CLECAT
european association for forwarding, transport, logistics and customs services

NEWSLETTER

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Table of content

Brussels news

CLECAT WELCOMES VOTE ON COMBINED TRANSPORT REPORT

The European Parliament's Transport Committee adopted its report on the revision of the Combined Transport Directive on 10 July.

CLECAT sees the adopted report as a largely positive document, based on a strong draft by rapporteur Daniela Aiuto MEP and pragmatic compromise amendments negotiated between the political groups. The TRAN report sets a limit of 150km for the road leg of a combined transport operation, but allowing this to be exceeded where necessary to reach the nearest suitable road/rail terminal for the operation in question. This is an improvement on the current situation and therefore can be seen as a reasonable compromise. CLECAT also sees the report's compromises on incentives for combined transport and support for terminal expansion as positive steps which will boost the uptake of combined transport as a part of efficient logistics chains.

Nicolette van der Jagt, Director General of CLECAT, said: "The vote in the Transport Committee is a vote for pragmatic legislation to encourage and facilitate Combined Transport, modernising the current outdated Directive. We trust that this will lay the basis for focused and determined negotiations with the Council so that we may arrive quickly at legislation which is appropriate for the needs and realities of the European transport and logistics market. As freight forwarders aim to deliver logistics chains which are efficient, competitive and sustainable, legislation which acts as an enabler to these aims is to be welcomed.'

CLECAT does regret the continued inclusion of amendments which would remove the 'cabotage exemption' from Combined Transport and impose posting of workers rules, in particular in light of the uncertainty over the future of the related legislative proposals following the European Parliament's votes on 4 July.

The report was adopted by 34 votes in favour, 4 against and 2 abstentions.

SAVE THE DATE: 15 NOVEMBER - FREIGHT FORWARDERS FORUM

CLECAT's annual Freight Forwarders Forum entitled **"Customs, Trade and Skills – *What's the deal?*"** will take place on the 15th November at the WCO in Brussels.

The customs and trade landscape as we have known it in recent decades is changing drastically. For many years, initiatives breaking down trade barriers through the expansion of the EU were successful, reducing duties and simplifying border procedures. Today, increasing political and social issues across the globe are reversing these efforts. Trade conflicts, Brexit, tax evasion, immigration, terrorism and threats to consumers and the environment are all realities that the European Union must face. Finding the balance between protecting society and facilitating compliant trade has become increasingly difficult.

The Forum will discuss these questions and give first hand insights from the European Commission, WCO and industry experts. Capitalise on this unique opportunity to learn about changes in trade and customs and the impact they will have on your sector.

More information will be available at the CLECAT conference webpages shortly, but for now **SAVE THE DATE!**

PRIORITIES OF THE AUSTRIAN PRESIDENCY

On 10 July, the Austrian Federal Minister for Transport, Innovation and Technology, Mr Norbert Hofer, presented the priorities of the Austrian Presidency for the second half of 2018 to the Transport Committee of the European Parliament. The motto of the Austrian Presidency is "A Europe that protects". In the transport sector, this translates into making transport safer and minimising the number of deaths on European roads. The Presidency's efforts will be focused on seeking competitiveness, a high level of social conditions and sustainable mobility.

The Presidency intends to make a tangible contribution, including progress with development of transport systems that provide for balanced competition between the different transport modes, while simultaneously concentrating on the improvement of the social and ecological dimensions of the transport system.

The Presidency will continue work on legislative Proposals, but with regards to the first Mobility Package, he noted that there are significant differences of opinion in the Council. The Presidency has started bilateral talks with Member States on the posting of drivers, driving time and market access files with a view to identifying possible compromises for the Council's meeting in December 2018. He regretted however, that it would be difficult to achieve major progress on the revision of Directive 1999/62/EC on road infrastructure charging. One of the main debates revolves around the inclusion of passenger vehicles in the scope of the Eurovignette Directive. More specifically, it is debated whether it should be obligatory to have a distance-based approach and remove the possibility of applying a time-based approach, as many Member States stated that this would be problematic from the perspective of subsidiarity Further progress is expected in the area of Combined Transport. This file forms an important part of future measures to foster environmentally friendly transport modes. The negotiations on it have been controversial. He noted that the Presidency would analyse the position that was provided by the TRAN Committee and that it will try to reach an agreement in the December Council Meeting so that negotiations can continue and be concluded under the Romanian Presidency.

Since an efficient modern infrastructure is the basis for an innovative and efficient mobility system, he stated that particular attention will be paid to the CEF regulation and the proposal for TEN-T. In that regard, it will be important to achieve a sufficient financial allocation for CEF 2. EU Co-financing will also have to be considered, particularly with regard to the outermost regions, as it must be effective in achieving competitive transport.

Regarding air transport, the Presidency will try to make significant contributions to increase Europe’s competitiveness. In that regard, the recast of the regulation for safeguarding competition in air transport will be a key factor. The Council adopted the conclusions of 7 July and will continue working on it, as well as on agreements with third countries.

Regarding maritime transport, he noted that the Presidency will concentrate mostly on inland navigation. The Presidency aims at adopting conclusions for inland navigation, negotiate with the Parliament on port-reception facilities and finding an agreement before the end of the year. Furthermore, the Presidency aims at achieving a general approach on the regulation for the creation of a maritime single window and make progress with regard to the proposal to amend the directive on minimum requirements for training of seafarers. During the TTE Council on 3rd December, the meeting with the Danube countries, which take place every two years, would be continued.

On 20 October, there will be an informal Transport Council Meeting in Graz, focusing on decarbonisation, road safety, modal transition and multimodality. The subjects will include climate issues, safe transport, increasing competitiveness, and infrastructure. He expressed that its aim is to “add mosaic stones to a sustainable transport system for Europe”. Additionally, he stressed the importance of a dialogue between the Council and the European Parliament. In that regard, he noted that the Presidency intends to play the traditional role of a bridge builder, contributing to the unity and development of the Union.

@european union 2018 -EP Photographer

HIGH-LEVEL CONFERENCE ON EU 2050 DECARBONISATION STRATEGY

On 10 July CLECAT attended the European Commission’s High-Level Conference on the future 2050 Decarbonisation Strategy. The Commission is preparing this strategy in response to a request from the

European Council, which will set out the EU's plans to meeting its commitments under the Paris Agreement and for a near-zero carbon economy by 2050.

Climate Action Commissioner Miguel Arias Cañete indicated that the strategy would set milestones towards decarbonisation and the specific economic domains which would require focus. He added that the EU may increase its 2030 emission reduction target to 45% in order to better realise the Paris goals. A strong focus of discussions will be behavioural and social elements, including demand for mobility.

The International Energy Agency presented its forecasts for the decades ahead, pointing to a need for doubling energy efficiency by 2040, with $12 trillion investment required worldwide to improve transport efficiency. Regarding specific actions in transport, the sector as a whole was making medium progress towards efficiency and decarbonisation, but focus was required in particular on biofuels, aviation and shipping, as well as truck emissions, rail and general fuel economy.

The Commission is to launch a public consultation shortly to prepare the strategy, as well as targeted stakeholder consultations. CLECAT will use these opportunities to present the views of freight forwarders on a sustainable logistics chain. The strategy is expected to be published in November.

UK WHITE PAPER ON FUTURE RELATIONSHIP WITH THE EU

On 12 July, the UK published its Policy paper on the Future Relationship between the United Kingdom and the European Union. The proposal underpins the vision set out by the UK Prime Minister and addresses questions raised by the EU in the intervening months – explaining how the relationship would work, what benefits it would deliver for both sides, and why it would respect the sovereignty of the UK as well as the autonomy of the EU. According to the UK, at its core, it is a package that strikes a new and fair balance of rights and obligations. One that the UK Government hopes will yield a redoubling of effort in the negotiations, as the UK and the EU work together to develop and agree the framework for the future relationship this autumn.

The UK Government is determined to build a new relationship that works for both the UK and the EU. One which sees the UK leave the Single Market and the Customs Union. In designing the economic partnership, the UK proposes that the UK and the EU should focus on ensuring continued frictionless access at the border to each other's markets for goods. To deliver this goal, the UK Government is proposing the establishment of a free trade area for goods. This free trade area should protect the uniquely integrated supply chains and 'just-in-time' processes. It should also avoid the need for customs and regulatory checks at the border. According to the UK Government, as a result, the free trade area for goods would see the UK and the EU meet their shared commitments to Northern Ireland and Ireland through the overall future relationship. Finally, the proposed relationship is supported by provisions that should both sides confidence that the trade that it facilitates will be both open and fair, for example a common rulebook for goods including agri-food.

On the basis of this proposal, the UK Government will now charge the UK's negotiating team to engage with the EU's at pace, working to reach an agreement on the Future Framework alongside the Withdrawal Agreement later this year. On 20 July the EU27 Council will discuss the white paper that the UK government published.

CLECAT will study the proposal in further detail and provide a position following consultation of its Members.

Source: UK Government, Department for Exiting the European Union

Road

EC INITIATIVE ON URBAN VEHICLE ACCESS REGULATIONS

On 6 July CLECAT participated in a first stakeholder workshop on Urban Vehicle Access Regulations. This follows the Commission's announcement in the Clean Air for All Communication of its plans to prepare non-binding guidance with recommendations and best practices that can support local authorities in addressing aspects concerning urban vehicle access restrictions. The workshop aimed to discuss intentions for this guidance, stakeholder views, and to establish a work plan.

CLECAT is happy to see this initiative launched, as the proliferation of different regulations for vehicle access in European cities and regions is creating confusion and uncertainty for logistics companies who operate across different cities, regions and Member States. Furthermore, some initiatives risk undermining local economies by blocking vital delivery services to city centres.

CLECAT believes that individual initiatives to improve the environmental impact of urban logistics should form part of regional, national and European strategic approaches, taking particular care not to impede the flow of goods into urban areas. European coordination, based on structured dialogue and best-practice sharing, is vital to ensure that progress made in the transport sector regarding the environment is comparable between EU countries and between the different means of transport. We therefore look forward to continuing the work of this stakeholder group and fruitful cooperation.

PLANS FOR NEW CLEAN AIR ZONES IN ENGLAND

Due to increased NOx levels caused by traffic in the UK, currently Birmingham, Leeds and Southampton are planning the introduction of "Clean Air Zones" in their cities, similar to the one existing in London. These zones would permit free passing of HDVs which are compliant with the Euro-VI standard. However, all other vehicles falling below that standard would be subjected to a fee for entering these zones. The city administrations have announced that they would undertake consultations in the following weeks regarding the exact rules which shall be applicable to these zones.

In London, the current Low Emission Zone and the Toxicity Charge (T-Charge) in the city centre will be replaced by a stricter Ultra Low Emission Zone (ULEZ) starting 8 April 2019. According to this new regulation, any HDV exceeding 3.5t which does not comply with Euro-VI, irrespective of the State of registration, will be obliged to pay a daily fee of 100 GBP for entering Central London. Starting 26 October 2020, a Low Emission Zone will also be introduced for the Greater London Area. In that Zone, any HDV below Euro-VI will be charged 100 GBP, while vehicles falling below Euro-V will be charged 300 GBP. The abovementioned cities are planning similar daily fees, thus charging any vehicle below Euro-VI that enters the zones with 50-100 GBP.

Sources: Transport for London, BBC

TRAN OPINION ON EU APPROACH TO REDUCE CO2 EMISSIONS FROM LIGHT-DUTY VEHICLES

The TRAN Committee adopted earlier this week its opinion on the proposal for a regulation setting emission performance standards for new passenger cars and for new commercial vehicles. The

Committee voted in favour of maintaining the specific target emissions of CO2 as proposed by the Commission both for the new passenger cars and for the new commercial LCV's. The opinion underlines that the structural transition towards alternative powertrains will be associated with structural changes in the automotive value chain. It will therefore be important to ensure re-skilling and up-skilling of workers in dialogue with social partners. Members underlined the necessity to respect the principle of technology neutrality. They also called for better designed car labelling for CO2 emissions and fuel consumption. They stressed that swift and adequate deployment of recharging and refuelling infrastructure for alternative fuels was essential for the development of the market for zero and low-emission vehicles.

The Committee rejected the proposals of the Rapporteur to establish a European Road Transport Monitoring Agency that would coordinate the work of national market surveillance authorities, to set a not-to-exceed limit for each manufacturer to apply as from 2025 onwards and to give the possibility to use the averaged CO2 emission data from fuel consumption meters to assess the real-world representativeness of CO2 emission and energy consumption.

Rail

ERA ADOPTS AND PUBLISHES ANNUAL ACTIVITY REPORT

During its Management Board Meeting of 26 June, the European Union Agency for Railways (ERA) adopted the Consolidated Annual Activity Report 2017. The Management Board congratulated the Agency for their work done during 2017, especially in preparing the 4^{th} Railway Package and the new responsibilities which the Agency will be assigned as a result of it. This included the adoption of key legal acts, as well as major dissemination and communication initiatives carried out in cooperation with the European Commission to ensure a positive vote from the Member States. Following the report, all milestones for the preparation of the transition towards the Fourth Railway Package have been reached according to plan.

Regarding the ERTMS, the public announcement of the action plan "Delivering Effective and Interoperable ERTMS – the Way Ahead" has been as one of the highlights in 2017. Regarding KPIs, it was monitored that 45.5% of the organisational KPIs have been fully achieved in 2017, 45.5% have been partially achieved and 9% were not applicable. The monitoring is now being improved through stricter controls throughout the process. Based on the report, the Management Board recommended the Agency management to continue its focus on the preparation of the new tasks under the 4^{th} Railway Package technical pillar to be fully ready by 15 June 2019.

The report includes an analysis, as well as an assessment of the Management Board and can be accessed here.

Source: ERA

DB'S EUROPEAN RAIL FREIGHT TRANSPORT 2017

Deutsche Bahn AG recently published its annual competition report for 2017. According to DB's report, a higher demand in European rail freight transport was monitored based on the strong economy which provided for higher demand in transport. The total increase of 3% in the volume of transport represents the fastest growth for rail freight transport since 2011.

The positive economic situation of 2017 benefitted many rail freight companies which led to an increase in their services. In that regard, an improvement of performance has been seen for the majority of the selected rail companies.

However, a big difference is present in the development of rail freight operators between different countries in some cases. When considering the three largest freight operating companies in Europe (DB Cargo, SNCF Fret and PKP Cargo), only the Polish company PKP Cargo has achieved growth in 2017, with an increase in transport volume of almost 9%. These can most likely be attributed to the rapid growth in traffic between China and Europe.

The competition report of Deutsche Bahn can be found here.

FRANCE PLANS INCENTIVES FOR RAIL FREIGHT

The French government is currently preparing a new legislative proposal for a reorganisation of mobility containing provisions on the promotion of efficient and integrated urban logistics.

According to the French Minister for Transport Elisabeth Borne, rail freight serves as a good example for the transport of goods into Paris, considering its financial efficiency and its limited environmental impact. She further elaborated that efficient planning of logistics serves as a substantial contributor for the national economy, considering that it amounted to 10% of the national GDP. Additionally, e-Commerce (growing by 15% annually) poses new challenges for the logistics sector, which now has to adapt to a re-organisation of the customers' behaviour.

Borne also stressed that the efficient organisation of rail freight is an essential part of sustainable logistics. Therefore, she highlighted the importance of achieving a modal shift from road to rail through targeted state aid measures for combined transport during the following 5 years, amounting to grants of €27 million annually. Additional €10 million are planned for the renovation of roads used as the last mile, while €20 million are planned for the restoration of rail connections of industrial companies. As last measure for the incentivisation of using rail freight, Borne announced the revision of track access charges.

Source: Verkehrsrundschau

EURASIAN RAIL CORRIDOR ANALYSIS 2017

The research institute Roland Berger has analysed the Eurasian rail corridors in 2017, including the effects of subsidies. More specifically, the study assessed the viability and the actions needed to promote existing and South-Eurasia routes and their connection to the Rail Freight Corridors (RFCs).

A significant percentage of the current volumes of traffic which are being transported in the New Silk Road are dependent on Chinese subsidies. In light of the speculations regarding a possible discontinuation of Chinese subsidies (e.g. OBOR) around 2020, an effect thereof on the growth rate of traffic volumes on the New Silk Road is to be expected. The main factors which are driving the growth are a boost of trade and demand, efficiency gains along the transportation chain, infrastructural improvements, the elimination of bottlenecks and the development of the Chinese subsidies.

While the number of trains departing in eastward direction is growing, westbound traffic is still dominant on the New Silk Road. The Chinese government is subsidising the return trip at a higher rate to prevent the trains from being stuck on Europe. Although the subsidies vary per region, the average subsidy per train is estimated at around €814.000, thereby covering 20-60% of the operation costs for a train on the rails to Europe.

For 2027, the study forecasts a total rail potential of approximately 636.000 TEU, which can be roughly translated into 21 trains per day, assuming 82 TEU per train. This shows a substantive increase from the rail potential of 141.000 TEU in 2016. A further increase in volumes could be promoted through a reduction in transit time and increased punctuality. The study on the Eurasian rail corridors of the Roland Berger Institute can be found here.

Source: Railfreight

GERMANY LOWERS TRACK ACCESS CHARGES

The German federal budget for 2018, agreed on July 5th includes the allocation of €175 million to the rail sector, aimed at decreasing track access charges. In 2019, this sum shall be doubled. The transport sector will benefit from an increase of €204,7 million, amounting to a total of €27.9 billion. The allocation of €175 million for decreasing the track access charges has been welcomed by the German rail sector.

Source: Verkehrsrundschau

Air

AIR FREIGHT VOLUME AND GROWTH SLOWS

According to IATA's Cargo Chartbook for Q2 2018, the year-on-year growth in air freight tonne kilometres (FTKs) has slowed down to 4%, which corresponds to the current global momentum of trade slowing down due to the imposition of protectionist measures. As further support for the third quarter of 2018, IATA suggests that strong consumer confidence and bottlenecks in global supply chains should continue to lend support to air freight demand in the near term. However, current business surveys rather point towards a further decrease of growth in Q3 2018.
Source: IATA

Maritime

CMA CGM MADE MERGER APPROACH TO HAPAG LLOYD

The French container shipping line CMA CGM, being the third biggest line worldwide, made an exploratory approach over a possible merger to German Hapag Lloyd, the fifth biggest line worldwide.

According to undisclosed finance resources, CMA CGM had initiated discussions with Hapag-Lloyd in the past months regarding a non-cash merger. However, Michaeal Klaus Kuehne, a key-shareholder of Hapag-Lloyd rebuffed the proposition which would narrow the gap to market leader Maersk line.

Source: Reuters

Customs

ECA EXAMINES VAT AND CUSTOMS DUTIES IN E-COMMERCE

The European Court of Auditors is conducting an audit to find out how effectively the EU is addressing the challenges posed by e-Commerce in terms of VAT and customs duties. They will examine the European Commission's regulatory and control framework for e-Commerce and cooperation between Member States to ensure that VAT and customs duties on e-Commerce transactions are collected in full. On 5 July, a Background Paper on the collection of VAT and customs duties on e-Commerce as a source of information for those interested in the subject was published by the Court of Auditors.

The European Union encourages e-Commerce to ensure that businesses and consumers can buy and sell internationally on the internet just as they do in their local markets. However, e-Commerce is still susceptible to irregularities concerning VAT and customs duties. This directly affects Member States' budgets and indirectly affects the EU budget since it reduces Member States' customs duties and VAT-based contributions. The European Commission estimates overall VAT losses in cross-border e-Commerce resulting from the exemption of low-value consignments to be as high as €5 billion per year.

"Up to now, the collection of VAT and customs duties in cross-border e-Commerce has been prone to irregularities. In particular, the current arrangements are open to abuse by suppliers from outside the EU. This puts EU traders at a severe disadvantage and leads to lost revenue for the EU," said Ildikó Gáll-Pelcz, the Member of the European Court of Auditors responsible for the audit.

While the single market abolished border controls for intra-EU trade between Member States, customs controls are still applied at the Union's external borders and all non-EU goods entering each Member State are subject to them. Services provided digitally from outside the EU represent a particular risk in this regard; because they do not physically cross any border, they are not subject to the same controls as goods entering the EU.

The audit includes visits to the Netherlands, Austria, Germany, Ireland and Sweden. The report is expected to be published in mid-2019.

Source: European Court of Auditors

WCO PUBLISHES GLOBAL STANDARDS ON E-COMMERCE

On the 10th July, the WCO published the Framework of Standards on Cross-Border E-Commerce as adopted at the end of June 2018 by the Council, the Organization's highest decision-making body, together with a Resolution aimed at ensuring its harmonized and effective implementation.

The Framework of Standards sets out baseline global standards on cross-border e-commerce. It contains 15 Standards that are concise, progressive and focused on the e-commerce environment, with a view to providing pragmatic, fair and innovative solutions whilst taking into account the diverse expectations and concerns of Customs administrations and stakeholders.

The core essence of the Framework is the exchange of advance electronic data for effective risk management and enhanced facilitation of growing volumes of cross-border small and low-value business-to-consumer (B2C) and consumer-to-consumer (C2C) shipments, and the adoption of simplified procedures with respect to clearance, revenue collection and return, among other things, in close partnership with e-commerce stakeholders. It also encourages the use of non-intrusive inspection (NII) equipment, data analytics and other cutting-edge technologies to support safe, secure and sustainable cross-border e-commerce.

The Framework of Standards is intended for Customs administrations wishing to develop legislative and operational frameworks for cross-border e-commerce. It will be equally useful for those seeking to enhance their existing frameworks in order to effectively meet the requirements of new and evolving business models. Administrations are expected to implement these standards in close cooperation with other relevant government agencies and e-commerce stakeholders, in accordance with their national priorities, capacity, human and financial resources and internal procedures.

More information: World Customs Organisation

Forthcoming events

CLECAT MEETINGS

CLECAT CUSTOMS & INDIRECT TAXATION INSTITUTE
26 – 27 July, Brussels, Belgium

CLECAT/FIATA ROAD INSTITUTE MEETING
7 September, Prague, Czech Republic

CLECAT MARITIME INSTITUTE/DIGIT WORKING GROUP
11 September, Brussels, Belgium

FIATA WORLD CONGRESS
26-29 September, New Delhi, India

CLECAT Board/GA Meeting
14 November, Brussels, Belgium

FFF2018 – CUSTOMS, TRADE and SKILLS – What's the Deal?

15 November, Brussels, Belgium

EP MEETINGS

European Parliament TRAN Committee

29 - 30 August, Brussels
6 September, Brussels

European Parliament Plenary Session

10 - 13 September, Strasbourg

Contact
Nicolette van der Jagt
Director General CLECAT

Rue du Commerce 77, B-1040 Brussels, Belgium

Tel +32 2 503 4705 / **Fax** +32 2 503 47 52
E-mail nicolettevdjagt@clecat.org / info@clecat.org
@CLECAT_EU
www.clecat.org

CLECAT
european association for forwarding, transport, logistics and customs services