

Newsletter Issue 9 / 6 March 2015

NEWS FROM BRUSSELS

CLECAT PARTICIPATES IN HEARING ON WHITE PAPER EESC

Marc Huybrechts, President of CLECAT, presented the CLECAT position on the Review of the White Paper on Transport, today at the Hearing of the European Economic and Social Committee in Brussels. The EESC submitted its draft position on mid-term review of the European Commission's 2011 White Paper on Transport and asked stakeholders to address (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. Positions are available [HERE](#).

Mr Huybrechts addressed the following priorities:

- **Digitalisation** - CLECAT is pleased that the European Commission has outlined its intention to cooperate with industry to promote a digital transport agenda. The deployment of innovative ICT technologies within Europe is still hampered by widely differing operational practices and standards.
- **Innovation** - research and innovation is urgently needed, in a coordinated way, in order to reach the ambitious challenges of the EU in terms of sustainability and growth.
- **Completion of Europe's single transport market** - A priority remains the completion of the internal Market for transport. The Commission should continue to make it easier for business to operate in a single European market. This also includes initiatives to simplify the performance of administrative formalities and to reduce red tape.
- **Internationalisation** - The competitiveness of European manufacturers and service providers should be enhanced, not the least in view of the great shift of economic activity to emerging economies, reshaping global connectedness. Therefore, Europe should develop a clear strategy in the development of the main connectors to other world regions, including Central Europe, the Middle East, Africa, Asia and the US.
- **Better connectivity through sound infrastructure investments**

The success of this will be strongly dependent on the success of key policies aimed at market opening, international cooperation and agreements safeguarding competition in international transport and trade, and greater innovation to improve the efficiency of all modes of freight transport.

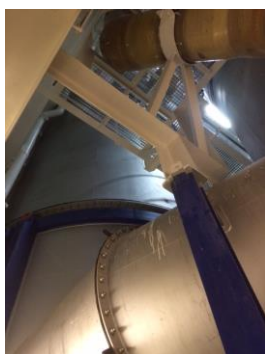
MARITIME

CLECAT PARTICIPATES IN EUROPEAN SHIPPING WEEK EVENTS

CLECAT participated in a range of events organised as part of the European Shipping Week, held from 2-6 March.



At a seminar organised by the Norwegian Shipowners' Association on 3 March, titled "Shipping in a Globalised World", participants discussed the challenges and opportunities for shipping in the increasingly globalised economy. Christofer Fjellner MEP (Centre-right, Sweden) noted that in the coming years the EU will have more legislation on shipping compared to the rest of world, as very little has been done on shipping to date compared to other modes of transport. He sees a risk in this approach of legislators overshooting in trying to compensate for their years of inactivity, particularly in environmental legislation. This would risk eroding the shipping industry's place in the market and pushing more freight onto the roads, with potentially counter-productive results for the environment.



Scrubber inside the funnel of the Primula Seaways

The Swedish economist, Dr Kjell Nordström, gave an energetic presentation on the changing global economy, addressing the rise of the coordinated sharing economy, driven by digitisation and most prominently personified by Uber and Air B&B. The challenge for the freight transport industries will be to adapt to this greater efficiency in resource-utilisation, as well as the increasing difficulty of making long-term strategic plans in a more fluid global economy.

CLECAT also participated at the European Shipping Week's main conference entitled 'Charting the route of EU shipping policy: An input to the EU maritime strategy review'.

At a seminar held at the Port of Ghent on 5 March, participants discussed measures to increase the sustainability of shipping. The CEO of DFDS Seaways, Niels Smedegaard, noted that so far the new sulphur emissions regulations which are in place since 1 January have had little adverse effect on his company's performance, as notably the cost of compliance has been offset by the simultaneous drop in fuel prices. He concluded that the real test will be when the oil price increases as the global economy grows. DFDS has opted to comply by installing scrubbers on its ships, and the seminar culminated with a visit to the vessel Primula Seaways to observe the operation of its scrubber.

ECSA PRESENTS OXFORD ECONOMIC STUDY ON THE VALUE OF EU SHIPPING

On the eve of the European Shipping Week's main conference entitled 'Charting the route of EU shipping policy: An input to the EU maritime strategy review', ECSA presented the results of a recent update of the Oxford Economics study on the economic value of the EU shipping industry, which highlights the industry's important contribution to the EU economy based on new and more reliable data.

According to the study, the overall contribution of the European shipping industry to the EU's GDP in 2013 is estimated to have been €147 billion. Moreover, for every €1 million the European shipping industry contributes to GDP itself, it creates another €1.6 million elsewhere in the European economy. In terms of employment, the industry provided jobs to an estimated 2.2 million people both on board vessels and ashore in the wider maritime cluster.

The industry directly employs more workers than the aviation sector, while, between 2004 and 2013, direct employment grew by 25%. Moreover, EU shipping is far more productive in terms of GDP generated per worker than the EU average. The study shows that the ultimate ownership or control of 40% of the world's gross tonnage lies in an EU country. Moreover, between the start of 2005 and the start of 2014, the EU controlled fleet expanded by more than 74% in tonnage, and by 72% in terms of deadweight tonnage.

The updated Oxford Economics study on the economic value of the EU shipping industry can be found [here](#).

SHIPPING ASSOCIATIONS CALL FOR BOOST TO EU MARITIME TRANSPORT POLICY

In June 2014, the Council invited the European Commission to present a mid-term review of the EU's Maritime Transport Policy until 2018 and outlook to 2020. As part of the European Shipping Week 2015, several shipping industry associations (ECSA, ECASBA, ETA, EuDA, CLIA Europe, Interferry and WSC) have issued a statement on the review exercise.

The associations call for a stable and predictable EU fiscal regime and a regulatory framework in accordance with international rules in order to maintain their competitiveness and ensure shipping's beneficial impact to the EU economy and society, while maintaining a global level playing field.

Regarding sustainability, the associations call for a shift of cargo and passengers to the sea, in order to reduce EU CO2 emissions by exploiting the superior energy-efficiency of shipping. They furthermore argue that in order for the shipping industry to best address environmental challenges, EU environmental standards should be aligned with those at global level.

The associations call for a truly European Maritime Transport Space without Barriers, which reduces the continuing administrative burdens and customs hurdles which remain throughout Europe, as well as addressing any potential abusive restrictions on market access to port services and/or inefficiencies observed in European ports. They also call for continued progress in securing Free Trade Agreements, which they see as mutually beneficial to the EU and the shipping industry as they ensure the prosperity of the Union, by relying on the services of the industry.

The full statement can be found [HERE](#).

EU FAILING ON RIVER TRANSPORT, SAY AUDITORS

A report published by the European Court of Auditors on 3 March concludes that, despite 15 years of effort, the EU has failed to increase the use of its inland waterways in any meaningful way. It says that projects co-funded by the EU have not been implemented effectively, and member states have "paid little attention to inland waterways".

“More than a decade after the EU declared it a priority, development of this mode of transport lags behind road and rail,” said Iliana Ivanova, the author of the report. “A single cargo vessel on a river can replace hundreds of trucks on the road and therefore reduce congestion, pollution and accidents in the whole EU.”

The biggest hurdle to overcome has been the elimination of bottlenecks that make rivers and canals difficult or impossible to pass. These obstacles, such as bridges that are not high enough, inefficient locks and silting, have been put up by member states that did not see a role for shipping on rivers and canals. Member states have also not made efforts to widen stretches of river that are too narrow for cargo ships. The cost for eliminating all the bottlenecks in the TEN-T network far exceeds the available funding from the EU budget, the auditors concluded. More funding from national or private sources is needed.

Another significant problem is a lack of co-operation between member states. The auditors found that there is no coherent strategy between member states connected by main water corridors, such as the Rhine or the Danube.

External costs for inland waterway vessels, which include carbon emissions, air pollutants, noise and accidents, is 7.5 times less than for road freight and three times less than for rail freight. One convoy on a canal or river can replace 280 lorries on the road. Most European industrial centres can be reached by inland navigation.

The Commission disputes the characterisation of its policies as a failure. In a written response to the report, the Commission noted that the shift of traffic from road to inland waterways is “not under the full control of the Commission”. It also points out that between 2006 and 2012, the modal share of inland waterway transport has slightly increased.

The auditors recommend that the Commission perform a market analysis on the benefits of inland navigation on different rivers in the EU and classify rivers by their potential for developing waterway corridors. They also want to see a strategy agreed with member states with specific objectives to eliminate bottlenecks. The Commission should also require member states along Europe’s main inland waterway corridors to report regularly on maintenance activities and their impact on navigability.

In the end, however, the responsibility for undertaking projects to improve navigable conditions rests with the member states, and so far these projects have been extremely limited. Even those projects that have been undertaken have often been the wrong ones, the auditors say, leaving the most relevant bottlenecks unaddressed. The auditors note that it will take a fundamental change of thinking to change this situation. “The poor progress was mainly due to the fact that member states paid little attention to this mode of transport,” the auditors concluded.

Source: [European Voice](#), 3/03/2015

EUROPEAN PORTS BOOST OF ENERGY: ESPO CONFERENCE 2015

On 21 and 22 May, ESPO is holding its Annual Conference in Athens, hosted by the Port of Piraeus. The theme of this year’s conference is: No ports no energy; no energy, no ports. At present, 40% of all commodities handled in European ports are sources of energy. Ports are also vital centres of industry. It is clear that current changes in policy will alter business in European ports. Are ports

ready for this change? Speakers include European Commissioner for Transport Violeta Bulc and MEP Knut Fleckenstein, the European Parliament's rapporteur on the Port Regulation. For further information see the conference [website](#).

EUROPEAN COMMISSION'S STUDY ON LNG AS A SHIPPING FUEL SHOWS INDUSTRY'S SUPPORT

The European Commission presented on March 3 the preliminary results of a study on the perception of the risks and opportunities of LNG as a shipping fuel. The results show that stakeholders recognise the environmental advantages of LNG as a shipping fuel, but are still uncertain whether they offer a clear business case. At the meeting, held during the European Shipping Week, the European Commission discussed with LNG industry stakeholders the outcomes of the study.

"This study gives us a solid overview of the opportunities and remaining challenges for the use of LNG for shipping. More importantly: the outcome helps us to feed a public debate on LNG for shipping and provides arguments for a stakeholder debate at local level," said Sandro Santamato, Head of Unit Maritime transport & Logistics, European Commission.

The study takes into account the overall EU policy aiming at reductions of emissions from shipping and looking for alternative energy sources, in view of growing constraints on the use of heavy fuels. It also summarises recent legislation. Firstly, the Directive on sulphur content in marine fuels (2012/33/EU) which allows the use of LNG as an alternative fuel to comply with more stringent emission standards. Secondly, the Directive on deployment of alternative fuels infrastructure (2014/94/EU) which aims at ensuring minimum coverage of LNG refuelling points in main maritime and inland ports across Europe by 2025 and 2030 respectively, with common standards for their design and use.

From the study it becomes clear that on the one hand, the major motivation for stakeholders to engage in LNG as a shipping fuel is to be compliant with Emission Controlled Area (ECA) zone requirements and the related positive environmental effects. On the other hand, the most critical issues for further deployment are the financing of LNG as a fuel and the pricing of LNG itself. For many companies, and especially shipping companies, LNG does not offer a profitable business model yet: the higher equipment costs for engines and tanks are not offset by savings in fuel or operating expenses. Also, the lack of existing bunkering infrastructure for LNG is another quite important barrier. The European Commission's Directorate-General for Mobility and Transport (DG MOVE), PwC and DNV-GL are conducting the analysis and evaluation of the gaps that exist in the regulatory framework for LNG-fuelled ships and the provision of LNG fuel. The research is focusing on risks and opportunities of using LNG as a shipping fuel. Final results of the study will become available in June/July 2015.

Source: [European Commission](#), 3/03/ 2015

ROAD

ETRACA AND ALICE PUBLISH JOINT ROADMAP ON URBAN FREIGHT

ETRAC, the European Road Transport Research Advisory Council, has released its latest research roadmaps on urban freight and automated driving. The roadmaps will contribute to the definition of research programmes involving cities, industry, retail, logistics service providers, supported by Horizon 2020, the European Framework Programme for Research and Innovation for 2014-2020.

Jointly drafted by ERTRAC and ALICE (Alliance for Logistics Innovation through Collaboration in Europe), the urban freight roadmap lists the research priorities related to urban freight delivery, returns and urban logistics to improve the efficiency, sustainability and security of this activity.

The ERTRAC roadmap on urban freight is available [here](#)

COMMISSIONER BULC EU PLANS FOR A DISTANCE-BASED ROAD CHARGING SCHEME

On a number of recent occasions EU Transport Commissioner Violeta Bulc has referred to her wish to develop a Europe-wide road-charging scheme. It will probably be part of the road package that will be released next year. The charging of cars and lorries for road use based on distance driven would be optional, allowing member states to not participate if they did not wish to. The aim is to promote more efficient use of roads through a pan-European road charging scheme by providing common rules and removing technical barriers, which will lower costs and facilitate its introduction. Commissioner Bulc has stated that charges should be 'exclusively based on the number of kilometres actually driven and should not be time-dependent'. At present EU countries have many different schemes for road tolls. In France and Italy, highways have tolls (péage), while others have time-based charges (vignettes) for cars and lorries. Germany, Poland and Austria have kilometre-based charges for lorries but not for cars and other passenger vehicles.

EU EVENT ON SOCIAL DUMPING IN TRANSPORT

Also of concern to Commissioner Bulc are the social issues in transport. It was announced last week that the Commission and Parliament are organising a conference on social issues on the 4th June in Brussels. It will in particular address problems of social dumping in road transport.

RAIL

SHIFT2RAIL WILL IMPROVE THE EXPERIENCE OF PASSENGERS AND FREIGHT FORWARDERS

Railway Pro has recently interviewed Philippe Citroën, Director General of UNIFE. The interview tackled four major topics Shift2Rail and Research and Innovation file, the EU-Japan and EU-US trade agreements files, The 4th Railway Package and market development.

According to Philippe Citroën 'Shift2Rail will massively improve the experience of passengers and freight forwarders. The main target of the initiative is to boost the attractiveness of rail transport. This means that the capacity of the rail system will be increased by up to double what it is at present, the reliability will be increased by 50%, and the lifecycle cost will be cut in half. This will ultimately boost the demand for rail within Europe and mean better and more innovative products for European suppliers for the EU and global marketplace as well as creating jobs. The results of Shift2Rail, which will involve the rail manufacturers, operators, infrastructure managers, academia and research centers, will also be much easier to take to market by the participating European companies—which will improve the competitiveness of the European Rail Industry, which is being actively challenged by the growing rail supply industry in Asia.'

The full interview is available [here](#)

Source: [Railway Pro](#), 2/03/2015

CUSTOMS

EXPLANATORY NOTES TO THE COMBINED NOMENCLATURE OF THE EUROPEAN UNION

The European Commission published in the European Union Official Journal C 76 of 4 March 2015, the '*Explanatory notes to the Combined Nomenclature of the European Union (CNEN)*'. This edition of the CNENs includes and, where appropriate, replaces those published in the Official Journal of the European Union, C series, up to 16 September 2014.

SOURCE: [OFFICIAL JOURNAL OF THE EUROPEAN UNION](#), 4 March 2015

ECASBA EUROPEAN SEMINAR

CLECAT attended the ECASBA 2015 European Seminar that was organized in conjunction with the European Shipping Week 2015 on the 3rd March in Brussels. Themes discussed included 'recognition and licensing of the ship agent', 'customs for the ship agency sector' and "short sea shipping. On behalf of the Commission Mr Dimitros Theologitis (DG MOVE) and Ms Panayota Anaboli (DG TAXUD) participated.

AIR

CLECAT REVIEWS AIR CARGO ISSUES

CLECAT Director General Nicolette van der Jagt and Policy Advisor Aidan Flanagan have discussed a range of air cargo issues in an interview with CargoForwarder. Topics tackled in the interview include the role of freight forwarders in the EU ACC3 regime, the debate over air freight surcharges and the issue of access to the EU database of ACC3s, Regulated Agents and Known Consignors.

The interview can be read in full [HERE](#).

AIR FREIGHT MAKES SLOW START IN 2015

The International Air Transport Association (IATA) released data for global air freight markets showing a 3.2% expansion in freight tonne kilometres (FTKs) in January 2015 compared to the same month last year. The growth is slower than the average of 4.5% recorded for 2014.

There was much regional variation in the January performance. Asia-Pacific, African and Middle Eastern airlines expanded strongly, but airlines in Europe and North and Latin America all reported demand contractions. Although it is too early to be certain of a trend towards weaker air freight, there are at least two emerging factors which could negatively impact demand for air cargo in the coming months. Firstly, business confidence has been declining since mid-2014 and export orders tailed-off towards the end of the year; and secondly a reversal can be observed of the positive trade-to-domestic production ratio which boosted cargo volumes last year.

"January was a disappointing start to the year for air cargo. And it is difficult to be too optimistic about the rest of the year given the economic headwinds in Europe and growing concerns over the Chinese economy. Add to that the continuing trends of on-shoring production and trade protectionism and 2015 is shaping up to be another tough year for air cargo," said Tony Tyler, IATA's Director General and CEO. European airlines saw volumes fall 1.2% compared to a year ago. The

Eurozone is facing deflationary economic headwinds and the weakness of the Russian economy is also impacting demand. Weak home demand is not being offset by North Atlantic and Asian growth. Source: IATA Press Release, 3/03/2015

GENERAL

ELP EVENT ON THE IMPACT OF DIGITALIZATION OF TRANSPORT ON THE EUROPEAN ECONOMY



The European Logistics Platform will organise a lunch event on the 17th March at the Renaissance hotel in Brussels on the impact of digitalisation of transport on the European economy.

Speakers will include **Keir Fitch**, Head of Unit DG Move, Logistics and Innovation, **Monika Heiming**, Executive Director of EIM, and **Kee Kras** from the Association of European Airlines. The ELP lunch event will debate concrete steps for the enhancement and sustainable development of the EU's digitalization process in the logistics industry. It is expected that the Commission will launch in the coming weeks an action plan on digitalization in transport.

The event will be hosted by Wim van de Camp MEP, Rapporteur on the INI report on the White Paper on Transport.

HOW TO ENSURE SECURITY AND CUSTOMS COMPLIANCE IN GLOBAL SUPPLY CHAINS?



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/](http://www.sitl.eu/)

FIRST ANNUAL CONFERENCE OF ETP ALICE: PRESENTATIONS AVAILABLE

Presentations of the first annual conference of the Alliance for Logistics Innovation Through Collaboration in Europe are available [HERE](#). CLECAT was among the 100 participants who discussed potential of innovation to design the future of Logistics in Europe.

Keir Fitch, head of Unit DG MOVE of the European Commission gave a [speech](#) on the challenges and ambitions of Europe and on how the ETP on logistics can contribute to this via the Horizon 2020 research agenda. Furthermore, a new video showing some key elements for the Physical Internet implementation included in ALICE research and innovation roadmaps was presented; [Youtube ALICE channel](#).

FORTHCOMING EVENTS

CLECAT MEETINGS:

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 Glattburg

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

ELP event on digitalisation of Transport

- 17 March 2015

ERFA Conference and dinner

- 24 March 2015

CLECAT/TLF/ESC Seminar - How to ensure Security and Customs Compliance, SITL, Paris

- 2 April 2015

ITS Conference 2015: A Digital Strategy for Mobility: from capacity to connectivity, Brussels

- 24 April 2015

40th Plenary Meeting of the Trade Contact Group

- 24 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

- 16 March 2015 (afternoon)
- 17 March 2015 (morning and afternoon)

Council (Lithuanian Presidency)

- Transport Council, 13 March 2015
- Transport Council, 11 June 2015.