

PARTICIPANTS IN ZURICH HQ SESSION AT A RECORD LEVEL

A new touch and atmosphere at the HQ Session in Zurich

Not only did the FIATA 2017 Headquarters Session have a new touch and atmosphere, it also set a record on the global spread with our 242 participants from 63 different countries!

Though the venue remained the Crowne Plaza Hotel in Zurich, new features were introduced, such as the e-Registration provided by the appointed PCO “GuestOne”, which helped register members in a timely manner.

In order to facilitate transportation for members, an additional feature this year included a free of charge 3-day pass for public transportation, and a dedicated shuttle service from the airport.

We would also like to put our hands together for the “City of Zurich”, who not only sponsored welcome drinks on Friday evening after the Airfreight Institute session, but also for “Zurich Tourism”, who provided the goody bags and an information booth for our participants.

Thank you Zurich for the warm welcome to our delegates!

We are very happy about the many feedback comments we received from our members.

AIRFREIGHT INSTITUTE (AFI)

More than seventy delegates attending the AFI meeting received information about the Inauguration meeting and the constitution of the IATA FIATA AIR CARGO PROGRAM’s (IFACP) - IATA FIATA Governance Board (IFGB). The AFI Chair Mr Rodolfo Sagel announced: “This is where forwarders and airlines have the same voting rights. Six voting members from each side.” The IFGB was chaired for the first turn by an airline representative – Mrs Dorothea von Boxberg.

FIATA’s six members were to represent all four FIATA Regions, the Chair conveyed his satisfaction about this fact of equal global representation.

Self-introductions by the five of six of FIATA’s IFGB Freight Forwarder voting constituents (listed in the box below) and the new IATA FIATA Air Cargo Program’s Governance Manager, Mrs Joana Coelho, were received by the audience with high interest.

Mr Gottlieb explained why Canada was chosen to be the pilot and the first region to start with the IFACP introduction. There were only about hundred IATA Cargo Agents and about 300 CASS Associates. Canada has always been a separate Region in the IATA Agency Program and enjoyed the IATA office in Canada and a very strong FIATA Association, which is CIFFA. He added Canada’s National Carrier, who has been very supportive of that process throughout the past years. This was felt to be an ideal case

for learning, by doing away with as many obstacles that may come up before a successful roll out. It was indeed already a bit of a learning experience. The intention was to roll-out the programme about two weeks ago. They were running into a few legal hick-ups but were working on finding solutions to these, but all this takes its time. It was hoped to launch the programme within the next couple of weeks.

Why should you be engaging in e-Business?

Mr Uwe Glaser, AFI – President Cargomind GmbH, Austria addressed the delegates on that question and raised his thoughts of what forwarders would welcome:

- Exclusive Use of Cargo-XML messages
- Direct and Free of Charge Communication (Internet and use of AS4 Protocol)
- Being Compensated for Costs Involved
- Receive consistent Status Updates from Booking to Notified or Delivered also for Offline Airports

FIATA Region	FIATA IFGB Voting Member	Company and Association
RAP	Mr Keshav Tanna	Link Forwarders PVT LTD/ACAAI - Vice Chair AFI
REU	Mr Markus Mücke	Panalpina Management AG/Spedlogswiss
RAME	Mr Paul Cheetham	Freitan Sa (PTY) LTD/SAAFF
RAP	Mr Dr Paul Tsui	The Janel Group of Hong Kong Ltd/HAFFA
RAMS	Mr William Gottlieb	ITN Logistics Services/CIFFA
Apologies received		
REU	Mr Werner Blaser	Kuehne & Nagel Management AG

(See also FIATA Press Release 17/06)



Photo: FIATA

Mr Delen and Mr Keen, with Ms Nicolette van der Jagt to their right.

He finally asked: Collaboration or loss of business? While concluding to have as the challenge:

The increase of air cargo efficiency and service quality and to overcome the old-fashioned paper based process and lack of transparency situation to dispose numerous pain points and poor quality services throughout the cargo journey. To overcome the obstacles of what customers and partners are confronted with.

CUSTOMS AFFAIRS INSTITUTE (CAI)

The Customs Affairs Institute received an update from the Chairman, Mr Stephen Morris, in regards to the CAI’s inter-cessional work since the last meeting in Dublin 2016.

A significant part hereto emanates from the work programme and matters of the World Customs Organisation (WCO) where FIATA is represented on a variety of meetings through CLECAT. The Chair gave in addition his compliments to Mr Ferdinand Desmazieres for his exemplary work in representing FIATA.

The following WCO issues were noted from the report:

- SAFE Framework of Standards to Secure and Facilitate Trade - Permanent Technical Committee (PTC)
- WCO Working Group on WTO TFA
- WCO Working Group on e-Commerce
- FDDS Report - GI/046 Sub-Groups of the WCO Working Group on e-Commerce (WGEC)**
- Technical Experts Group on Air Cargo Security (TEGACS) WCO and International Civil Aviation Organization (ICAO) Joint Working Group on Advanced Cargo Information (JWGACI)
- FDDS Report - GI/049 WCO TEGACS 22-23.02.2017**

Two main topics were comprehensively dealt with: **National Committees on Trade Facilitation (NCTF)**

A NCTF is a requirement within the World Trade Organization (WTO) Trade Facilitation Agreement (TFA), see article 23.2, page 28 of the TFA. Each Member shall establish and/or maintain a national committee on trade facilitation or designate an existing mechanism to facilitate both domestic coordination and implementation of the provisions of this Agreement.

The Chair continued the meeting by advising that it would be up to the respective industry association to drive the requirement for a NCTF in the respective economy, noting the specific benefits this would bring to trade.

NCTFs are about improving global economic competitiveness and stimulating trade. Those who participate in the movement of trade, being FIATA members, need to be key members to NCTFs.

Delegates were strongly encouraged to ensure a place at the NCTF table through their FIATA Association Member. Should it occur that such place is not provided, members were advised to take the opportunity to lobby Governments and Regulators in order to reach this objective.

Delegates were made aware of documentation that offers assistance to the formation and practices of NCTF. These documents partly portray how the Private Sector is not only appropriately at the table, but it is a significant player. FIATA’s CAI Manager will make this documents available to interested parties. E-mail: Bloch@fiata.com

The Chair concluded by insisting that FIATA Associations need to take part on this requirement. If not possible, both regulatory and ministerial access to NCTFs are to be undertaken. Otherwise we risk losing the facilitation process and the role of the private sectors, especially to service providers in International Trade Logistics and Supply Chain Management.

E-COMMERCE

e-Commerce has brought a significant change in trade and business practices. Therefore it would make sense that this industry leads the key outcomes as governments and regulators are notorious for their slowness in responding to such changes. e-Commerce is moving with such pace that economies, governments and regulators are struggling to see the implication to their economies. They as well struggle to figure out which key issues need to be addressed. The Public Private Issue in terms of the impact on economies, e.g. traditional methods of

retailing and employment arrangements, revenue leakage, import prohibitions and restrictions (narcotics, steroids, etc.) remain difficult topics to be controlled.

In order to tackle the key issue of e-Commerce, the WCO has formed a working group containing four sub-groups. One of these chaired by FIATA's Director General Marco Sorgetti. The Chair advised that this was a classic opportunity for NCTFs as the traditional business model is changing rapidly.

Taken as an example was the Australian context where de minimis had sat at a significantly high dollar value (A\$ 1000). The Australian government then decided to reduce the de minimis level to zero effective 1 July 2017, so as to capture indirect tax leakage. The EU and other economies are looking with interest at this "vendor model" and are keen to learn how it works, and whether it is sufficient and effective. Before concluding the meeting, members were given the news by the Chair that he will be transitioning out of his role as CAI Chair next October in Kuala Lumpur. It is intended that Mr Steve Parker will take up this role immediately after.

MULTIMODAL TRANSPORT INSTITUTE (MTI)

The Chairman of the Multimodal Transport Institute, Mr Robert Keen (United Kingdom), welcomed a large number of participants to the meeting.

Speech delivered by Eva Molnar

Mrs Eva Molnar, Director Sustainable Transport Division, reported that the UNECE is the custodian of 58 transport conventions with 1712 contracting parties.

Transportation is going through a fundamental change. This transformation is triggered by different trends. There are three main drivers for this transformation. One group is the big political commitment for change which includes 2030 sustainable development agenda agreement (Increased attention to climate change mitigation and adaptation) – Paris Agreement (Increased attention to funding needs of developing countries). Among the Megatrends the power shift in

the world is one of the biggest and most important issues. There is a geopolitical change, one of the biggest par shift is moving away from Nation States (BRICs; nation states – integration initiatives; nation states – fiscal and political to cities; growing mid decentralisation class). The regional integration initiative growth, but they take away certain decision making growth from national governments. The other change in the power shift is that the political and fiscal decentralisation from the national governments to the mega cities which is happening massively. A lot of decisions are more and more taken by



Photos: FIATA

Once again, Zurich was the place for networking in between the sessions. The city was eager to

cities which have a tremendous impact on social trends and on civil societies.

The technology changes are so transformative that they not simply modify one sector, but they convert a sector into another sector. All this will have an impact on the location of the manufactures and this will also have a huge impact on international trade. There are lot of "drivers" to push the transport sector to change, but for the time being the direction could not be predicted.

INCOTERMS 2020

Mr Tej Contractor reported that the VGM is an important topic to debate and

how the VGM could be included in the INCOTERMS. The term "FAS" was not used very often in international transport. The group has the intention to move the term FAS and include in the term FCA. The group proposed a higher coverage of insurance which should be applicable in future. "Ex works" shipments create a lot of problems for freight forwarders, due to the fact that shippers are not requested to provide any documents and assistance for



international transportation. DDP is also a big challenge for freight forwarders, due to the uncertainty of billed duties.

ROAD

Mr Farid Saffarzadeh, (Iran) in absence of Mr Tomas Suhanyi (Slovakia), Chairman of Working Group Road Transport, reported that Turkey will introduce a toll system for foreign trucks entering into Turkish territories as well as in transit, to be implemented by government; details are still unknown.

It has been reported that everything in the UK is uncertain due to BREXIT. The various Associations are lobbying

by the UK government for their own benefit when the UK has left the European Union.

A joint UNECE and IRU pilot project: over the past months we have been working on realising a paperless TIR procedure between Turkey and Iran as pilot countries, which would constitute a first step towards the implementation of a full-fledged eTIR System. The first phase of this pilot project has been suc-

cessfully completed after 31 real life eTIR pilot operations have successfully taken place between these two countries, involving four main customs offices. The second step of the pilot project ended in February 2017.



present itself as the **lovely place to be.**

RAIL

Mr Petrov reported that OSJD and UIC are the two international federations of railways. OSJD is more Eastern oriented.

Until last year, FIATA did not have any official and coordinated cooperation with them. The WG Rail transport activities were appointed towards a cooperation with OSJD. Therefore, FIATA has created,

beside the enlarged WG UIC/FIATA, another enlarged WG OSJD/FIATA. Meetings of the enlarged WGs are open for a wider audience, there is no participation restriction to FIATA rail advisors only. The first meeting of the enlarged WG OSJD/FIATA will take place on 1 and 2 June in Odessa / Ukraine.

Under the title “New opportunities for multimodal transport on the route Europe – Asia – Europe” the two organisations will debate the following topics in three panels:

- 1st Session: Eurasian transport corridors: realities, developments, perspectives
- 2nd Session: Multimodal transportation via Europe – Asia– Europe: challenges and practical solutions
- 3rd Session: Strategy of building efficient logistic networks: unification of transport law and documents, data exchange, trade facilitation

FIATA has also an excellent partnership with UIC and the most important and successful tool was introduced ten years ago, the so-called market place seminar.

The next Rail Market Place Seminar UIC/FIATA will be held on 14 and 15 September 2017 in Duisburg, Germany;

it will be supported by DSLV and CLECAT.

The main title is: “Inland Hubs - Key towards Rail Freight Corridor Development” brings together railway undertakings, terminal operators, freight forwarders and customers.

SEA

Mr Jens Roemer (Belgium), Chairman of the Working Group Sea Transport, reported that the FMC is currently discussing a proposed rule that would eliminate or reduce the requirements for ocean carriers to report amendments to service contracts. Currently changes to service contracts must be filed with the FMC prior going into effect. It is considered to allow changes to take effect immediately, provided that they are filed with the FMC within 30 days of the change.

The SOLAS regulation has kept the WG Sea busy for the last couple of years. FIATA has been providing updates on this topic for the past three years. The Working Group has created various documents looking at the SOLAS amendment from the Freight Forwarders point of view, with the objective that the various FIATA members can use the documents as a reference for their discussion and negotiations at the national level. Whilst the introduction of the SOLAS Amendment has gone reasonably smoothly, the freight forwarder acting as carrier has a greater exposure as compared to the shipping line: The forwarder acting as carrier is liable for the VGM, whilst the shipping line is not.

The Working Group circulated a document just a few days after the announcement related to Hanjin Shipping on 6 September 2016. The FIATA WG Sea raised serious concern that through the alliance mechanism and slot charter agreements also shipments travelling on non-Hanjin Bill of Ladings were affected. The Working Group wondered whether this experience does not challenge the business model of alliances. This problem has now been addressed by “THE Alliance”. They recently announced a unique contingency plan to protect customer’s cargo and members

in case of financial distress or bankruptcy of one of its partner lines. This is to prevent a repeat of the chaos that surrounded the collapse of Hanjin Shipping last year.

The Working Group appreciated that rate levels of 2016 were not realistic and was one reason that led to the demise of Hanjin Shipping, with all the negative effects to world trade. Global supply chains require reliable and consistent container shipping services that can only be sustained subject to reasonable and realistic rate levels.

General Average is not covered by the common sea freight conventions, but by the York Antwerp Rules (YAR), and Bill of Ladings usually have a paragraph referring to the YAR. The first set of rules dates back to 1864, agreed at a conference in York. The objective of the YAR is to have common rules in dealing with general average. The Rules have been updated periodically under the auspices of Committee Maritime International (CMI), which is made up of national Maritime Law Associations. When the YARs were last updated in 2004 there was no consensus between the main commercial stakeholders regarding many of the changes.

ADVISORY BODY INTERNATIONAL AFFAIRS (ABIA)

The Advisory Body International Affairs (ABIA) held its annual HQ Session meeting with vibrant participants in attendance to hear about the body's work over the past five months. With a packed agenda, the meeting wasted no time in getting underway.

To start the meeting, ABIA Chair Mr Babar Badat read the compliance statement. After a brief introductory statement about the ABIA, he gave the floor to Mr El Mostafa Fakhir who gave an update on their participation at UNFCCC COP22 on behalf of the Association of Freight Forwarders of Morocco (AFFM).

He explained his Association's "Less Carbon Loaded Initiative", which would encourage Moroccan forwarders to adopt efficient practices in terms of sustainable logistics. In addition, the initiative would create multimodal clusters to promote

the development of R&D projects to reduce the carbon impact of multimodal transport and commit forwarders to promote green logistics with the lowest carbon impact using fast lane and ICT.

Mr Heiner Rogge, Chair of the Working Group Sustainable Logistics, followed up Mr Fakhir's presentation by emphasising the need for FIATA to enter more into the green logistics space. He advised of the Working Group's mission statement and recent development in the field, which included ICAO New CO₂ Emissions Standard for Aircraft. He also confirmed that FIATA applied for accreditation status with UNFCCC and UNEP and awaits further feedback. He stressed the need to raise awareness on green logistics as forwarders were typically not asset owners, but still bear responsibility for emissions output.

Mr Badat followed by updating members on the 1st UN Global Transport Conference Summit held in Ashgabat, Turkmenistan, in November 2016. This was the first ever transport conference hosted by the UN which would result in an outcome document for which private sector would play a critical role.

Mr Badat then requested Mr Bassil Eid to provide an update of FIATA's work on the Sustainable Development Goals and how engaging with private sector bodies like the Global Partnership on Sustainable Transport and Global Business Alliance had helped engage with the UN, allowing for more meaningful and impactful contributions.

The Chairman Mr Badat spoke about the need for collecting data from the members, which would enable us to have informed and meaningful discussions with the multilateral organisations. On Mr Badat's request, Mr Francesco Parisi shed light on the need to better harness our members' input by collecting meaningful data through better survey drafts. He showcased a sample survey during the meeting asking members to complete and provide their feedback. Results from the survey would be used in advocacy efforts to encourage Member States to focus on specific trade and logistics issues.

Before announcing the closing of the meeting, the Chairman gave details of the next meeting, which would be held at the 2017 FIATA World Congress in October. Time & Agenda will be provided in due course.

ADVISORY BODY INFORMATION TECHNOLOGY (ABIT)

The topic of Information Technology (IT) was welcomed with immense excitement in Zurich following an array of exciting presentations in Dublin at the World Congress. This year the programme was full and with time limited, the Chair kicked off the session.

Mr Dominique Vankemmel, ex-Domain Coordinator Transport/Logistics, UN/CEFACT, briefed delegates on the relevance of the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) on the logistics sector. He highlighted many past standard recommendations proposed by UN/CEFACT that have impacted the industry such as e-CMR and VERMAS. He also highlighted upcoming recommendations currently being developed that intertwined with agreement from the WTO's TFA and the WCO.

Following a presentation on the importance of standards, Mr Wassilios Lytras delivered a highly anticipated presentation on blockchain technology and how this will impact the logistics industry in the coming years. He broke down the concept into simple terms and mapped how he saw the technology fitting within the freight forwarding sector. He confirmed that there is no blockchain solution that is well functioning in any industry for the moment and that many players will start to release products by middle of 2017.

Ms Anne Sandretto, Chair of ABIT, recapped the work that had been done through FIATA's participation in the EU's Digital Transport and Logistics Forum (DTLF). Two subgroups were formed: Electronic transport documents and Optimisation of cargo flows along transport corridors (Scandinavian-Mediterranean) with the aim of establishing a single digital market within Europe.



Photos: FIATA

A session of one of the FIATA bodies.

Closing the meeting, Ms Sandretto updated members on the deliberations that are being undertaken between ABIT, AFI and ABLM. These joint Working Groups are allowing IT to provide recommendations into relevant fields and work with key FIATA delegates to ensure a coordinated message is brought to the appropriate individuals within international bodies.

ADVISORY BODY LEGAL MATTERS (ABLM)

The FIATA ABLM met in Zurich on 31 March 2017. The chairman Mr Richard Gluck (USA) welcomed more than 100 attendees.

Model Law on Electronic Transferable Records

Prof Manuel Alba, Spain, co-opt expert of the ABLM, represented FIATA at the recent UNCITRAL session in Vienna on Model Law on Electronic Transferable Records.

He explained that the purpose of the Model Law is media equalisation at national levels in a harmonised way. The scope of the new law is to have a legal regime for electronic transferable records which would be a replica of the paper transferable documents.

The regime is based on the formal aspects of the applicable legal rules. He said that this project was started five years ago. The formal focus was the basis of the regulation, in order to achieve non-discrimination and recognition of legal effects for electronic records/documents on the basis of certain principles:

- functional equivalence
- technology neutrality
- non-alteration of pre-existing material law

The current model law draft is based on the principles on which previous UNCITRAL instruments on e-Commerce law were also grounded. Thus, the basic purpose of the law is to provide, upon the functional equivalence principle, the criteria for the fulfilment of formal requirements existing in paper-based law through the use of electronic documents, thereby achieving media equality and technological neutrality, while not addressing issues of substantive law, unless clearly necessary. Being aimed at providing electronic transferable records (ETRs) with legal recognition, the draft model law, for the time being, leaves to the enacting or implementing State the determination of the

paper (or tangible media) based documents that would be comprised within the scope of the draft provisions.

The Model Law may have a potential effect of any practices based on the use of the FIATA Bill of Lading, as under many national laws such document would be deemed a negotiable or a transferable document. If enacted, the Model Law would open the possibility that a FIATA Bill of Lading is issued in electronic form, and determine the conditions for its valid use. The Model Law does not apply to straight or nominative bills of lading. That is clarified in the comments to the Model Law, which also clarify that nothing in its provisions prevents that straight documents are used in electronic form, or under the same system or technologies used for the issuance and transfer of an ETRs. The provisions of the Model Law simply do not apply to them. The creation of an electronic registry for the verification of the authenticity of paper FIATA Bills of Lading would not fall in the scope of application of the provisions of the draft Model Law. In the envisaged project, the FIATA Bill of Lading would be issued in paper form. Any implications that the creation of such a registry may have would have to be assessed on the basis of paper law applicable to bills of lading, maybe among other laws.

The chairman summarised that the UN expects that many countries will adopt it so that the same rule would apply in various countries in terms of

recognition of electronic bills of lading that could be used for trade finance purposes. It is essential to have uniform legal standards for mutual recognition of electronic documents. For more information or questions on this project, members are encouraged to visit UNCITRAL's website (www.uncitral.org) or to contact Prof Manuel Alba (malba@der-pr.uc3m.es).

Report of the joint ABLM-ABIT WG on prevention of fraud in use of FIATA Bills of Lading

Mr Michael Brown, Avalon Risk, United States, explained that FBL frauds can take many forms and they happened for different reasons (e.g. Pre-dating or post-dating, Over/under stating quantity of cargo, etc.). As respects the FIATA Multi-Modal Bill of Lading, there are two scenarios of primary concern:

First fraud scenario is perpetrated against the bank via the documentary letter of credit; means that the fraudulent FBL was presented to the bank and the bank releases funds to fraudster, but the shipment was never loaded on board of the vessel.

Second fraud scenario is perpetrated against the beneficial cargo owner and/or the carrier, when the fraudulent FBL was presented to the carrier and shipment was released to fraudster.

The Chairman of ABLM formed a Working Group and tasked it with presenting recommendations to ABLM for mitigating fraudulent use of FIATA FBLs. There are some considerations which have been addressed (e.g. Association members and their members have different levels of automation and some associations have invested significant sums in pre-printed FIATA FBL supplies). The near-term solution should not bear excessive initial or transactional costs and should minimise workflow inefficiencies.

The WG ABLM/ABIT recommended the following solutions:

- Central “Validation” database (the System) administered by a third party provider under contract to FIATA

- Forwarder members of Association members would upload basic bill of lading data to the system through secure login or via an API
- Banks and other interested parties would be provided with a secure login to validate paper BOLs in their possession against what was entered by the forwarder. Queries would require specific data and “browsing” would not be allowed
- System use would be voluntary and could be done on an “as requested” basis
- Transactional costs would be borne by Banks and other interested parties

Recently ESS came up with a new solution adapted to the needs of freight forwarders. Simple and easy to handle with secure data transfer were the criteria to create this new FIATA system. This system must be also acceptable for shippers and banks.

ADVISORY BODY SAFETY SECURITY (ABSS)

The Advisory Body Safety Security (ABSS) set forth an in-depth agenda at this year's 2017 FIATA HQ Session. The meeting kicked off with an update in transporting lithium by air. Mr Pieter Wildschut advised members to remain informed and trained in this field. He encouraged the use of proper classifications, and also stressed to members to check that ion batteries remain charged below 30%, a regulation established last year. Continuing on the topic of lithium batteries, Mr David Fielder, Chair of ABSS, reported of accidents that have occurred while transporting lithium batteries by sea. This mode of transport is currently less regulated and therefore the volume of battery transport could experience an increase.

Following lithium battery updates, Mr Andreas Wilhelm provided statistics to encourage the implementation of ICAO's CSD/e-CSD by ICAO Member States. He showcased data from a survey conducted by FIATA which outlined that out of the 52 states, 39 have established a national security programme,

of which 19 were EU countries. He also advised that FIATA would continue to raise awareness and empower ICAO in its role in assisting states in complying with ICAO's Annex 17 provisions.

Mr Niels Beuck delivered insights into the developments of IT Cybersecurity attacks throughout the industry. He displayed examples of cybersecurity attacks and vulnerability of systems to be breached. He proposed best practices such as raising awareness trainings, establishing security protocols, alarm channels, and periodical backups. The EU is also working to implement regulation through a directive on security of network and information systems which was adopted by EU Parliament. This would provide legal measures to boost the overall level of cybersecurity in the EU.

Following, Mr Will Sehestedt advised of the situation in the United States, stating that it was unclear what the new administration had planned in regards to logistics and trade, however, he would provide any updates to FIATA for distribution to members when they become available. Closing the meeting, the Chair welcomed delegates to Kuala Lumpur for the 2017 FIATA World Congress, for which the date and agenda would follow.

ADVISORY BODY VOCATIONAL TRAINING (ABVT)

Delegates present started the session by celebrating the 41st Validation Session and the following achievements: CIFA (China) and IIFA (Ireland) re-validated their FIATA Diploma in Freight Forwarding (FDFF) Programme; VLA (Vietnam) and FAR (Russian Federation) re-validated their FIATA Higher Diploma in SCM Programme; SSL (Czech Republic) and TFLA (Chinese Taipei) accomplished a new validation of the FDFF. The Chairman informed that we currently have 46 updated programmes in 40 countries and a total of 12,944 diplomas have been issued.

Several speakers were invited, making the session very dynamic and interactive. Among them Dr Vincent Valentine, Transport Economist at UNCTAD, who spoke about the importance of training

for our industry from his organisation's perspective. He exposed all training initiatives done by UNCTAD including training courses for delegates from permanent missions and regional bodies, courses for policymakers on key international economic issues, training for governments on a debt management and financial analysis system, the technical assistance programme called ASYCUDA that enables the creation of partnerships and cooperation with customs and trade facilitation stakeholders, the Port Training Programme composed of four training networks in Portuguese, Spanish, English and French and, finally, Empretec, a programme designed to support entrepreneurs. Mr Valentine has contributed to the FIATA Foundation Vocational Training as a facilitator at Train-the-Trainer courses. This is positioned within UNCTAD's training collaboration with NGOs. He stated that this activity is important because freight forwarding is one of the grassroots of an economy. For entrepreneurs to be able to sell their goods and services, freight forwarding is one of the key means, it enables industries to branch out.

Another featured speaker was Mrs Claire Beastall, Training and Capacity Building Coordinator at TRAFFIC Southeast Asia. Her speech, titled "Wildlife Trafficking and Freight Forwarding – Relevance, Risks and Mitigation from the Training and Education Perspective", explained how wildlife is used on a daily basis, being an important resource for countries and local communities, which is subject to national and international regulations. She went on to explain that illegal wildlife trade has an estimated value of 26 billion USD per year. It is the fourth largest transnational criminal activity and it involves organised criminal networks, exploits weak governance systems and uses existing transport infrastructure and companies. Over the last decade there has been a massive increase of illegal wildlife traf-

ficking and over one million animals were taken from the wild in the last decade. The United Nations have adopted a resolution tackling illegal wildlife trafficking. It is treated as a serious crime. She stated that the movement of contraband often uses legitimate companies who are unaware that their services are being used for illicit means. There are risks for businesses

and these can be severe ranging from risk to reputation, economic risks, and legal issues. She proposed that the wildlife issue be included in the FIATA Minimum Standards under the Customs Module.

The YIFFY Award Chairman, Mr Michael Yarwood, then reported on the award's activities. He described a very positive participation over last three years, especially in Europe. He mentioned that the average age is 28. The historic geographical participation shows that RAMNS and RAME are a bit behind in terms of number of candidates, compared to RAP and REU, and hoped that this changes. He encouraged FIATA Association Members to present candidates. Despite it being a high task to introduce national competition, it is a very rewarding experience for all.

The FIATA Foundation President, Mr Aldo da Ros, told the audience that times are changing and

Issa Baluch, FIATA Logistics Academy Chairman (above).



Photos: FIATA



Photo: FIATA

Aldia Lai, MCI's Director of Strategic Development, promoted the FIATA World Congress 2017 in Kuala Lumpur.

whereas the FFVT started with a focus on TOT courses it might as well start investing resources in digital learning. He underlined the importance of face-to-face training for some learning objectives that need interaction and higher learning levels and looked forward to a blended learning approach. Mr Da Ros informed delegates that the FFVT is sponsoring a book titled "Emergent Africa", written by Prof Calestous Juma and Dr Francis Mangeni. The book contains a chapter regarding the FFVT and its activities in Africa. It will be ready by the FIATA World Congress 2017. He then congratulated Mrs Kaoutar Guessous and Mr Ilyas Choubaili, the two best students of the TOT course that took place in September 2016 in Morocco, granting them certificates of recognition.

Mrs Guessous stated that TOT was a valuable gift, a tailored project for freight forwarders. After the TOT course all learners had a wider vision, the willingness and

tools to professionalise the industry. She noted that while preparing for validation they would do their best to comply with the FIATA Minimum Standards, which were very comprehensive and advanced. She added that standardisation will take them to efficiency which would then take them to success. Similarly, Mr Choubaili stated that the programme changed his mind-set and empowered him. According to him, validation helps the association capitalise knowledge and contribute to the development of the industry.

REGION AFRICA MIDDLE EAST (RAME)

This year, the Region Africa Middle East (RAME) meeting aimed at focusing on a new set of topics relevant to the region today. With the new focus came a packed agenda, even for the usual two-and-a-half-hour time slot that is usually allocated. The FIATA President and the Director General both participated in

the session, shining a bright light on the meeting.

The Chairman, Mr Basil Pietersen, opened by welcoming participants to the meeting. Wasting no time, he invited Mr Issa Baluch to update members on policy items. Mr Baluch recapped previous works regarding the Yamoussoukro and Lome Declarations, a regional policy agreement aimed at liberalising air transport throughout the African region. An ICAO-hosted meeting was taking place during the same week as the HQ Session in Accra, Ghana, to promote the declarations. A second meeting is scheduled in June in Addis Ababa, Ethiopia, for which FIATA was invited to provide its contributions on behalf of the industry. Following, an update was given on the developments pertaining to the Continental Free Trade Area Negotiations, which would lay the ground for a continent-wide single market. A 5th meeting took place at the African Union and expectations are that

an agreement will be struck on schedule at the end of 2017.

To build on the meeting's policy discussions, Mr Pietersen announced the signing of a Memorandum of Understanding (MoU) between FIATA and Africa's Common Market for Eastern and Southern Africa (COMESA). Mr Pietersen flew to Lusaka to sign the document on behalf of FIATA's President. The MoU will see both organisations working together to achieve more facilitated free movement of goods in a relationship that has sprung up and flourished in only a few months.

Setting the stage for the RAME 2017 Field Meeting in Casablanca, Morocco, Ms Kouatar Gessouss outlined the three-day programme expected to attract high government officials, The World Bank, WTO, UNCTAD, executives from the private sector and many more. Delegates asked a number of questions to ensure that all participation roadblocks were covered to ensure their attendance in Casablanca from May 4th-6th.

Looking ahead, the only contender for the 2018 RAME Field Meeting was Cameroon, which would automatically win them the prize as host for 2018. Mr Mfeungwang from SYNAUTRATRA gave a warm speech thanking delegates for their support as he bids for host for the fourth time. He invited all delegates to Cameroon and will already start on preparations for next year.

With time running scarce, Mr Baluch provided a quick update on FLA courses and the new online platform to come. Mr Ilyas Choubaili detailed his experience as a TOT candidate during the programme held last year and a country presentation was showcased by Djibouti outlining upcoming developments in logistics to be expected in 2019.

Finally, Mr Stephen Ngatunga announced an upcoming Global Logistics Summit to be held in August in Dar es Salaam, Tanzania. He invited all delegates, confirming that UNCTAD and many government officials will be present. Before closing the session, the FIATA President spoke about the level of excitement and professionalism of which the RAME

meeting was conducted. He encouraged delegates from China to participate in FIATA's next RAME meeting to be held in Casablanca. With that, the RAME Chair closed and thanked all speakers and participants for their contributions.

AMERICAS (RAMNS)

Delegates of the RAMNS started the discussion on sea and land transport issues, talking about demurrage. In Argentina the jurisprudence makes the freight forwarder pay in cases where the consignee does not take charge. Mr Gottlieb stated that the biggest problem is the merchant clause in the contract of carriage: "If your name is on that bill of lading where there is an export or an import you are a merchant and they will come back to you. The important thing I told my staff is that if we get unsolicited cargo consigned to us we do not even accept the advice number from the ocean carrier, but if it is a regular shipment from an agent, we know you are stuck. There is no alternative." Mrs Snowden said that in Canada they made a recommendation: "When you are the freight forwarder you advise your customer of their responsibility to return the container clean and on time". She added that in there was recent case law that limits liability for demurrage to a reasonable amount. Mr Sarsfield added that TIA joined with other 25 industry groups in the USA and filed a petition with the Federal Maritime Commission to engage them in rule making for charging demurrage. Yet it is unlikely that the FMC will provide federal guidance, they are more likely to encourage a market-based solution. Mr Bibeau clarified that generally the insurance policy covers abandoned cargo, but not just for demurrage. He added that it is ultimately the client who pays, but it is the most disputed item on an invoice: "If you are running an active, dynamic business it is something we have to face reality on, you need to find the best way to mitigate charges." Mrs Snowden then stated that the discussion should revolve around what we can do over the next 20 years with the merchant clause on the contracts of carriage.

The delegates then talked about changes in the NAFTA. The Mexican delegate, Mr Ruiz stated that it is an opportunity for Mexico to look into other markets and open itself to the rest of the world. Mr Voltmann added that NAFTA has been a great success and that all three countries, Canada, the USA and Mexico, are essential to each other. He stated: "I don't think there will be huge changes. Our Secretary of State is former CEO of Exxon and Mexico just opened up its oil industry to outside investment and exploration, which will give a highlight to Texas. You'll see Mexico lower some tariffs some goods from the USA... but the industry does not want changes."

The discussion then evolved around the consolidation or contraction of services. Mr Bibeau mentioned: "I do not think the Hanjin crisis is over yet, that is really where we as an industry have to be careful, as NVOs we were the facilitators getting the best prices and forming our value propositions, but those days are coming to end. You have to reinvent yourself as an NVOCCs and define what value you bring, you have less options and this is something that RAMNS and World Congress needs to watch because it is a real hit to our industry."

Mr Gottlieb then announced that we are getting to the point of implementing the IATA FIATA Air Cargo Programme. The pilot will be rolled-out in Canada. "Following that we are looking at Latin America and the process will continue towards the end of year in Europe, Hong Kong, Chinese Taipei, Australia, working through national associations." He clarified that the programme requires support from FIATA Association Members. Canada will do a webinar and make information available so others can use it. The key component is that it will bring the financial criteria, which is the accreditation requirements for being a recognised IATA FIATA Forwarder under the control of a small group of airlines and forwarders: forwarders will be chosen by FIATA and the airlines will be chosen by the Cargo Committee, open forum, everything is done in a flexible and highly efficient ways that works by market forces determine.

Regarding security issues in the Americas, Mr Ruiz hoped for a technology-based solution to solve the border security problem between the USA and Mexico, instead of building a wall. In another point, Mr Gillespie pointed out that in Canada they have a new air cargo security programme. He informed that when it comes to cargo that can't be readily x-rayed Canadian airports are losing traffic to the USA, because the USA has more options and are able to screen screening methods for such cargo. "Transport Canada doesn't seem to have a priority to fix this, but we certainly wrote to them and didn't get a satisfactory reply. It is an example of changes that impact our industry done without thinking of implications and solutions," he concluded.

Delegates then discussed the new e-Learning project proposal by the FIATA Logistics Academy. They expressed the need to hold a consultation and to involve all stakeholders in the project. Mrs Snowden talked from her experience, saying that e-Learning attracts a higher number of students and does not replace face-to-face training, as some students attend courses for the networking. The control of registrations for each country as well as the specific cost of each module for association members are yet to be determined. Mr Voltmann gave an example: "FIATA charges and initial fee to each association to participate and then takes a fee per module per student, association members can then upcharge that cost and sell it." Mrs Snowden added that "... if FIATA develops a platform with all the learning attached to it and delivers it to associations that do not have e-Learning today then associations can charge whatever their markets will bear. It is an opportunity for associations, but they can decide to continue with the classroom based training if that is what their markets require." Mrs Schaer invited delegates to become FLA mentors and be part of the project. The Chairman closed the meeting, inviting delegates to participate in the ALACAT Conference, which will take place in Panama from October 18th to 20th, 2017.

ASIA PACIFIC (RAP)

Facilitation of doing business in India - New initiatives by the Government

Delegates attending the meeting of FIATA's Region Asia Pacific were given a highly informative, thorough and interesting presentation by Mr Tej Contractor. Mr Contractor guided members through a variety of India's new initiatives for the facilitation of conducting business in India, and the highly sophisticated involvement to these topics by FIATA's member organisation The Federation of Freight Forwarders' Associations in India (FFFAI).

The exemplary high level of support from the Indian government to their respective NCTF was very well noted by the RAP Chairman, Mr Chris Kanter and the delegates.

The Chairman requested FIATA's Association Members to encourage their own members to attend the 11th Region Asia Pacific Field Meeting, which will be held in conjunction with the UNESCAP Regional Conference/Forum for Freight Forwarders, Multimodal Transport Operators and Logistics Service Providers. FIATA's meeting will be held on 28 June 2017, while that of UNESCAP will take place on 29 June 2017.

For more information on the above mentioned events and registration procedure please visit the following link: <http://fiata.com/events/fiata-meetings.html>.

EUROPE (REU)

The REU meeting was chaired by Mr Turgut Erkeskin from Turkey. The meeting was attended by more than 50 delegates.

Mr Erkeskin made clear in his introduction speech that the marketplace and market dynamics were changing rapidly. Following the 2016 referendum vote to leave, the UK government started the withdrawal process on 29 March 2017, putting the UK on course to leave by April 2019. There are political effects of BREXIT and it is expected that there will be economic effects as well. This will eventually effect the logistics chain and our business.

The refugee problem exists and is even increasing. It is causing a kind of protectionism, with increased border controls.

This is again a major problem for supply chains. Time lost at border crossings is increasing, costs of border crossings and overall transport costs are increasing and in return it is causing increasing expenditure for all of us as consumers.

A major milestone for the global trading system was reached on 22 February 2017 when the TRADE FACILITATION AGREEMENT of the WORLD TRADE ORGANIZATION entered into force. WTO has now obtained the two-thirds acceptance of the agreement from its 164 members needed to bring the TFA into force.

Mr Laitinen reported that this year, Finland will celebrate its 100th birthday. Of all other Scandinavian countries, Finland is the only country that has introduced the EURO as its currency. Finland is highly integrated in the global economy and international trade. Foreign trade has been going down over the past five years, but now they have positive signs that the Finnish economy will be recovering again. He said that Nokia is still the most valuable company in Finland, although they do not produce mobile phones any more. Due to the fact that Finland is located behind the Baltic Sea and quite far from its main market countries; therefore, transportation and logistics have a significant impact on the competitiveness of Finnish products. More than 80% of the transported cargo are handled by Sea freight.

Ms Van der Jagt, Director of CLECAT, reported that there are some important changes for Europe. The EU is confronted with severe issues, as for example BREXIT, as well as increasing protectionisms and less support from member states. Therefore, the EU Commission is very careful when proposing new legislations. The increasing protectionisms has an impact on legislations. The EU Commission is still ambitious to complete the Single European Market.

The road packages will be launched and contain several aspects as internal market and social area as well as road pricing (Eurovignette). There will be a transport council on 7 June under the Maltese Presidency. She supposed that



Attendance at the HQ Session 2017 in Zurich was at a peak.



Photos: FIATA

the EC must come up with balanced proposals, otherwise there will be strong opposition against either from the Western or from the Eastern part of Europe. In the European parliament this package is extremely controversial. Some member states introduced minimum wages for foreign operators, restrictions on driving rules, prohibition on sleeping in truck cabins. All these restrictions are seen as protection measures by some member states and others say that without these measurements it would be social dumping. These measures will bring a lot of additional administrative burden and many companies in the Eastern part of Europe will be less competitive compared to the rest and this will increase the costs.

The cabotage must be simplified, current rules are unclear and difficult

to enforce. Some member states want to exclude cabotage from combined transport operation. The EC will probably start with seven days, but maybe it will end up with four days. Some clarification on the rest period is needed; for the time being the regulation is very strict. There is a proposal pending with more flexibility in the rest time provision. The Eurovignette will also be a topic and it seems that the EC goes for a more distance based charging with the inclusion of alternative external costs (CO₂ emissions, congestion, etc.).

The European Commission pushed for railway corridors and the nine corridors are operational and the question was raised whether there is a need to review this regulation. Finally, the EC decided not the review and give the industry more

time to make the work better. There is a willingness from the railway operators to progress on the corridors.

Mr Steve Parker, United Kingdom, referred to the Union Customs Code UCC, which has been applicable since 1 May 2016. The transitional period will end on 31 December 2020 to allow time for all electronic systems required to be operational/ready. There were some local impacts and it took place without any major disruption to business. CLECAT continues to have serious issues in some Member States in particular with:

- Guarantees
- REX
- Proof of Union Status
- Centralised Clearance
- Provision of information to customs authorities
- AEO

The major issue is the lack of simplification of the new system

Furthermore, items of digitalisation, CEN standards and maritime Alliances were debated.

WORKING GROUP SUSTAINABLE LOGISTICS (WGSL)

Delegates of the WGSL headed by Mr Heiner Rogge used their session to discuss the scope and mission of the working group and to outline its next activities. The working group agreed on a self-understanding evolving around green logistics. The environmental aspect is and will be the main focus point while other aspects of sustainability such as labour rights, transparency and social issues will be monitored. The group aims at distributing information and gaining new members to reflect the global character of FIATA. The mission of the group is to help FIATA assist medium-sized and small companies in understanding the standards for carbon footprint. Customers come to freight forwarders expecting a sustainable perspec-

tive and they should choose their partners carefully. “A sustainable logistics company takes care when selecting from the carrier point of view,” stated Mr Turgut Erkeskin (UTIKAD) summarising the dialogue. Mr Jones described that there are different kinds of tools to measure emissions and forwarders need to understand what is out there, what companies should be looking at and the WGS� should make recommendations in this regard. “At BIFA I got questions such as how do I measure carbon emissions. It is our task to share this information with FIATA for our members to use,” he stated and added that the GLEC standard and the LEARN Project should be taken into account.

The WGS� was also informed of Mrs Cynthia Perisic’s (ALOG) participation in the UN DESA/DSD Expert Group Meeting (EGM). The meeting provided an opportunity for non-governmental actors, along with invited experts and member states, to discuss how to ensure their effective participation and contribution to the process of national level reviews of the 2030 Agenda and the Sustainable Development Goals. Furthermore, Morocco’s AFFM delegation reported their participation in COP22. At that conference AFFM made a presentation on the fundamental principles of its training initiative and how their courses encourage the development of green logistics and enable the creation of a multimodal cluster. Pillars of their project include reducing transport’s impact on the environment as well as using information technology to reduce carbon emissions. He mentioned that the association has the support of the Moroccan Agency for the Development of Logistics. The WGS� looked forward to FIATA’s representation at COP23, which will be organised by Fiji and hosted at the headquarters of the UNFCCC Secretariat in Bonn, Germany. Currently, FIATA is applying for observer status at the UNFCCC and UNEP.

FIATA LOGISTICS ACADEMY (FLA)

The FLA brought the MITx MicroMasters in Supply Chain & Logistics Management to the FIATA stage fea-



The next meeting of FIATA members will be held in the Kuala Lumpur Convention Centre.

ring Dr Eva Ponce, Executive Director of the MITx MicroMasters in Supply Chain Management and Research Associate as a speaker. This new way to educate the world not only includes online courses, but was also designed to be complementary to a Master’s Degree Programme at MIT. Behind the online programme the principle is to educate the world for free. Anyone, everywhere can join and there are no restrictions or requirements to join the programme. Learners that want a certificate can pay a fee and after passing the course they earn a certificate per course. The courses are also catered at companies. The centre produces customised courses which are complemented with game scenarios, case students and face-to-face training.

There are different student profiles and many good reasons to join. Some learners enrol because they want to improve in their career, learn more and do their jobs better. Others work in other fields and decide they want to learn more about supply chain in a flexible way. Yet others want to have access to a Master’s Degree Programme at MIT.

The programme includes five online courses: Supply Chain Analytics, Supply Chain Fundamentals, Supply Chain Design, Supply Chain Dynamics and Supply Chain Technology and Systems. A final proctored exam

is conducted for all five courses. The cost to get a certificate for each course is 150 USD and the final exam costs around 600 USD. The total cost of all is around 1600 USD and companies are offered batch enrolment opportunities. Students typically take an average of 18 months to complete all five courses and the comprehensive final exam.

Dr Ponce stressed that in these courses content is delivered in a new way. edX is used as a platform to deliver all content. Lessons are composed by different videos. Regarding feedback and communication, learners can ask specific questions and get immediate feedback. Chats and forums as well as interactive sessions enhance learning and are powerful tools that enable better understanding of the learning objectives. The speaker encouraged employed people to join and stated that research shows that most students are full-time employees and they study at night and during the weekend. The timeline is rigid but enables flexibility in terms of when to learn.

The FLA Chairman then informed delegates about the FLA Open edX Project composed by two pilot courses. The FLA will first create a course titled “Introduction to Global Logistics Management Theory and Practice.” Mr Issa Baluch explained that online learning is revolutionising the educational experience. It



Photo: FIATA

makes learning accessible to people from all backgrounds, removes common barriers such as geographical restrictions, and is highly cost effective. This is the future of education that brings learners together as part of a global learning community. FIATA is at the forefront of leading this learning revolution, with a commitment to providing specialised online training to learners in the freight forwarding and logistics industry.

FIATA is recognised as a major contributor to the development of training within the sector, and part of this includes staying abreast of learning in the digital era. Challenges have arisen both in developing economies, where the sector is expanding faster than the required education can keep up, and in developed economies, where the workforce is ageing and more young professionals need to be trained. He concluded that through online education we can help the industry take full advantage of global diversity, raise awareness of just how exciting and varied the freight forwarding industry is and inform younger generations of workers about the many possible career paths offered by the industry.

ASSOCIATION MEMBERS' FORUM

Different nationalities and cultures were under the spotlight at this forum, held

for the second time according to the new format introduced in 2016, proving once more that FIATA is the most diverse association in this sector. The FIATA Director General said that every month FIATA publishes a press release with the new members, in order to give them increased visibility. An average of 25-35 new members per month join FIATA, a number of new members that has no match in any other organisation in the world.

In a personal message Mr Marco Sorgetti announced that he would retire on September 2017. He stated: "I am grateful to this association for what it has made of me. I started collaborating with this association in different forms in 1992 and my life has been entirely changed by FIATA. It would have been a different life if I hadn't crossed the path with FIATA. Not only did it give me knowledge and inspiration, it made it possible for me to speak in public and also to speak my heart and to say things that I had inside. This is a place where everybody has a voice and is listened to." The audience marked this step with long applause.

The DG then listed some of FIATA's achievements: the staffing of the FIATA Secretariat had been completed, the influence of FIATA was more and more visible, its position papers were well received by the media, the membership base was growing and the FIATA Advocacy was more and more successful. He mentioned the agreement reached with IATA, which would impact on all association members during its roll-out phase in each country.

In addition, MoUs had been signed with COMESA, OSJD and other international level institutions. The DG explained that the FIATA website had undergone some updating to make it more dynamic and featured responsive design now. Regarding members, he informed participants that FIATA had 6325 members, as extracted on March 22nd. Mr Sorgetti mentioned that Mr Voltmann would conduct a campaign to increase membership from the USA. TIA had announced on its website the following: "Shippers and 3PLs are looking for FIATA." The

idea to mention FIATA on the Association Members' websites and include a link to the FIATA website and in particular to the members' listing was an important networking instrument, in his view. The session dedicated time to proposals for association members. Mr Voltmann stated that the Association Members' Forum had changed for good over time and that the FIATA DG improved it by actually inviting Association Members' Managers to make their own proposals.

He mentioned that managers of freight forwarding associations present were actually the only people in the world in such unique position. He stated: "No one else does exactly what we do, except each and every one of us." And in this spirit he invited delegates to volunteer to form a committee dedicated to identifying ways to improve FIATA and propose interesting topics for the Association Members' Forum.

Mrs Antonella Straulino, Mrs Adelaide Yang, Mrs Anne Sandretto, Mr Neil Taylor, Mr Khaled Fawzy, Mr David Logan, Mrs Nadia Abdul Aziz, Mr Dung Tran Chi, Mr Sailesh Bhatia and Mrs Kaoutar Guessous volunteered to be part of this committee. They already started making proposals, e.g. the importance of distributing FIATA information, including e-Flashes, position papers and news articles to their members and translating them into other languages, if necessary. Mrs Snowden was looking forward to added value and strong suggestions.

The forum also received presentations about the next two congresses: Malaysia and India. The update included information on the venues, speakers, special guests and entertainment. Mr Stanley Lim, Chair of the Congress Committee, crowned the ending of the meeting by letting delegates know that the Congress Committee had created a sub-committee dedicated to the congress programme. He envisioned more networking-intensive congresses in the future.

The meeting was punctual and fruitful, as Mr Sorgetti remarked in closing.