

Table of content

CLECAT PRESENTS MOBILITY PACKAGE TO FIATA ROAD WG	P 1	ASIAN AIR FREIGHT EXPORT VOLUMES SURGE	P 4
SLOVENIA TO USE ELECTRONIC CONSIGNMENT NOTE	P 2	T&E ANALYSIS ON ADVANCED BIOFUELS	P 5
RAIL INFRASTRUCTURE TROUBLES ONGOING	P 2	YOUNG TAE KIM TAKES OFFICE AS ITF SECRETARY-GENERAL	P 6
TEU TOKENS AND BLOCKCHAIN MAY SHAPE THE FUTURE OF CONTAINER SHIPPING CONTRACTS	P 3	INLAND TRANSPORT INFRASTRUCTURE INVESTMENT ON THE RISE	P 6
BAVARIA WANTS TO EXTEND CONTROLS AT THE INTERNAL BORDER	P 3	EXCHANGE OF VIEWS DG MOVE MR HOOLEI IN EP	P 6

Brussels news

CLECAT PRESENTS MOBILITY PACKAGE TO FIATA ROAD WG



Earlier this week, Nicolette van der Jagt was invited to FIATA's working group road transport meeting in Ljubljana (hosted by the Slovenian Chamber of Commerce) to present the preliminary response of CLECAT to the Mobility Package and to present the developments and time-lines in the European Parliament and other institutions.

A debate took place on the impact of the regulation introduced by a number of Member States (France, Germany and Austria) on minimum wages in road transport. It was noted that more and more companies are avoiding or minimising their operations in some countries. It was also thought that introducing the Posting of Workers Directive to road transport will increase the costs of transport operations in the EU, making the EU less competitive, reduce cross border trade and as such reduce growth in the EU.

Members of the FIATA working group also expressed concern on the Commission proposal which notes that drivers will no longer be able to spend long weekend breaks in their trucks. A number of Member States have already introduced these rules and many transport companies are re-routing their trucks and changing their operations to avoid resting in certain countries. There are equally security and supply chain implications. In view of the lack of secure parking, (and drivers not willing to leave the truck unattended for security reasons) trips are planned so that drivers do not take their weekly rests in certain countries. This is restricting trade and adding operational costs.

The CLECATE Road Logistics Institute will meet on the 7th September in Brussels to further discuss the CLECATE response to the legislative proposals as proposed in the Mobility Package.

Road

SLOVENIA TO USE ELECTRONIC CONSIGNMENT NOTE

Slovenia becomes the twelfth country to accede to e-CMR (the electronic consignment note).

Rules for transporting goods internationally are covered by the United Nations Convention for the carriage of goods, the CMR (Convention relative au contrat de transport international de Marchandises par Route). Transport operators, drivers and those receiving shipments use a CMR consignment note, which contains information about the shipped goods and the transporting and receiving parties. Until recently, CMR notes were only issued in paper form.

In February 2008, a protocol was added to the CMR Convention concerning the use of the electronic consignment note. This protocol entered into force on 5 June 2011, and to date twelve countries have acceded including: Bulgaria, Czech Republic, Denmark, Estonia, France, Latvia, Lithuania, Netherlands, Slovakia, Slovenia, Spain and Switzerland.

Rail

RAIL INFRASTRUCTURE TROUBLES ONGOING

Excessive disruptions to the smooth flow of Combined Transport trains along the most important North-South railway axis of Europe are ongoing. The resulting train cancellations severely hurt European Combined Transport Operators and logistics operator and undermine market trust rail freight.

It is estimated that the restoration of the double track Rhine Valley mainline will not open until early October. Currently alternative routes are explored for international freight trains (North Sea – Mediterranean Corridor (RFC2) and the ScanMed Corridor (RFC5). Further re-routing of freight trains will require significant additional rolling stock and human resources.

Already in June and July more than 1 in 10 trains had to be cancelled due to the disruptions caused by planned works. Delays in the same period also surpassed every previous record. The unforeseen multiple-week line closure in Rastatt and the lack of equivalent alternatives mean major losses for European Combined Transport Operators. The high number of train cancellations are also detrimental to the business of transhipment terminals, as their activities are also halted.

CLECATE is discussing joint initiatives with UIIR, ERFA and other associations which have been impacted by the situation. UIIR issued recently a strong statement on the ongoing problems which can be found here. They also noted that excessive works have been already announced by Austria, Germany and Italy along the Southern stretch of the Baltic-Adriatic Corridor (RFC5) to take place in 2018. According to present information, these works and the contingency arrangements around them appear insufficient and largely uncoordinated to date.



Maritime

TEU TOKENS AND BLOCKCHAIN MAY SHAPE THE FUTURE OF CONTAINER SHIPPING CONTRACTS

Blockchain initiative 300cubits has created a new type of cryptocurrency to solve liner shipping's US\$23bn "booking shortfall" conundrum. Named TEU, the de-facto industry currency is distributed as tokens on the Ethereum network and will be tradeable on various global cryptocurrency exchanges. 300cubits claims the tokens will help to eliminate shipping's "trust issue" by reducing the counterparty default risk, caused by shipper 'no-shows', and by carriers 'rolling' cargo.

According to New Jersey Institute of Technology's Professor Michael Erlich, the impact of this booking shortfall can be quantified as 5m teu a year, which costs the industry \$23bn when knock-on effects, such as carriers' lost revenue and shippers' additional inventory costs, are calculated. 300cubits' solution is to use TEU tokens as booking deposits. The tokens are coded with a set of immutable conditions to create blockchain-enabled smart contracts to govern the booking transaction. "Once committed, neither party can alter what has been agreed," said 300cubits. "Both the container lines and their customers will be given TEU tokens that will be held as deposits with conditions, and paid out later, upon the execution of the shipment booking."

"The container lines will be compensated with the TEU tokens if the customer does not turn up with cargo. Likewise, the customer will be compensated with the TEU tokens if their cargo is rolled." The no-show issue is clearly a pressing one for shipping lines. In June, CMA CGM introduced a \$150 per teu cancellation fee for booked services to the Indian Subcontinent, Middle East Gulf and Red Sea ports.

However, according to 300cubits co-founder Johnson Leung, cancellation fees and other penalties can cause further inefficiencies. "Shipping companies are already putting in a lot of resources and spending millions on this lack of trust issue," he told *The Loadstar*. "We found that their solutions, requiring customers to pay penalties for no-shows, or requiring cash deposits or bank guarantees for the booking, are all things that are actually quite expensive. "It's the same with shippers using credit to pay these fees; every time you put money in you have something called the 'time value of money' – the interest is expensive," he added.

Full story at: [The Loadstar](#)

Customs

BAVARIA WANTS TO EXTEND CONTROLS AT THE INTERNAL BORDER

After visiting the border post "Schwarzbach" on 17 August at the Austrian-Bavarian border, the Bavarian interior minister, Joachim Herrmann, called for the extension and expansion of the checks at their internal EU border with Austria.

Germany temporarily reintroduced border controls in the context of [Recommendation of the Council of 11 May 2017](#). The Schengen Borders Code provides Member States with the capability of



temporarily reintroducing border control at the internal borders in the event that a serious threat to public policy or internal security has been established. The reintroduction of border control at the internal borders must however remain an exception and must respect the principle of proportionality. The scope and duration of such a temporary reintroduction of border control at the internal borders is limited in time and should be restricted to the bare minimum needed to respond to the threat in question. Reintroducing border control at the internal border should only ever be used as a measure of last resort. The current temporary controls in Germany should last until 11 November 2017.

According to Hermann, the extra checks have proven to be valuable and are still absolutely necessary. After checking over 10.000 vehicles on a daily basis, German police apprehended over 2000 persons from January until July 2017 who illegally tried to enter Germany. Among those also 165 human traffickers were arrested. Next to that, German police was able to apprehend over 6000 persons who were searched by Police in general. This proves to the Bavarian Interior ministry that the controls at the external EU borders are still ineffective and that therefore the controls at the internal borders are still necessary after November 2017.

Next to calling for extension of the period of the internal border controls, Bavaria also wants to expand the controls more inland by doing random road-side checks. Further, Bavaria wants to expand the controls also to rail transport after twelve people were found hidden in a goods trains, who were not detected in Italy or Austria. The minister also criticised other EU Members States for not sharing security information, like DNA- and fingerprint data, as agreed in the Prüm convention of 2009.

The reintroduction of border control is a prerogative of the Member States. The Commission may issue an opinion with regard to the necessity of the measure and its proportionality but cannot veto such a decision if it is taken by a Member State.

Source (in German): [Bayerischer Staatsministerium des Innern, für Bau und Verkehr](#)
More about Temporary Reintroduction of Border Control: [EU Migration and Home Affairs](#)

Air

ASIAN AIR FREIGHT EXPORT VOLUMES SURGE

Air freight demand growth continues to surpass expectations, suggesting the buoyancy of markets will continue throughout the remainder of the third quarter (Q3), according to the latest monthly figures from Asia. The Association of Asia Pacific Airlines (AAPA) reported that the region's airlines saw international air cargo demand surge 10.9% in July, supported by new business orders from developed economies, particularly in Europe.

The average international freight load factor recorded by the region's carriers of 66% was 3.8 percentage points higher than the same month last year, after accounting for a 4.4% expansion in offered freight capacity. Load factor improvements are also now being reflected in higher air freight rates. Drewry's East-West Airfreight Price Index increased 1.9%, month on month, in July and is now almost 1.5% higher than a year earlier. "In anticipation of a strong peak season, several forwarders have upped their capacity allocations out of Asia and have lined up charter capacity, [said the analyst's Sea & Air Shipper Insight](#). Drewry expected air freight rates to show further increases for August.



Sustainable Logistics

T&E ANALYSIS ON ADVANCED BIOFUELS

Up until now, T&E analysis has shown that a combination of low hanging fruit measures and electrification of the fleet could reduce greenhouse gas (GHG) emissions by 63% compared to a business-as-usual scenario (solid line below) in 2050. T&E shows that the maximum availability of advanced biofuels for road freight will only make a modest improvement to these measures over the same time. To calculate this, T&E used its new European Union Transport Roadmap Model (EUTRM).

The potential GHG reductions are dependant on the amount of biofuels projected to be used in a business-as-usual scenario. The European Commission's proposal caps the amount of first generation biofuels to 3.8%. As this is a cap and not a target, we assume they will no longer be supported, and market demand will be limited. In addition, the EU will have 3.6% of advanced biofuels on the market in 2030, and 1.7% of animal fat and used cooking oil based biofuels as proposed by the European Commission in the recast of the renewable energy directive. Thus, there is already a significant blend of biofuels expected to be in our fuel, which we consider already too high.

There is an important difference between the types of biofuels on the market: first generation (or conventional) biofuels are produced from crops grown on agricultural land whereas second generation (or advanced) biofuels are produced from wastes, residues or novel feedstocks such as algae. Biofuels can be blended into fossil fuels without the need to modify engine technology, though for some types blending limits exist.

The first generation of crop based biofuels were first introduced in the hope of reducing fuel carbon intensity, as in a simplistic sense the CO₂ generated by combustion, that is the tank-to-wheel emissions, is absorbed by the regeneration of the crops used to make it. However, in the context of diesel fueled heavy duty vehicles for road transport, vegetable oil based biodiesels (such as palm oil) typically have higher greenhouse gases than fossil derived diesel if we consider their indirect land-use change (ILUC) emissions.

The raw materials used for advanced biofuel are mainly derived from wastes and residues from agriculture, forestry, and food industry sectors. There are two key aspects that will limit the uptake of these fuels for road freight, namely the availability of the raw materials and the competing sectors for the biomass in a potentially growing bio-economy including the other transport sectors that are under pressure to decarbonise, such as shipping and aviation, that will no doubt compete for these scarce resources.

Advanced biofuels can play a modest role in the decarbonisation of road transport, however their sustainable and economic viability will limit their impact, particularly compared to the reductions possible with combined fuel efficiency, logistics, modal shift, and electrification.

Source: [T&E](#)



General

YOUNG TAE KIM TAKES OFFICE AS ITF SECRETARY-GENERAL

The International Transport Forum at the OECD has a new Secretary-General. Dr. Young Tae Kim, a Korean national, has taken up his position at the organisation's Paris headquarters on 21 August. Kim is the first non-European to lead the world's only all-modes transport organisation. The ITF acts as a policy think tank for its 59 member countries and organises the annual summit of transport ministers. Created as global intergovernmental transport organisation in 2006, the ITF evolved out of the European Conference of Ministers of Transport founded in 1953.

Prior to becoming ITF Secretary-General, Kim served as a Director-General in Korea's Ministry of Land, Infrastructure and Transport. His career also included roles working for the President and the Prime Minister of Korea as well as three years at the Korean Embassy in Washington, D.C. Kim holds a doctorate degree from the Institute d'Etudes Politiques (Science-Po) in Paris, France.

Source: [International Transport Forum](#)

INLAND TRANSPORT INFRASTRUCTURE INVESTMENT ON THE RISE

ITF data shows that after nearly five years of a downward trend in inland transport infrastructure spending, 2015 reveals a slight shift in investment with rises occurring in aggregate expenditures for Europe, North America and the OECD. Based on the latest available data collected by the International Transport Forum at the OECD, it can be suggested that the impact of the economic crisis on transport investments might be waning.

1. Investment in inland transport infrastructure as a share of GDP has shown minimal fluctuations in recent years in OECD countries. The latest available data on spending however reveals an increase of nearly 7% in constant euros for 2015 in the volume of investment in transport infrastructure.
2. For the 15 Central and Eastern European Countries (CEECs) included in this analysis, investment spending as a share of GDP has followed a general downward trend from 2009 until 2014. The 2015 data however shows a small jump from 1.0% to 1.2% of GDP.
3. The share of rail investment in CEECs has steadily increased since 2012. In 2015, it reached 28% of their total inland transport investment, the highest percentage since 1996.
4. Road maintenance as a share of total road expenditures has been levelling off in OECD countries in recent years. On the other hand, Australasia and CEECs are spending proportionately less on road maintenance.

Source: [International Transport Forum](#)

EXCHANGE OF VIEWS DG MOVE MR HOLOLEI IN EP

Henrik Hololei, Director General of DG MOVE will visit the TRAN Committee on the 7th September to discuss current and future transport policy issues. He will speak about the aviation strategy, security in transport, decarbonisation, digitalisation, the mobility package and an update on Brexit. The exchange of views will be [webstreamed](#).



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

7 September 2017

25 September 2017

11, 12 October 2017

9 November 2017

22, 23 November 2017

4 December 2017

Transport, Telecommunications and Energy Council

4-5 December, Brussels (Telecommunications & Transport)

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



european association for forwarding,
transport, logistics and customs services

