

# FIATA

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## **UNCTAD XI Hearing with the civil society and the private sector Geneva – 16<sup>th</sup> January, 2004**

Dear Mr Chairman, Ladies and Gentlemen,

Firstly, I would like to thank UNCTAD for inviting NGO's to this hearing. It is an excellent opportunity for dialogue and exchange of views amongst governmental and non-governmental bodies.

### Who is FIATA?

Allow me now to give you a very brief introduction to FIATA. FIATA was founded in 1926, and is today the world's largest non-governmental freight organization which represents, promotes and protects the interest of the forwarding industry. Members are coming from 150 countries all over the world.

FIATA has consultative statues with UNCTAD, EOSOC, and UNCITRAL, and is recognized as partner in transport matters by many governmental and non-governmental organizations, such as WCO, WTO, etc etc.

### Co-operation between UNCTAD and FIATA:

The co-operation in the field of transportation between UNCTAD and FIATA is a long-standing and successful one. In the past FIATA has been invited and gladly accepted to actively participate in the Group of Expert meetings on Multimodal Transport; the elaboration of the UNCTAD/ ICC Rules for Multimodal Transport; the Liner Code of Shipping; ASYCUDA (Automated System for Customs Data); ACIS (Advance Cargo Information System); and has also a close relation with TRAINMAR for Vocational Training projects.

### Transport and Development:

Transport is of increasing relevance to the development of nations. The participation in world trade depends also on the type, the quality and last but not least on the costs of transport services. For many of the developing countries it has been at least as important to have access to adequate and low cost transport services as to generate income with the supply of such services.

And here the freight forwarder steps in: he is in a position to make a unique contribution, and adding value to the activities of exporters and importers by ensuring an efficient and effective door to door movement of goods from country to country.

### Freight Forwarding and logistics efficiency:

Studies have shown that logistics costs can amount up to 30% of the delivered costs in some economies, whereas in efficient economies it can be below 10%! That depends on

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the transport infrastructure as well as on the competence of the freight forwarding industry in a country. Thanks to their experience and close co-operation with transport providers in every mode – road, rail, sea, and air – the freight forwarders are constantly negotiating freight rates with those providers, comparing the costs of moving cargo along different routes by different modes, and design logistics infrastructures which provide the best compromise between costs, speed and reliability.

## Need to formalize & promote the Freight Forwarding industry:

It is therefore important for less developed countries (LDCs) to support their local freight forwarding industry as this industry can become an important financial resource, especially to landlocked LDCs. Missing basic legal and institutional support and recognition to the freight forwarders' activities may result in a complete lack of local capacity. In the long-term, this may represent a substantial revenue loss for these developing countries.

## Basic strategic measures to support the Freight Forwarding industry:

Such are e.g. the drafting of appropriate legislation to support their activities; providing freight forwarders with a professional status (legal accreditation, professional and financial conditions of access to the profession); and last but not least the availability of a freight forwarders' liability insurance coverage.

One of FIATA's main objectives is therefore to support the local freight forwarders to establish a National Freight Forwarders Association which is speaking with one tongue and which can enter in a dialogue with its government to find the needed recognition. Another issue of importance is the elaboration and implementation of vocational training programs for the freight forwarding industry.

## Possible future projects of common interest:

Some future issues may be such as....

- Institutional building (strengthening of national associations)
- Vocational training in developing countries
- World-wide accepted transport agreements
- Implementation of trade facilitation measures (unified documents, border crossing)
- Unified security measures

You see, there is still a lot of work ahead of us!

Mr Chairman, Ladies and Gentlemen, I thank you for your attention!

Zurich, 15<sup>th</sup> January, 2004 / SA/es