

NEWSLETTER

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Table of content

IRST PROPOSAL BY THE UK GOVERNMENT ON BREXIT	P 1	EU AND SWITZERLAND TO LINK THEIR EMISSIONS TRADING SYSTEMS	P 5
RHINE ALPINE RAIL FREIGHT CORRIDOR CLOSED	P 3	ESCOLA EUROPEA DE SHORT SEA SHIPPING ORGANISES 'MOST FRANCE'	P 5
ONLINE PLATFORM FOR EASIER AND SAFER HGV PARKING	P 3	CONNECTING EUROPE CONFERENCE ON 21 - 22 SEPTEMBER 2017	P 6
FIRST E-HIGHWAY FOR ELECTRIC TRUCKS IN GERMANY	P 3	EC CONSULTATION ON TEN-T NETWORK IMPLEMENTATION	P 6
AIR CARGO POSTS STRONG FIRST HALF-YEAR GROWTH	P 4	FIATA WORLD CONGRESS 2017- MALAYSIA	P 7
NICHE CARRIERS OFTEN OUTPERFORM TOP CONTAINER LINES	P 4	FORTHCOMING EVENTS	P 7

Customs

FIRST PROPOSAL BY THE UK GOVERNMENT ON BREXIT

On the 15th of August, the UK government published a paper which discusses options for new customs arrangements between the UK and the EU in the future partnership. This paper is part of a series setting out key issues which form part of the UK Government's vision for that partnership, and which will explore how the UK and the EU can make this a reality.

The UK considers its traders to be a key part of the economy and therefore the UK Government wants to be clear that any new customs system should be as facilitative as possible to encourage growth in trade with the EU and the rest of the world, and should mitigate to the greatest extent possible against any additional administrative burdens or delays. The UK Government believes that there are two broad approaches the UK could adopt to meet these objectives. These approaches represent different choices about the nature of the relationship with the EU and countries around the world, but in either option the UK would seek to pursue its independent trade policy objectives.

The two proposed approaches are:

- A highly streamlined customs arrangement between the UK and the EU. This would aim to: continue some of the existing arrangements between the UK and the EU; put in place new unilateral facilitations; and implement technology-based solutions. This approach involves utilising the UK's existing tried and trusted third country processes, building on EU and international precedents, and developing new innovative facilitations.
- A new customs partnership with the EU, aligning the UK's approach to the customs border in a way that removes the need for a UK-EU customs border. One potential approach would involve the UK mirroring the EU's requirements for imports from the rest of the world where



their final destination is the EU. This approach however could be challenging to implement, but nonetheless the UK Government is keen to explore this approach with businesses and other stakeholders to understand the practical complexities involved in making it work.

Next to general arrangements between the EU and the UK, the UK wants to ensure that any approach is avoided where a hard customs border between Northern Ireland and Ireland is created or between Northern Ireland and Great Britain.

In order to provide as much certainty as possible for business, the UK Government also proposes a temporary customs Union between the EU and the UK with a limited time period. Such an interim period would be needed, according to UK Government, to provide the necessary time for both the UK, the EU Member States and businesses to implement any agreed long-term solutions.

The EU 27's first response to the paper of the UK Government was that the EU wants to discuss their priorities first, set out in the Council Article 50 negotiating directives, before discussing customs matters. Michel Barnier, EU Brexit negotiator reacted on Twitter by saying that: "The quicker the UK and EU27 agree on citizens, settling accounts and Ireland, the quicker we can discuss customs and future relationships". A similar reaction was given by Guy Verhofstadt, lead representative on Brexit matters for the European Parliament: "To be in & out of the Customs Union and invisible borders is a fantasy. First we need to secure citizens' rights and a financial settlement"

CLECAT'S UK member, the British International Freight Association (BIFA) reacted to the UK Government's paper by saying that they believe the paper of the UK Government shows for the first time that there now appears to be a united position in the Cabinet in favour of a more business-like approach to Brexit and the need to facilitate trade with the EU. However, BIFA's Director General Robert Keen also stated: "Unfortunately, what the paper cannot address is the fact that, so far, the EU has made clear it will not discuss Britain's future trading relationship - including customs arrangements - until it has reached agreement on several key issues. To accommodate any of the proposals laid out in the UK Government's paper, EU negotiators would have to change that stance and it will be interesting to see if that happens, or whether those on the EU side of negotiations determine that the UK is trying to have its cake and eat it."

As freight forwarders, logistics service providers and customs brokers play an important role in international trade and logistics, CLECAT's dedicated Brexit working group will start this September. The Brexit working group will seek to advise the European institutions whenever possible and consult its members on the many aspects of the Brexit, in order to influence the negotiations whenever possible.

The full paper of the UK Government can be read via this link: Future customs arrangements: a future partnership paper



Rail

RHINE ALPINE RAIL FREIGHT CORRIDOR CLOSED

Freight transporters, intermodal operators and the Port of Rotterdam have expressed their concern on the closure of the railway line from Rotterdam via Duisburg to Basle and Milan, which is crucial for international rail freight transport. The line was closed on 12 August 2017 because of subsidence during works in South-West Germany. The usual diversion routes in Germany are also out of service because of works on the line and are thus unusable.

These obstructions have resulted in international rail transport on the important Rhine Alpine European rail corridor coming to a standstill. Hundreds of cargo trains have been affected over the past days. Rail freight transport and the entire supply chain of producers, transporters, companies and consumers is suffering considerable losses because of this.

The interested parties have thus asked the German rail network manager DB Netze and Rhine Alpine Rail Freight Corridor to implement a rapid and efficient emergency plan, and to inform parties. This significant obstruction in the aorta of European rail freight transport demands fundamental improvements to both the international coordination of engineering works on the line as well as the availability and quality of emergency plans. The European Rail Freight Corridors will be called on to address this and to elaborate how this will be safeguarded in the future.

The week-long closure of the rail artery is having catastrophic consequences, especially for the railfreight sector which is massively affected. The Swiss company Hupac, operating trains from Antwerp, said in Flows that it can only operate 10% of its trains.

Road

ONLINE PLATFORM FOR EASIER AND SAFER HGV PARKING

Due to the extreme lack of parking spaces, HGV drivers frequently have to drive to several parking areas to find a space, or are forced to use an insecure site next to a motorway. This is set to change with immediate effect, as truck parking slots in Europe can now be booked through the free online platform Bosch Secure Truck Parking. Bosch registers the occupancy of parking slots in Europe in real time. Forwarders and HGV drivers can use the service to reserve a parking spot either in advance or during a trip. The company plans to introduce an app for the system sometime in the future. In addition, the platform provides information about the security facilities in the truck parks. http://www.bosch-secure-truck-parking.de/

FIRST E-HIGHWAY FOR ELECTRIC TRUCKS IN GERMANY

Siemens is to build an overhead contact line for electrified freight transport on a 10 km stretch of the A5 federal motorway between the Zeppelinheim/Cargo City Süd interchange and the Darmstadt/Weiterstadt interchange in Germany. The line will supply electricity for hybrid trucks' electric drive. This field trial of a so-called e-highway is the first ever test on a public highway in Germany. The core element of the system is an intelligent pantograph on the trucks. The system



enables trucks to use electricity when there is an overhead line and their hybrid engines on roads without overhead lines.

Air

AIR CARGO POSTS STRONG FIRST HALF-YEAR GROWTH

IATA released data for global air freight markets showing that demand, measured in freight tonne kilometres (FTKs), grew by 10.4% in the first-half of 2017 compared to the first-half of 2016. This was the strongest first half-year performance since air cargo's rebound from the Global Financial Crisis in 2010 and nearly triple the industry's average growth rate of 3.9% over the last five years. Freight capacity, measured in available freight tonne kilometres (AFTKs), grew by 3.6% in the first half of 2017 compared to the same period in 2016. Demand growth continues to significantly outstrip capacity growth, which is positive for yields. More information is available here

Maritime

NICHE CARRIERS OFTEN OUTPERFORM TOP CONTAINER LINES

The world's top carriers are often outperformed by niche carriers on schedule reliability, but shippers and shippers opting to book slots with them are also taking larger risks, according to SeaIntel. The analyst said carriers outside the world's top 16 global lines often "both outperformed and vastly underperformed" larger carriers but if "on-time performance is a priority, niche carriers offer better rewards, but with higher risks".

According to SeaIntel's latest Spotlight report, the top 16 carriers have both a lower degree of volatility than the niche carriers, and are grouped much closer together. "This consistency in the top 16 carriers can, to a large degree, be explained by their high level of interconnectedness, through alliances, VSAs, and slot charters," said the report.

"The niche carriers, however, are a completely different story. They in general have greater schedule reliability volatility, and we can see the trend go upward as we move down the rankings, meaning that the smaller niche carriers are more volatile."

On the Transatlantic Westbound trade lane, for example, niche carriers often offer better reliability on the higher end of the spectrum, but the risk of choosing the wrong niche carrier and ending up facing consistent delays is higher. "ICL has consistently scored better in on-time performance than the top 16 carriers, with an average reliability of 95.5% from 2012-Q1 to 2017-Q2," said the report. "ARRC, on the other hand, has recorded an average schedule reliability of 78.1 percentage points below ICL in this period."

SeaIntel CEO, Alan Murphy said such volatility made choosing a niche carrier over a top 16 carrier potentially risky. "There is the obvious reward of getting higher on-time performance if the right niche carrier is chosen, but there is also the obvious pitfall of extremely poor schedule reliability if the wrong niche carrier is chosen," he added. "That being said, a shipper actively monitoring the on-time



performance of niche carriers may be able to find exceptional schedule reliability, as seen with ICL on the Transatlantic."

Lloyds' Loading List, 17 August 2017

General

EU AND SWITZERLAND TO LINK THEIR EMISSIONS TRADING **SYSTEMS**

The EU has moved one step closer to linking its Emissions Trading System (EU ETS) for the first time. The Commission adopted two proposals to finalise an agreement with Switzerland on linking the EU ETS with the Swiss emissions trading system. Linking the European system with other systems expands opportunities for emissions reductions and reduces costs. Once the agreement with Switzerland takes effect, participants in the EU ETS will be able to use units from the Swiss system for compliance, and vice versa.

Climate Action and Energy Commissioner Miguel Arias Cañete said: "After much hard work on both sides, I am proud of the progress we have made with our Swiss colleagues. As the world's largest cap and trade system, we have always aimed to promote the growth of the international carbon market."

Negotiations between the Commission and Switzerland opened in 2010. A linking agreement was initialled in January 2016 but the signature and conclusion of the agreement were put on hold following the Swiss referendum. Following high-level contacts and a change in Swiss legislation, a meeting between Commission President Jean-Claude Juncker and Swiss President Doris Leuthard in April (see press conference and SPEECH/17/897) opened the path for the latest decisions. The Commission's proposal for the signature of the agreement and a proposal for its conclusion (ratification) will now be discussed by the Council of Ministers of the European Union. The Council will require the consent of the European Parliament in order to conclude the agreement. Subject to final conclusion, the agreement could be signed before the end of the year.

The entry into force would take place at the start of the year that follows ratification by both sides. The EU ETS is a key tool to tackle climate change with a view to reducing greenhouse gas emissions. It is the world's first major carbon market and its biggest one. In October 2014, the European Council agreed on the 2030 climate and energy policy framework for the EU setting an ambitious economywide domestic target of at least 40% greenhouse gas emission reduction for 2030.

Source: <u>European Commission</u>

ESCOLA EUROPEA DE SHORT SEA SHIPPING ORGANISES 'MOST FRANCE'

The Escola Europea de Short Sea Shipping (2E3S.eu) organises a new edition of MOST FRANCE, a professional training on logistics and intermodal transport (25th – 28th November 2017). Directly following the Freight Forwarders Forum organised by CLECAT in Barcelona on the 24th November, the Escola Europea de Short Sea Shipping organises the course MOST France with the collaboration of the Bureau de Promotion du Shortsea Shipping and the Cluster Maritime Français. The MOST France is a



training course for professionals exclusively for the French-speaking logistics and intermodal transport sectors.

2017 edition, the fourth in a row, will last 4 days and take place aboard a Grimaldi Lines Ro-Pax ship. The leading shipping line guarantees regular short sea shipping service between the Port of Barcelona and the Italian peninsula.

The training's contents were specially designed for certain professional profiles: logistics operators, freight forwarders, shipping agents, port authorities and other relevant institutions for maritime intermodal transport. The course wants to provide the participants with some key elements to create efficient supply chains, by integrating the Motorways of the Sea as a more sustainable alternative to road transport and as an essential intermodal element.

The course offers lectures covering all theoretical aspects related to intermodal transport but also practical workshops and visits providing a first-hand experience of intermodal operations. The Escola invites the participants to take advantage of the event to expand their network of professionals and experts of the national sector. This is what makes the course a unique experience, as a 2016 alumna states: "I am very impressed, in a good way, by the dedication and the professionalism showed by the Escola's team. They are very competent, deeply engaged and very friendly."

Experts and professionals of the French and the Spanish sectors are in charge of the training. This ensures some high level educational contents for the participants. The teaching staff is composed by representatives of companies and institutions directly involved in short sea shipping in both countries. Please check the complete training offer for professionals proposed by the Escola here: www.2e3s.eu/training-centre/courses-for-professionals/ See also the video

CONNECTING EUROPE CONFERENCE ON 21 - 22 SEPTEMBER 2017

The next Connecting Europe Conference will take place on the 21-22 September in Tallinn, organised by the European Commission and the Estonian Presidency of the Council. The objective of the event is to identify policy actions and financing solutions to invest in the Transport sector with the perspective of the post-2020 EU financial framework.

The TEN-T strategic framework and the long-term infrastructure plans are key enablers for achieving EU common objectives: economic growth, jobs and competitiveness of EU economy; efficient functioning of EU single market; low-emission and smart mobility; trade and connectivity with third countries. For these purposes, the completion of the TEN-T core transport network by 2030 and the comprehensive network by 2050 remains important. The investment needs remain considerable: the success of our efforts will rely on our ability to identify the needs, set priorities, and deliver the expected investment results on the ground.

For more information on the programme: http://www.connectingeu.eu/index.html

EC CONSULTATION ON TEN-T NETWORK IMPLEMENTATION

The European Commission has launched a new consultation aiming at gathering the input of the general public and stakeholders as regards the main problems and proposed solutions for facilitating the implementation of the TEN-T projects. This consultation will last for 14 weeks. Questionnaires should be returned by 9 November 2017 at the very latest.



Experience with the implementation of the TEN-T projects shows that their effective implementation might be impacted by complex regulatory and administrative arrangements. This, in certain cases, might contribute to increased costs, delays and uncertainty. The complexity of procedures sometimes stems from unclear or contradictory requirements or processes which result in duplication of efforts. In addition, imprecise legislation or regulatory framework can lead to sub-optimal investment decisions, while legal uncertainty can deter private investment in projects.

The Directorate-General for Mobility and Transport of the European Commission has recently carried out a Study on permitting and facilitating the preparation of TEN-T core network projects to identify barriers in the regulatory and administrative procedures to effective and efficient planning and implementation of TEN-T core network projects. The study recommended addressing these barriers, including by improving the permitting environment for TEN-T projects.

FIATA WORLD CONGRESS 2017- MALAYSIA

CLECAT will join the FIATA's World Congress, the most anticipated event in the industry's annual calendar taking place from 4-8 October 2017 in Kuala Lumpur. The event is hosted by the Federation of Malaysian Freight Forwarders (FMFF).

The theme for the 2017 Congress is: "Logistics Bridging Global Trade" – especially relevant in today's economic climate, where the industry is required to facilitate the super-efficient movement of goods across international boundaries. As international business becomes increasingly borderless, more companies are expanding their markets into the global arena, thereby significantly increasing the demand for supply chain and logistics support. The components to success of such a facility includes an ever-increasing array of disciplines – from the influence of customs policies, worldwide legislative developments in transport, to the latest in technology, training and guidelines in security and safety.

For more information: www.fiata2017.org

Forthcoming events

CLECAT MEETINGS

Road Institute

7 September, Brussels

Sustainable Logistics Institute

7 September, Brussels

Joint CLECAT/FIATA Rail Freight meeting

13 September, Duisburg

BREXIT Working Group meeting

21 September, Brussels

DIGIT Working Group meeting



22 September, Brussels

Customs and Indirect Taxation Institute

20 October, Brussels

Supply Chain Security Institute / Air Logistics Institute

24 October, Paris

Maritime Institute

23 November, Barcelona

CLECAT Freight Forwarders Forum 2017

24 November, Barcelona

CLECAT Board meeting

24 November, Barcelona

OTHER EVENTS WITH CLECAT PARTICIPATION

SAGMAS

13 September 2017, Brussels

UIC/FIATA Market Place Seminar

14-15 September, Duisburg

ELP dinner event on Infrastructure Funding

25 September, Brussels

World Bank Group Trade Facilitation Event on Coordinated Border Management

19, 20 September, Montenegro

Collaborative Innovation Days

27 September, Brussels

IATA Cargo Security and Facilitation Forum

3-4 October, Barcelona

FIATA WORLD CONGRESS

4-8 October, Kuala Lumpur

ECG CONFERENCE

20 October, Brussels

DIGITAL TRANSPORT DAYS CONFERENCE

8-10 November, Tallinn

EP/COUNCIL MEETINGS

European Parliament



Transport and Tourism Committee

31 August, 1 September 2017 9 November, 2017 22, 23 November 2017 4 December 2017

Transport, Telecommunications and Energy Council

4-5 December, Brussels (Telecommunications & Transport)

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