CLECAT european voice of freight logistics and customs services •

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NEWS FROM BRUSSELS

WHITE PAPER ON TRANSPORT: WHERE DO WE STAND?

CLECAT has been invited as a panel member to a Hearing organised by the European Economic and Social Committee to express its views on the mid-term review of the European Commission's 2011 White Paper on Transport. The hearing will take place on the 6th March in Brussels. The ECSC is particularly interested in knowing (a) which are the success stories of EU's transport policy, (b) which areas failed to achieve the desired results, and (c) as *summum bonum* which WP actions need to be prioritized from now on.

A registration form for the event is available HERE (deadline 3 March).

CLECAT AND FIATA ORGANISE SIDE EVENT ON LOGISTICS CONNECTIVITY AT ITF SUMMIT

FIATA and CLECAT will organize a side event at the **International Transport Forum in Leipzig, Germany on May 29th from 9:00-10:30.**

The side event organised by FIATA and CLECAT will address the global nature of logistics as the main facilitator of global trade. It will showcase that a successful logistics sector is both a cause and effect of greater connectivity with the rest of the world, and the prosperity which comes with it.

ITF CONSULTS INDUSTRY PRIOR TO 2015 SUMMIT

CLECAT participated at the annual consultation meeting in Paris yesterday to discuss with other partners on priority issues relating to the summit themes, which in 2015 is *Transport, Trade and Tourism* and in 2016 is *Green and Inclusive Transport*.

A synthesis of views and findings presented at the consultation day will soon be available on the 2015 Summit website. The following questions were debated relating to long distance and last mile transport:

- With global trade flows shifting, how can resulting risks and uncertainty in supply chains be effectively addressed?
- How can technology and enhanced data exchange support trade facilitation?
- What are the biggest barriers to interoperability (e.g. technical standards, institutional coordination)?

- How is the changing face of postal delivery (more small parcels from e-commerce, fewer 1st class letters...) affecting the air cargo industry?
- Will the shared economy expand to business-to-business transport service markets such as freight and logistics?
- How are digitalisation and other forms of technological advance facilitating integration of transport infrastructure and services to support goods delivery?

ALICE conference "Design Future Logistics"

CLECAT participated this week at the ALICE Conference at Schiphol Airport: "Design Future Logistics". What will the Supply Chain and the Logistics of the future look like? A number of speakers gave their vision which is reflected in ALICE roadmaps. Speakers including Professor Alan McKinnon, Professor at the Kühne-Logistics University, Chair H2020 Transport Advisory Group and Katrin Zeiler, DHL Customer Solutions and Innovations, Senior Project Manager Trend Research "DHL Logistics Trend Radar" , Keir Fitch from the European Commission and others.

.Alliance forLogistics Innovation through Collaboration in Europe was launched on the 11th of June 2013 with the support of European Commission DG MOVE and DG RESEARCH and recognized as an official European Technology Platform by the European Commission in July 2013*. ALICE has been set-up to develop a comprehensive strategy for research, innovation and market deployment of logistics and supply chain management in Europe with the mission: "to contribute to a 30% improvement of end to end logistics performance by 2030". ALICE set a clear mark on the Horizon 2020 Transport Work Programmes 2014- 2015. During 2014 developed research and innovation roadmaps on all major logistics themes, which in turn will serve as a basis also for Work Programmes 2016-2017 recommendations.

How to ensure Security and Customs Compliance in Global Supply Chains?

PARIS SITL International Week of Transport and Logistics

CLECAT, TLF and ESC are jointly organising a seminar on how to ensure compliance in global supply chains on Thursday 2 April at the SITL International Week of Transport and Logistics in Paris.

Three panels will discuss how customs can contribute to the secure, safe and business continuity in the global supply chain. What is needed to ensure the balance between trade facilitation and security. How to embrace digitalisation and new IT solutions whilst remaining competitive?

Confirmed speakers include Lothar Moehle, Director Air Security Standardization, DB Schenker, Damian Viccars, World Shipping Council, David Hesketh, Senior Business Officer, HM Revenue & Customs, Jean François Auzéau, Directeur Douane / Customs Manager, Ziegler Group, Marc Huybrechts, President CLECAT.

The event is addressed to all those involved in global supply chains that will need to be ready to comply with the new Union Customs Code and the related Commission Acts applicable as from May 2016.

For more info: HTTP://WWW.SITL.EU/

ROAD

New Cabotage legislation in various Member States

The application of Art, 8 of the Reg. 1072/2009 has been changed last month in Italy. This makes it easier to foresee sanctions for enforcement officers in Italy if there is no match between documents and digital tachograph records for example. Also this makes the responsibility of the haulier to prove the cabotage transport more stringent. The law foresees sanctions if there is no match between documents and digital tachograph records.

Also in Sweden there have been recent cases of sanctions following a review of the law in Sweden. The Swedish International Freight Association has in a formal letter to the Swedish government argued that while the actual wording of the new legislation in Sweden, requiring the production of transport documents at a 'moment of control' may be in compliance with Article 8.3 of the EU-regulation (EC) 1072/2009, stating that the cabotage operation shall only be considered legal if the haulier can produce clear evidence of the incoming international carriage and of each consecutive cabotage operation carried out. However, the actual practice to require the immediate production of these documents at or during a road side check is, in the opinion of the Swedish International Freight Association, not in compliance with applicable EU-legislation since Article 8.3 only requires the production of supporting documents but does not define or limit the actual moment of control to a road-side check.

Of course CLECAT is not best pleased with the more stringent way cabotage rules are being implemented, not the least because there are more and more differences in Europe with regards to enforcement of 1072/2009. CLECAT is in close contact with DG MOVE on the recent cases.

The European Commission started a pre-infringement procedure (EU-Pilot) in Denmark in September 2013, arguing that the issuance of a fine for failure to produce supporting transport documents were not in compliance with either (EC) 1072/2009 (article 8.3) or Regulation No 11 of June 27, 1960 (article 6). It was argued that the transport documents, and supporting evidence, could be found at the carriers premises and that the haulier should then be given reasonable time to produce such documents.

MEPs back data sharing to punish bad driving

Member states will be able to identify and fine foreign drivers committing traffic offences after the European Parliament approved today (11 February) a law allowing them to share information on car registries. Road users who infringe a range of motoring offences in another EU state often avoid financial retribution because the national enforcement agencies cannot identify them. "Every traffic victim is one too many," said Transport Commissioner Violeta Bulc during the Plenary session of the European Parliament. In order to have safer roads, the bill will set up a system for cross-border exchange of information within the union. It will also help member states hold all EU drivers accountable and improve road safety by reducing the number of casualties.

"[This law] will serve as a deterrent for foreign drivers who are now aware that it is possible for them to be notified of any offences they commit whilst abroad," said the European Parliament rapporteur Ines Ayala Sender MEP, a Spanish social democrat. Only eight traffic offences are covered by EU law on cross-border traffic information exchange.

Source: EurActiv, 11/02/2015

AIR

IAG CARGO MOVES TO ALL-IN AIR FREIGHT RATE

In a small notice to customers on its website on 11 February, IAG Cargo announced that it is changing its pricing structure to cut two surcharges and switch to an all-in rate. The move follows the same decision taken earlier this year by Emirates and new IAG 10% shareholder Qatar – policies which were announced with a far greater fanfare.

IAG's website simply states: "At the start of the summer season, 2015, we will be making some changes to the way IAG Cargo charges for the carriage of freight. We are making these changes to provide greater simplicity. We will be removing our fuel surcharge (FSC) and exceptional handling charge (EHC) in favour of a simpler pricing structure based on one freight rate."

The changes will be made in all markets except Hong Kong, South Korea and Japan, where local regulations apply, said the carrier, which declined to comment further. A source indicated that IAG had been considering the move for some time. Market sources had suggested that Lufthansa would be the first European carrier to change its pricing policy. But although it has conducted a review with customers, it said any change of policy needed careful consideration.

Lufthansa Cargo CEO Peter Gerber told *The Loadstar*: "Rates are both important and complicated. We are looking at what the market does, and at what our customers say and need. We will put all this together and then make up our minds."

But, he said, there would be no knee-jerk reaction. "This cannot be a short-term decision. We need to do it thoroughly and it could take a year. For the moment, I can't see it happening. "Our customers have mixed opinions – some say yes, some say no. And it depends on the market, much of Asia has all-in rates anyway." Oliver Evans, cargo chief at LH subsidiary SwissWorldCargo said last month it too was discussing possible changes with customers.

He said: "Our pricing world has become very complicated and difficult for the end user, and things must change. The industry must aim to be easy to use. It's our decision [rather than Lufthansa's] but we need to discuss it properly – we haven't taken any radical decisions."

Source: THE LOADSTAR

TOP 20 AIR FREIGHT FORWARDERS LOSE GROUND IN 2014

The top 20 global air freight forwarders slightly underperformed in 2014 compared with smaller freight forwarders around the world, although the picture varied significantly from region to region, according to analysis by WorldACD, with the major players gaining market share in Asia and North America but continuing to lose ground in Africa and Latin America.

WorldACD recently announced that the worldwide air cargo volume increased by 6.4% in 2014, adding that growth was fairly evenly spread among larger and smaller forwarders. Yet, it noted marked differences in distribution changes across the world. The Amsterdam-based air cargo analyst bases its figures on the inputs of more than 50 (mostly large) airlines, who provide their full worldwide AWB-data every month.

The top 20 forwarders worldwide outgrew their smaller rivals in the large markets of Asia Pacific (+10.5% vs. +8%) and North America (+9% vs. +5.5%). In Europe, the balance between the two groups was more or less maintained. But this elite group achieved lower growth, and thus lost share, in the smaller market regions of Africa (-3% vs. +9%), Latin America (+4.5% vs. +11%) and the Middle East & South Asia (-2% vs. +2%). Worldwide, the top 20 forwarders slightly underperformed [when compared with] the smaller forwarders.

Together, the top 20 forwarders accounted for 42.3% of worldwide business in 2014, according to the analysis by WorldACD. Their share was largest in Europe (55%) and North America (48%), and smallest in Africa (12%) and ME&SA (20%). WorldACD said the top global forwarders showed much the same pattern in 2014 as in 2013. In the top 10, five outperformed the market: Kuehne+Nagel, Expeditors, UPS Global Forwarding, Nippon Express and Kintetsu, with the latter showing growth of well over 10%.

Source: Lloyd's Loading List

MARITIME

CMA CGM to introduce 'smart' containers to box fleet

CMA CGM will start phasing in 'smart' containers this year, allowing the line and its customers to keep track of each box equipped with new sensors at all times. In an industry first, the French line said the technology, being developed with a start-up company, would enable data on the location and condition of the container to be monitored at all times throughout a delivery.

The world's third-largest container line and Ocean Three member said it had contributed to the capital increase of French firm Traxens. Two other investment funds — CAAP Création, part of Crédit Agricole Group, and SCR Provençale et Corse of the BPPC Group — are also part of the initiative. The joint initiative will enable CMA CGM to have access to an unprecedented amount of information on each container and offer clients what it describes as unique tracking solutions and real-time data collecting from all over the world.

Elie Zeenny, CMA CGM senior vice-president, Group IT Systems, said the technology would bring the the shipping industry into a new era. "In a world where information is the key, we are taking a significant step ahead. We will now be able to collect data in real-time, which is equally important to us and to our clients. Containers are becoming connected devices," he said. This year, Traxens plans to equip the first CMA CGM containers with the patented technology so it will be possible to know in real-time not only a container's position, but also its temperature, the vibrations it will be subjected to, any attempted burglary, the presence of traces of specific substances in the air or even the regulatory status of the cargo.
Source: Lloyd's Loading List

Asia-Europe box volumes up 7.4% in 2014

Container volumes in the Asia to Europe trades grew by 7.4% in 2014, equal to more than 1m teu of additional cargo over the course of the year.

But eastbound volumes were relatively lacklustre, despite some carriers reporting good conditions in the container trades from Europe to Asia. The full-year westbound performance was helped by strong cargo flows in the early months of the year, with growth rates slowing in the final quarter.

Nevertheless, total westbound liftings rose to almost 15.4m teu, against 14.3m teu in 2013, according to the latest Container Trades Statistics data. The numbers compare with 13.6m teu in 2012 and 14.2m teu in 2011. In the eastbound trades, total volumes for the year were just 1.3% higher at close to 7m teu, despite a year-end uplift when December liftings were 7.4% more than 12 months earlier. CTS aggregates data from member lines and then rounds them up to give an estimate for the whole trade. Despite healthy trade volumes, freight rates remained under pressure, as the CTS indices confirm.

The price index for the Europe to Asia trades ended 2014 at 82, up 5.7% on a year earlier, having touched 92 in May and June. Volumes in the Asia to North America trades rose by almost 3% last year to 15.6m teu, while the price index stood at 100 in December, a gain of 8.7% compared with 12 months earlier. Rates on this trade remained relatively stable in the latter part of 2014.

Source: Lloyd's Loading List, 10/02/2015

RAIL

ERFA - COURT RULINGS ARE NOT THE ANSWER!

ERFA issued this week another press release on recent judicial wins by independent rail operators which highlight the need for European rail legislation to support a more dynamic and efficient railway sector. Two very different court wins by independent operators in January of this year, one by ZNPK in Poland and one by Westbahn in Austria, highlight the vested interest which continues to block new services and growth on the railways. In one of the cases the Polish holding company PKP SA has been found guilty of withholding public information over the existence of rail infrastructure.

The impact of blocking information on public assets was that independent operators could not use basic facilities essential to rail transportation, as they simply did not know who owned the facilities. In finding that the PKP holding had no right to withhold the information, the Court ruled that access to information on public property is conducive to the development of competition in the rail market and that it is in the public interest.

ERFA wants to see a fundamental shift in the way the provision of rail services is delivered to reflect the need for a more dynamic, efficient and competitive rail sector. Rail facilities that are funded with public money and that underpin the provision of basic rail services, i.e stations for passenger or facilities for loading goods, should not be managed in such a way that they block the objectives of increasing travel by rail.

At a time when one of the main EU transport objectives is to get more freight and passengers onto trains, easing congestion and harmful pollution from the other modes of transport, ERFA urges EU decision-makers to push through key changes in the 4th Railway Package, which would promote a more independent management of the infrastructure and a more level playing field between all operators. ERFA strongly believes that it is counterproductive to the EU goal of boosting rail travel for service providers to have to resort to lengthy and costly court proceedings in order to run efficient train services.

Source: ERFA Press Release, 11/02/2015

CUSTOMS

Meeting of the Customs and Indirect Taxation Institute of CLECAT

CLECAT's members of the Customs and Indirect Taxation Insitute (CITI) will meet in Brussels on the 20th February in Brussels. The agenda includes a number of important items for discussion and review including the standards of competency for customs representatives, Commission proposal for a Directive on sanctions and infringements, UCC transitional provisions and an update on the UCC DA/IAs.

Repeal Regulation (EEC) No 3030/93 on imports of certain textile products?

The IMCO Committee of the European Parliament will at its upcoming meeting on the 23rd February 2015 discuss the need to repeal Council Regulation (EEC) No 3030/93 on common rules for imports of certain textile products from third countries applies to imports of textile products originating in third countries, with which the European Community has concluded bilateral agreements, signed protocols or made other arrangements.

In recent years, the European Union only maintained bilateral agreements on trade in textiles with Russia and Serbia. After Russia's accession to the WTO and the entry into force of the Stabilisation and Association Agreement with Serbia, Council Regulation (EEC) No 3030/93 lost its main purpose.

Moreover, Regulation (EEC) No 3030/93 was used to impose quantitative limits to certain textiles products originating from the People's Republic of China during a limited period and to eventually use the transitional product-specific safeguard mechanism for China. This mechanism expired on 11 December 2013.

GENERAL

Open Letter the Juncker Plan for a European fund for strategic investments

A group of transport stakeholder associations, including i.e. the Community of European Railway and Infrastructure Companies (CER), the European Rail Freight Association (ERFA), the European Federation of Inland Ports (EFIP) and the European Sea Ports Association (ESPO) have written an open letter to the European institutions highlighting concerns over current budget proposals regarding transport infrastructure.

The main concern of the associations is the following:

- The EFSI budget will drastically limit the CEF envelope for grants.
- Investments under EFSI will not follow the TEN-T priorities for funding of transport infrastructure and the prioritization as defined in the Corridor approach.
- The money transferred to the EFSI is not ring-fenced for transport investments

The letter notes that the TEN-T Guidelines defined a stringent methodology for the eligibility and priorities of transport infrastructure. During the past year, the Commission, member states and infrastructure managers have jointly worked on corridor work plans that are to identify the priority projects with the highest European added value that should thus be the first recipients of EU funding. However, under the EFSI, any European transport project independent of location and mode of transport can receive funding. This shifts the logic away from the carefully chosen transport priorities of the CEF and TEN-T.

The text of the letter is available here

CLECAT largely supports the letter but thought that it was not sufficiently neutral. Also under EFSI there is scope for good and business driven projects which may be beneficial for European logistics.

FORTHCOMING EVENTS

CLECAT MEETINGS:

Customs and Indirect Taxation Institute
- 20 February

Security Institute
- 10 March a.m, Brussels

Air Logistics Institute
- 10 March p.m.

Maritime Institute
- 11 March a.m.

Sustainable Logistics Institute
- 11 March p.m.

Road Institute/Joint meeting with FIATA
- 17 March p.m. Zurich

Rail Institute / joint meeting with FIATA
- 23-24 April Vienna

Board General Assembly
- 2 June 2015, Brussels

Freight Forwarders Forum
- 19 November 2015

OTHER EVENTS with CLECAT PARTICIPATION

European Shipping Week Conference, Brussels
- 4 March 2015

22nd Meeting of the EU-U.S. Transport Security Cooperation Group, Brussels
- 5-6 March 2015

Global Supply Chains in Air and Sea Freight How to ensure Security and Customs Compliance, Paris
- 2 April 2015

iCargo Final Event, Transport Logistics Trade Fair, Munich
- 6 May 2015 at 12:00-17:00

ITF Summit Leipzig
- 27-29 May 2015

EP TRAN Committee
- 23/24 February (afternoon)
- 24 February (morning and afternoon)

Council (Lithuanian Presidency)
- Transport Council, 13 March 2015
- Transport Council, 11 June 2015.