Mr Rion Henning of South Africa, who presented a shorter version of his winning piece. Also cited was Ms Catherine Daniels, Ghana Institute of Freight Forwarders Secretariat Manager, who spearheaded the organizing committee of last year's RMAE meeting held in Accra, Ghana. The honourable citation was followed by the highlights of the RAME meeting in Ghana, which was attended by 138 delegates from 11 countries, along with government officials and high ranking representatives from the Ghana Government and Commercial Trade.

The Shipping and Forwarding Agents' Association of Zimbabwe made an engaging and informative presentation, with focus on latest developments and infrastructure in their country. According to SFAAZ for the first time in the history of Zimbabwe there is now a foreseen workable solution to their country's logistics troubles.

The South African Association of Freight Forwarders representative, Mr Basil Pieters, made a presentation on Traxon, an electronic system proposed to use for FIATA to track export shipments.

Further on in the meeting, NAFL's board member, Mr Ali Al Jallaf, made a presentation on Dubai, UAE which was vying to be the venue of the next RAME meeting in 2011. It was contended that the decision for the venue will be finalized in Zurich, at the FIATA headquarters session in March 2011. Cairo, Egypt was also featured during the meeting, which is the next venue for the FIATA World Congress in 2011.

Another highlight was the launch of Mr Issa Baluch's second book on logistics entitled "Transport Logistics: the Wheel of Commerce". Mr Charles Edwards, co-author, discussed some important points of the book, and stressed the value of the text for training and educational purposes.

In closing, Mr. Baluch welcomed membership applications from associations from countries in Nigeria, Rwanda, Cameroun, Qatar, Togo and Syria, and encouraged all the delegates to nominate a candidate for the next YIFFA.

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## **RAMNS – Region Americas**

The Chairman Rodolfo Sagel from Argentina welcomed delegates from North, Central and South America. FIATA President Jean-Claude Delen also partially attended the meeting.

On Land Transport, Mr Cameron Roberts, Attorney from California, reported on labour disputes in Long Beach and Los Angeles Port with the trucker community and liability issues on Inland and Trough B/Ls consigned shipments. Further topics were Security (ENS / AMS standards).

On Airfreight Mr Richard Gluck (ABLM Chairman from the USA) touched on legal/claim matters within the application of the Montreal/Warsaw Convention. Representatives from Latin America announced concerned on the progressive lack of choice in the Latin American Airfreight market in connection with the bankruptcy of two important airlines in the region.

The Chair of the Region Americas was proud to have the regional winner of the "Young International Freight Forwarder of the Year Award (2010) in the meeting and warmly congratulated Ms Claudia Ramirez, born in Mexico but working in Canada, to her outstanding achievement.

On education and training, AMACARGA President Ernesto A Schoedl, mentioned that AMACARGA is in the process of setting up a Training Institute in Mexico and has started negotiations with Colombia and Chile in assisting them to build up a training course. As announced earlier, the FIATA Foundation will help to materialize this interesting project and to spread professional knowledge on the continent.

Mr Guillermo Gonzalez Larsen, Chairman ALACAT, informed that the next ALACAT congress will take place in Cartagena, Colombia in May 2011. He extended a cordial invitation to all attendants of the meeting and whole FIATA community.

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## **RAP - Region Asia/Pacific**

The RAP meeting was very well attended by about 135 participants and was chaired by FIATA Vice President Chris Kanter (Indonesia).

This meeting built upon the successful 4th Region Asia Pacific meeting in Bali in June at which 14 countries were represented and provided the delegates to reflect upon the key issues from that meeting and to share additional important input.

Amongst the matters addressed where the Chinese Advance Manifest System where the delegates repeated their interest to get further and more informative details about implementation and compliance monitoring.

An interesting presentation was provided to delegates by the two FIATA Association members representing Japan.

It was agreed by the meeting, Mr Dong Woo Ha of UN-ESCAP and Mr Suwit Ratanachinda, President of TIFFA, to hold the 5th RAP Field Meeting in Bangkok in 2011.

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## **REU – Region Europe**

Mr Kostas Sandalidis Chairman of the FIATA WG Road Transport reported that 50 percent of Turkey-EU trade is realised by road transportation, but they are faced with many barriers: Transportation Quotas are preventing the free usage of the services and insufficient amount of CEMT documents and Visas for Truck Drivers where their duration in EU territory remains limited. He stated that Turkey should be considered as a part of the European Area.

Dr. Ivan Petro, FIATA Vice-President highlighted in his report that the legislative proposal of the rail network for competitive freight was released on December 2008, Council common position at second reading is now pending. He thought that users were not sufficiently involved with governance bodies and with the elaboration of quality indicators in the corridors, authorised applicants must be mandatory all over the EU. The next FIATA/UIC Rail market place seminar will take place in

Barcelona on 2 and 3 November 2010.

Road security and safety is an important topic, due to lack of sufficient secure parking areas for truck drivers, also a lot of high value goods are transported by road (e.g. Airfreight shipments). FIATA recommends its members to use secure parking lots when ever possible and pay in addition for security.

Mr Robert Keen, Chairman of the Working Group Sea Transport reported that the European Communication on the European Maritime Transport Area without barriers and the European Maritime Transport Policy up to 2018 were welcomed by the industry. The EU-Commission adopted various measures: guidelines for veterinary checks, amendment of the implementing rules for the Customs Code and new legislation lessening the administrative burden for the maritime sector.

Mr Piet Zimmerman's updated the delegates about Financing of Aviation Security and on the 2nd stage of EU-US Open Skies Agreement. The item of Ash cloud has been discussed on the impact on forwarders, especially in the light of EU compensation schemes for losses.

Mr Surety informed the delegates on changes in EU Customs and Security Regulations: introduction of Entry Summary Declaration and Exit Summary Declaration on 1 January 2011 – on its impact to EU and non EU freight forwarders.

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### **Main Forum „Thailand – the Logistic Hub for ASIAN connectivity“**

Mr. Alongkorn Ponlaboot, Deputy Minister of Commerce of Thailand made clear in his presentation that Thailand strengthen the forces in order to act as a regional centre to link countries in Indochina together. The fact that the free trade negotiation framework for ASEAN +6 concerns more than 3,000 million of population results in the corresponding increase of the combine trade value. Thailand's can be the hub of these huge markets, thanks to Thailand's strategic location and extensive transport network.

Dr. Chula Sukmanop, Deputy Director General made in his presentation an overview of the various modes of transport possibilities in Thailand. There is a need of improvement of the actual infrastructure. They planned to build a rail link to Lao and China as a part of Singapore-Kunming network and UNESCAP Trans Asian Railways, including a modern customs location at the Thailand / Lao border. According to him, the liberalisation process among the ASEAN countries should be terminated by 2015.

Dr. Dong-Woo HA, Director, Transport Division, UNESCAP, reported that the Bangkok Declaration on Transport Development in Asia, adopted by the first session of the Forum of Asian Ministers of Transport, held in Bangkok, from 14 to 18 December 2009, requested the UNESCAP secretariat "to assist regional members and associate members in their efforts to provide connectivity and integration of the Asian Highway network, the Trans-Asian Railway network and other transport modes by working towards the development of an intergovernmental agreement on dry ports." Furthermore, UNESCAP supports the various countries in transport facilitations.

Mr Dusit Boonyakawin, Senior Business Development Manager made clear in his presentation that the Thai customs strongly supports the e-customs clearance process.

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