



Bangladesh Freight Forwarders Association

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BAFFA COUNTRY REPORT

*For Presentation to Delegates attending the FAPAA 46th ECM & AGM
25-27 July 2019*

Radisson Blu Dhaka Water Garden, Dhaka-Bangladesh

Bangladesh Freight Forwarders Association (BAFFA) is the national association of freight forwarders representing all activities to promote, protect and safeguard the interest of the members of Bangladesh Freight Forwarders, engaged in total transportation of goods in international trade by sea, land and air or combined multimodal transportation and any other related service like, warehousing, packaging, space booking, export & import documentation, CFS operation, customs brokerage, consolidation/deconsolidation and all other functions pertaining to freight forwarding, logistics service, Non Vessel Operating Common Carrier(NVOCC) and related to supply chain management.

MAIN OBJECTIVES OF BAFFA

1. To represent, promote and protect the interests of the industry by participating as advisors or experts in meetings of national and international bodies dealing with transportation & logistics. BAFFA is also committed to play a vital and significant role to facilitate its member companies.
2. To familiarize trade and industry and the public at large with the services rendered by freight forwarders through the dissemination of information, distribution of publications, etc.
3. To extend co-operation to the extent of assistance and guidelines and to ease the problems faced by its member companies with other stake holders and authorities involved with the trade.
4. To maintain close cooperation with all agencies and authorities of Government in order to simplify the rules and regulations relevant to the industry. To keep the member companies informed of all Government decision/circular regarding their further course of action from time to time.
5. To create awareness & compliance of EU, ACC3 & RA3 at Cargo Village at Hazarat Shahjalal International Airport (HSIA), Dhaka & other Airports of Bangladesh.
6. Acting as arbitrator to resolve the issues between members and its customers in both financial and legal issues as well as to extend support towards the members in order to resolve any complaints, dispute, allegations, against any member by the customer or any other authority, or any member.
7. To extend educational and training program and seminars for the members to improve the human resources of respective member companies.
8. To act as arbitrators and to assist in the settlement of disputes between member organizations.

BAFFA IS MEMBER OF THE FOLLOWING ORGANIZATIONS:

- The International Federation of Freight Forwarders Association (FIATA)
- Federation of Asia- Pacific Air Cargo Association (FAPAA)
- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI)
- Shipper's Council of Bangladesh (SCB)

BAFFA REPRESENT THE GOVERNMENT COMMITTEES

BAFFA is represented to the following Government Committees:

- Chattogram Port Advisory Committee
- National Board of Revenue Advisory Committee
- National Single Window Working Group, National Board of Revenue.
- Trade Facilitation Advisory Committee, Ministry of Commerce.
- Dhaka Customs House Advisory Committee.
- Committee for Prepared a Regulation for Private Inland Container Depot.
- ASYCUDA World Operational Committee, National Board of Revenue.
- Mongla Port Advisory Committee
- Dhaka Customs House Arbitration Committee
- Airport Facilitation Committee (AFC)

BOARD OF DIRECTORS

BAFFA Board of Directors is represented by 19 (nineteen) Board members elected by general member freight forwarders. The name of the present **President of BAFFA is Mr. Mahbubul Anam, Managing Director of Cross Freight Limited.**

Board of Directors of BAFFA holds the Board Meeting every alternative months for discussing the different issues of the association and taking decision for guiding the freight industry in the right direction, which is giving a positive impact to the Freight forwarding community in the country.

SUB COMMITTEES OF BAFFA

BAFFA Board formed a few Sub-Committees in order to reflect this apex trade body's role in the affairs of the business community rightly, and for addressing the sectoral issues after getting the proposals from relevant stakeholders. The Sub-Committees have been formed in line with the relevant ministries of the Government of Bangladesh and important issues that need the business community's intervention. The designated Chairman & Convener of the Sub-Committees are working in consultation with the members to plan their next course of action. The current Board looks forward to working for the Sub-Committees and consult the concern agencies for solution measures where necessary. The following are the major national and international Sub-committees:

- i. Publication Sub-Committee
- ii. Finance Sub-Committee, Dhaka
- iii. Finance Sub-Committee, Chattogram
- iv. Arbitration Sub-Committee, Dhaka
- v. Arbitration Sub-Committee, Chattogram
- vi. Membership Sub-Committee, Dhaka
- vii. Membership Sub-Committee, Chattogram
- viii. Ports Sub-Committee (Biman & CAAB), Dhaka
- ix. Customs Sub-Committee, Dhaka
- x. ICD Kamalapur, ICT Pangaon, Mongla & River Ports Sub-Committee
- xi. Ports Sub-Committee, Chattogram
- xii. Customs Sub-Committee, Chattogram
- xiii. Off-Dock & Airport Sub-Committee, Chattogram
- xiv. Media & Public Relation Sub-Committee
- xv. Government Affairs Sub-Committee (Bangladesh Bank, NBR & Ministry of Finance)
- xvi. Government Affairs Sub-Committee (Ministry of Shipping, Ministry of Commerce, Ministry of Civil Aviation & Tourism, Ministry of Transport & Bridge and Ministry of Railways)
- xvii. Government Affairs Sub-Committee [CCCI, BGMEA, BKMEA (CTG Chapter), Bangladesh Bank (CTG.), NBR (VAT, TAX CTG Circle), Chattogram.
- xviii. International Affairs Sub-Committee (FAPAA, FIATA, IATA, ADB, World Bank, JICA, IFC & UNESCAP)
- xix. Internal Audit Sub-Committee
- xx. Education & Training Sub-Committee

BAFFA SECRETARIAT

Qualified & experienced manpower has been recruited by BAFFA to run the secretariat smoothly and professionally. Presently BAFFA has 45 regular staffs working in its Dhaka and Chattogram office to facilitate the general members of BAFFA.

ISSUES ADDRESSED BY BAFFA

The present Board of Directors of BAFFA have taken initiatives to handle/address a series of pending issues with various Government and other concerned authorities in order to resolve the same for the greater interest of the Freight Forwarding community in the country from time to time. The committee already has addressed some of the vital issues with various concerned authorities during the period and succeed achieve a remarkable progress and improvement.

1. Construction of Canopy in Export Warehouse at Cargo Village:

Due to the active initiatives of BAFFA for having a standard cargo loading processing area within the Cargo Village. The Civil Aviation Authority of Bangladesh (CAAB) has provided a Canopy area in front of its Export Warehouse in order to protect the valuable export goods from any damages during its stuffing/loading thereon. BAFFA have taken control of the entire Canopy area in front of Export Warehouse for the proper utilization by its

valued members. BAFFA has ensured disciplined cargo movement throughout the export Air Cargo terminal at Dhaka Airport.

2. BAFFA Office Building at Cargo Village:

To accommodate a substantial number of freight forwarders working at Cargo Village, it is quite necessary to have an ideal office building for BAFFA. And its valued members need to be within the close proximity of Cargo Village. The existing shed used by our members is in poor condition, which was built-up by BAFFA years back. Also the extension of existing Cargo Village along with modern equipment and facilities are very necessary due to increase of air cargo movement throughout Hazrat Shahjalal Int'l Airport (HSIA), Dhaka. According to the industry sources, international airfreight business in the country is growing at a rate of 10% per annum. For that, BAFFA is working with CAAB and Biman Bangladesh Airlines (BG) (as the Ground Handling Agent) to have a facility for its members at the Airport for smooth operation as early as possible.

3 Bonded Warehouse/ICD:

BAFFA is pursuing the relevant government agencies to allow bonded warehouse /ICD establishment for member freight forwarders in Bangladesh to facilitate smooth handling of export & import cargoes. BAFFA is also a member of the advisory committee for better management of the present ICDs.

4. IGM/EGM:

Online IGM submission started at Chattogram Custom House few years back. BAFFA took a vital role to implement the same. BAFFA is pursuing government agencies for online IGM submission in other Custom Houses. Similarly BAFFA will take active part in the proposed online EGM submission in future.

5. Delivery Order (D/O):

Earlier forwarders were not allowed to issue D/O (Delivery Order) & retain the original BL of the import cargo. It was BAFFA initiative that freight forwarders in Bangladesh now issue D/O of import cargo retaining the import BL instead of earlier system of liners issuing D/O on surrender of freight forwarder BL to them.

7. Cargo Accounts Settlement Systems – CASS:

Cargo Account Settlement Systems (CASS) is designed to simplify the billing and settling of accounts between airlines and freight forwarders. It operates through CASSlink, an advanced global web-enabled e-billing solution. BAFFA is working with IATA on introduction of CASS based on a single Industrial guarantee instead of present separate & individual bank guarantee to each Airline in addition to guarantee to IATA.

Based on the discussion with IATA, BAFFA has agreed with IATA the local Financial Criteria for Cargo in Bangladesh, which will be the basis for Industrial guarantee for CASS.

8. Air Freight payment in Bangladesh Currency instead of USD:

BAFFA is pursuing with Biman and IATA to establish Headline currency for Air freight rate ex Bangladesh in BDT instead of US dollar. It has been agreed in the IATA Cargo advisory Panel (ICAP) meeting and minuted accordingly.

9. National Single Window (NSW)

The Government of Bangladesh, being a signatory to the WTO Agreement on Trade Facilitation, is actively pursuing the establishment of a National Single Window (NSW) with Technical Financial Assistance from the World Bank Group. NSW is defined by the UNECE (United Nations Economic Commission for Europe) as “A Single Window is a facility that allows Parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export and transit related regulatory requirements.”

Establishment of National Single window (NSW) proposed in the WTO, TFA is a land mark scheme of the present government to streamline and speed up Customs Import and Export clearance procedure through automation with ASYCUDA world without any interface with any administrative official on the basis of a single point submission of appropriate documents.

The National Board of Revenue (NBR) has already taken up the project for the establishment of NSW in partnership with stakeholders including the private sector with the help of international financing agencies. BAFFA is one of the major stakeholder and a part of this NSW committee.

10. Deployment of workforce at Cargo Village by BAFFA:

Bangladesh Biman (BG), the national aviation flag carrier, is the designated handling contractor of cargos but it has limitation to work at par to the required international standard. To support BG in RA3 validation BAFFA has provided trained manpower and helped maintaining the RA area for Bangladesh Biman.

BAFFA MEMBERSHIP

The Freight Forwarding trade is rapidly growing in Bangladesh, the Membership of BAFFA has increased significantly. Presently BAFFA has 1012 (one hundred twelve) ordinary members in the country.

BAFFA ANNUAL GENERAL MEETINGS (AGM)

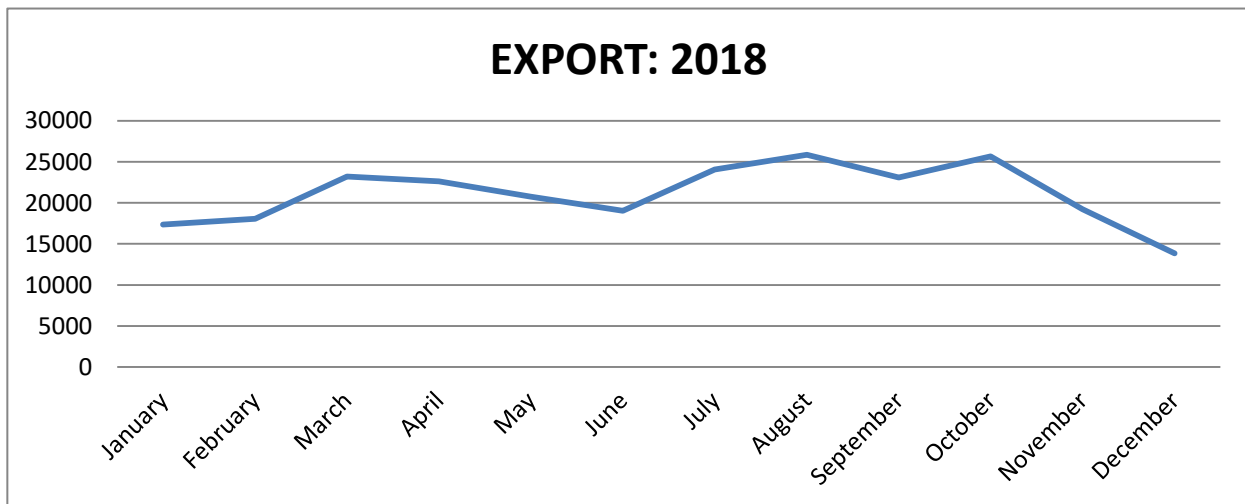
BAFFA AGMs are being held on regular basis. Last Annual General Meeting was held on 24 March, 2019 in Chattogram.

AIR CARGO BUSINESS IN BANGLADESH

EXPORT: 2018

Month	Total (Tons)
January	17365
February	18063
March	23212
April	22613
May	20738
June	19024
July	24078
August	25835
September	23098
October	25658
November	19243
December	13856
TOTAL	252783

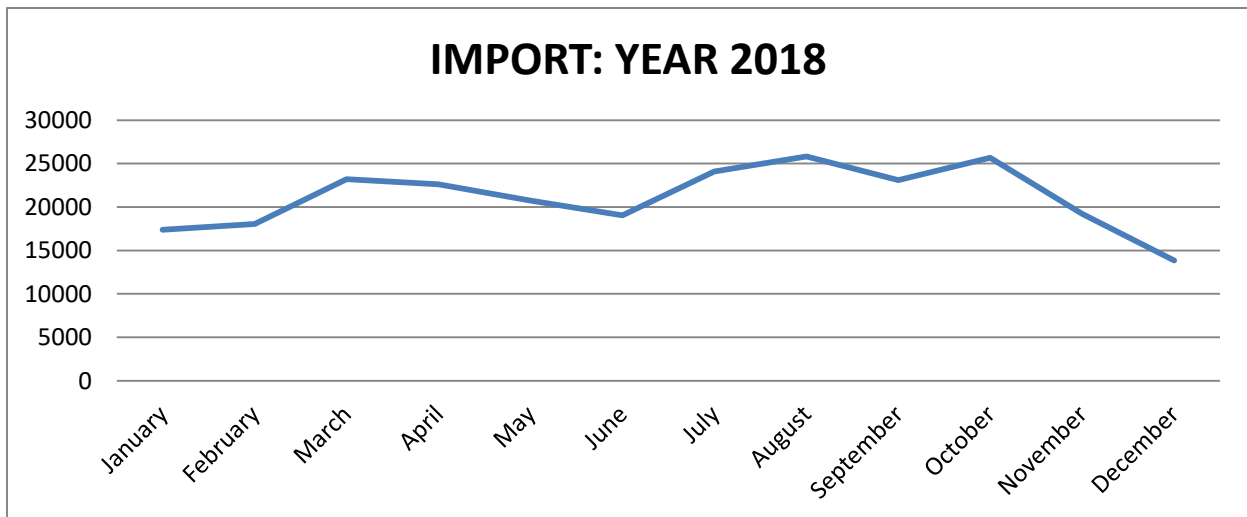
Source: Biman Bangladesh Airlines



IMPORT: YEAR 2018

Month	Total (Tons)
January	14228
February	6181
March	9388
April	12872
May	13724
June	8925
July	9709
August	8009
September	11147
October	15317
November	10621
December	10952
TOTAL	131073

Source: Biman Bangladesh Airlines



Finally wishing a very successful Executive Council Meeting in Dhaka on 26 July, 2019.

Thanking you all.

On behalf of Bangladesh Freight Forwarders Association

Mahbubul Anam
President-BAFFA