



FACILITATION (FAL) DIVISION — TWELFTH SESSION

Cairo, Egypt, 22 March to 2 April 2004

- Agenda Item 3: Implementing modernized provisions for facilitation and security in air cargo service operations**
3.1: Facilitation of cargo clearance

AIR CARGO FACILITATION STRATEGY – PAST, PRESENT AND IMMEDIATE FUTURE

(Presented by the Secretariat)

1. INTRODUCTION

1.1 The facilitation of formalities for inbound and outbound clearance of air cargo is a key element in international trade and vital to the economies of many developing countries. It is a subject that requires continuous study, frequent review and periodic renewal and re-invention of strategic concepts. The evolving business environment and new requirements for intensified security measures together present new challenges for the users, transporters and beneficiaries of air cargo in the 21st Century.

1.2 This paper reviews briefly the development of air cargo-related facilitation strategy reflected in Annex 9, describes what was accomplished in the most recent amendment of the Annex, and proposes a list of new objectives to be pursued by ICAO and its member States.

2. EVOLUTION OF CARGO FACILITATION

2.1 In the identification of objectives and development of a modern strategy, it would be useful first to consider the important changes which have occurred in the air transport environment since the inception of the SARPs and guidance material which exist today.

2.2 The facilitation strategy as reflected in the SARPs which were developed during the first 25 years of ICAO contemplated a business environment of manual inspection and clearance procedures in which all information exchanges were dependent on the preparation and movement of paper documents – which was a major cost factor in any commercial transaction. Customs transactions for importation and transit had to wait for the arrival of the flight with all the necessary documents on board. Since aircraft were relatively small, the volumes of cargo were much lower than those of today, and therefore every shipment was given essentially the same treatment for inspection purposes. In cases of large shipments with many packages, authorities were encouraged to use “sampling” or “selective” methods to reduce the number of packages to be examined before clearance could be granted.

2.3 During the 1970s, with the introduction of wide-body aircraft and the emergence of computers and other new technology as helpful tools, States began to find ways to rationalize their inspection processes, in the interest of better productivity as well as prevention of unnecessary delays. New concepts of inspection management were introduced, including the use of risk analysis to determine the level of inspection required for a particular customer and the segmentation of customers for multiple-channel processing according to criteria set by the authorities. Such innovations continue to have the effect of facilitating clearance for the vast majority of customers, but it is important to note that such customers qualify for a lower level of control, not because they are air transport customers but because they have been assessed as “low-risk”.

2.4 Thus the concept of “sampling” was replaced by selection of consignments or groups of consignments for intensive examination based on a risk assessment. This methodology was gradually promulgated to a large number of developing countries through training programmes sponsored by the World Customs Organization, aided by the emergence of less expensive, personal computer-based technology.

2.5 By the late 1990s, issues related to information requirements had become more significant than the number and type of paper documents which were exchanged among the parties to an import/export transaction. Indeed, the issue of “number of copies” had also lost significance with the presence of high-speed photocopiers in general use. As computerization capabilities had become almost universally available to both governments and industry, it was appropriate to be more positive about advocating the use of information technology by all parties. At the same time, with the rapid development of alternative methods of communication and the ease with which message formats and protocols could be converted for global electronic data interchange, it was thought to be appropriate for Annex 9 to be less prescriptive regarding standards for electronic communications.

3. CURRENT EDITION OF ANNEX 9

3.1 In its work to amend Chapter 4 of Annex 9, the Facilitation Panel considered these developments and new realities and proposed a completely new set of SARPs that were adopted in the context of Amendment 18. These new SARPs

- emphasize standardization of information requirements;
- advocate use of information technology by private and public sector parties as preferable to exchanges of paper documents;
- are not prescriptive regarding “international standards”;
- replace “sampling or selective techniques” by “risk assessment” or “risk management”;
- and
- introduce the concept of the “authorized person”.

4. NEW ISSUES

4.1 In the light of contemporary concerns about security and the continuing need to facilitate international trade, the following partial list of issues is proposed as a starting place for continuing work on air cargo strategy in ICAO:

- a) the need for SARPs recommending the use of advance cargo information systems to enable processing of cargo data before its arrival;

- b) the need to harmonize the aviation security concept of the “regulated agent” with the facilitation concept of the “authorized person”;
- c) principles of inspection systems integrity to strengthen border security;
- d) transparency and fairness in the levying of charges for inspection service;
- e) acceptance of the air waybill number as a sufficient “unique consignment reference”;
and
- f) extension of security-related SARPs for air cargo to air-road transit movements.

5. ACTION BY THE DIVISION

5.1 The Division is invited to note this paper and recommend that ICAO undertake appropriate action to develop air cargo strategy along the lines indicated in paragraph 4 above.

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