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

NEWSLETTER

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News from Brussels

CLECAT INSTITUTES MEET IN BRUSSELS

CLECAT's Air, Supply Chain Security, Sustainable Logistics and Customs and Indirect Taxation Institutes, as well as a Road Working Group, met in Brussels on 2-4 March.

The Air Logistics Institute discussed the role of cargo in the new EU Aviation Strategy and the implementation of e-Air Waybill, and also received a presentation on economic trends in air cargo by Arcandia Consulting.

The Supply Chain Security Institute discussed a range of issues including the impact on land transport security of the current European migration crisis, implementation of Pre-Loading Advance Cargo Information for air cargo in the EU, new emergency security requirements from the US for air cargo and cybersecurity.

The Sustainable Logistics Institute dealt with several matters including the forthcoming Decarbonisation of Transport strategy from the European Commission, ongoing efforts for a harmonised carbon footprint methodology for freight transport and industry initiatives to decarbonise road transport.

The Customs and Indirect Taxation Institute held discussions on the Union Customs Code (UCC) and especially the state of play of Delegated and Implementing Acts, the Transitional Delegated Act, the Annual Work Programme and the DG TAXUD Project Groups on UCC. Discussions also took place on the Commission proposal for an EU Directive on sanctions and infringements.

REFUGEE CRISIS AND THE TRANSPORT SECTOR

On 3rd March, CLECAT attended a hearing hosted by ALDE MEPs Matthijs Van Miltenburg and Angelika Mlinar, on the impact of the refugee crisis on the EU transport sector. The discussion brought together MEPs, stakeholders and key players in the transport sector, who agreed that the reintroduction of border controls and the challenges Schengen is suffering are already having serious financial and social consequences. More cooperation between member states is urgently needed.

Transport Commissioner Violeta Bulc opened the discussion exposing the main points of the Communication released by the European Commission today (see below story), showing the figures representing the cost of the refugee crisis on the transport sector.

IRU advised that the transport sector was facing costs in excess of EUR5bn, notwithstanding the negative impact on tourism and trade. It was stressed that the sector was facing additional waiting times at borders, longer routes, contract penalties and lost business opportunities. In addition, the disproportionate obligations imposed on operators such as carrying out passenger identity controls and taking precautionary measures against stowaways was also highlighted.

IRU repeated its call to the European Commission to take all necessary actions to solve the refugee crisis and while doing so pay more attention to the concerns of the commercial road transport sector and take meaningful measures to alleviate the negative impacts. Closer cooperation between Member States, facilitated by the European Commission, is essential.

CLECAT made the point that it is useful to have some economic figures on the table but that it is time for the Commission to start designing some real solutions, possibly making use of existing schemes already in place.

With 1.7 million workers crossing a border every day, this crisis has serious implications for labour mobility and logistics. It could also create a domino effect on trade. But not only within the EU: representatives from the maritime sector have also stressed that the lack of a credible solution to this crisis is disrupting the economic activity with third countries.

BACK TO SCHENGEN: COMMISSION PROPOSES ROADMAP

The Commission today presented a detailed Roadmap of the concrete steps needed to return order to the management of the EU's external and internal borders. The creation of the Schengen area without internal borders has brought important benefits to European citizens and business alike, yet in recent months the system has been severely tested by the refugee crisis. The European Council of 18-19 February set the clear mandate of restoring the normal functioning of the Schengen area, and to do so in a concerted manner, while giving full support to Member States facing difficult circumstances.

Temporary border controls not only hamper the free movement of persons, they also come with significant economic costs. The Commission has estimated that a full re-establishment of border controls within the Schengen area would generate immediate direct costs of between €5 and €18 billion annually (or 0.05%-0.13% of GDP). These costs would be concentrated on certain actors and regions but would inevitably impact the EU economy as a whole. For example:

- Member States such as Poland, the Netherlands or Germany would face more than €500 million of additional costs for the road transport of traded goods;
- Spain or the Czech Republic would see their businesses paying more than €200 million in additional costs;
- Border controls would cost the 1.7 million cross-border workers, or the firms that employ them, between €2.5 and €4.5 billion in terms of time lost;

- At least 13 million tourist nights could be lost, with a total cost of €1.2 billion;
- At least €1.1 billion of administrative costs would have to be paid by governments due to the need for increased staff for border controls.

Securing the EU's external borders and ensuring efficient border controls is a prerequisite in an area of free movement. This must be a shared responsibility. In December, the Commission presented an ambitious proposal for a European Border and Coast Guard. It is imperative that the European Parliament and the Council adopt this proposal no later than June, so that it can become operational during the summer. The Commission also calls for greater support from Member States in the meantime to existing Frontex operations.

The full Communication from the Commission 'Back to Schengen' is available here.

Road

DG MOVE DIRECTOR GENERAL'S VIEW ON ROAD TRANSPORT

CLECAT attended the IRU's spring cocktail earlier this week during which the Director General of DG MOVE, Henrik Hololei, made a speech about road transport, previewing the EU 'road initiative', expected from the European Commission in late 2016, including innovation in the transport sector, the interoperability of transport technologies, and the internal market for transport. Mr Hololei's speech is available here.

Air

COMMISSIONER BULC DISCUSSES AVIATION IN USA AND AT ICAO

EU Commissioner for Transport Violeta Bulc was in Washington D.C. on 1 March to discuss the ongoing negotiations within the International Civil Aviation Organisation (ICAO) in view of the adoption of a global market-based measure to curb aviation emissions.

Commissioner Bulc stressed the importance of reaching an ambitious global solution in order to achieve carbon neutral growth for aviation as of 2020, and invited the U.S. to join these efforts. She also promoted the new Aviation Strategy, adopted by the European Commission in 2015, to boost the global competitiveness of European aviation. Beside discussions on ICAO and the Aviation Strategy, the Commissioner also took stock of the implementation of the 2010 EU-US Open Skies Agreement. Commissioner Bulc seized this opportunity to reiterate the Commission's concerns regarding Norwegian Air International (NAI) pending request for a foreign air carrier permit to the U.S. authorities.

The Commissioner further called for transatlantic cooperation to decarbonise aviation and allow European and American companies to grow sustainably and tap into new emerging markets. In a speech to the ICAO Council in Montreal on 29 February, Ms Bulc also hailed ICAO's efforts towards a global market-based measure called for a concerted push to turn the technical work already achieved into a sustainable political agreement.

Source: European Commission

IMO: NO GOING BACK ON CONTAINER WEIGHING REGULATIONS

The IMO's senior deputy director for marine technology and cargoes, maritime safety division, Joseph Westwood-Booth, told the ICHCA conference in Barcelona on 2 March that there would be "no delays" to the SOLAS amendment on VGM (verified gross mass) determination for containers.

With less than 120 days to go before mandatory container weighing verification before shipment comes into force in 170 countries, the issue was the subject of considerable debate on the second day of ICHCA's Bigger Ships, Greater Challenges conference.

A succession of industry speakers urged stakeholders to review their system readiness for providing VGM ahead of the 1 July deadline, and it was noted that, in practice, the effective date could be several weeks earlier depending on the status of a container in the supply chain. For example, a container delivered to a terminal several weeks before shipment on or after 1 July, will need a VGA. But so will a container scheduled for shipment before that date if the sailing is delayed past 1 July.

Captain Richard Brough, technical advisor for ICHCA, said shippers needed to discuss their chosen method of VGM with their carriers to ensure they were compliant with the shipping line's cut off for providing stowage information for vessels.

A round table industry panel agreed that shippers would need a raft of options to assist them with the new regulations. These include a number of innovative products for weighing the container at shippers' premises, to the 'last resort' of a weighing facility at the port of departure.

Although initially reluctant, port operators facing the prospect of turning away large numbers of non-compliant containers on 1 July, are starting to announce facilities that will enable VGM to be determined at the export terminal. The UK's two biggest container ports, Felixstowe and Southampton, have said they will offer weighing facilities, although the details are yet to be announced.

One difficulty of charging for container weighing at ports is that, in general terms, container terminals do not have contracts with shippers, only with container lines, and would not relish the prospect of the extra administration involved.

Chris Welsh, secretary general of the Global Shippers Forum, agreed that, at least in the early stages of the new regulations, "shippers will probably want to use the full range of weighing options" on offer to them to assist them to comply and ensure there is no delay to shipment.

Capt Brough said he expected a "soft landing" for the new regulations on 1 July, with the relevant national authorities taking a pragmatic approach to contraventions in the early weeks.

Meanwhile, Peregrine Storrs-Fox, risk management director at the TT Club, said the new weighing regulations were an important first step in tightening up the lax inherent practices of the 60-year-old container industry, particularly relating to the stowage and misdeclaration of cargo.

Source: The Loadstar

Customs

EUROPEAN COMMISSION HOLDS ORIENTATION DEBATE ON THE FUTURE FOR VAT IN THE EU

On 24 February 2016, the College of Commissioners held an orientation debate on the way forward for VAT in the EU. The Commission plans to put forward an Action Plan on this issue in March. According to the European Commission, the VAT system needs reform: the 'VAT gap', which is the difference between the expected VAT revenue and VAT actually collected in Member States, was almost €170 billion in 2013. Cross border fraud itself is estimated to be responsible for a VAT revenue loss of about €50 billion annually in the European Union. At the same time, the current VAT system remains fragmented and creates significant administrative burdens, especially for SMEs and online companies. The administrative burden for cross-border transactions is still higher than for domestic transactions (around 11%). Finally, the system needs to be modernised to reflect innovative business models and technological progress in today's digital environment.

The College of Commissioners stated that the definite EU regime would be a regime of country of destination. It committed to look at how improving the way taxes are collected and to reduce VAT fraud. In order to meet these challenges, the Commission discussed different options and preference appeared on a system based on the taxation of intra-EU supply, where the tax administration of the country where the goods originate also collect taxes on behalf of country of destination and then share this revenue with the country of destination.

Sustainable logistics

TIME FOR MORE AND SMARTER INFRASTRUCTURE INVESTMENT

According to UNECE, road and railways, communication lines and power grids, ports and dams are the building blocks that bind countries and citizens together, contribute to economic cohesion and open for new economic activities. Good infrastructure is a key requirement for a dynamic economy, as shown in their new Sustainable Development Brief.

But infrastructure investments are also necessary to meet social needs and environmental challenges. For example, addressing climate change will require an additional 5 per cent on top of the almost $90 trillion infrastructure investment needed just to maintain current growth to 2030. To read more please visit: http://www.unece.org/info/media/blog/previous-blogs/now-is-the-time-for-more-and-smarter-infrastructure-investment.html

DECARBONISING TRANSPORT: ITF LAUNCHES MAJOR NEW PROJECT

Transport generated over 23% of global CO2 emissions from fuel combustion in 2013. This share is set to grow as transport demand increases. Transport urgently needs to find a pathway towards providing carbon-neutral mobility. Technological progress is important but not enough.

To support decision makers in establishing that pathway and to navigate it, ITF is launching the Decarbonising Transport project. This initiative, anchored in the ITF's Corporate Partnership Board, will provide worldwide, data-driven modelling of policy outcomes. The modelling results will in turn feed dialogue, collaboration and mutual learning among all stakeholders to establish a commonly acceptable roadmap to zero-carbon transport. There will be different paths and schedules across transport modes and regions of the world, but driven by a common ambition of reaching carbon-neutral mobility within the next 35 to 50 years.

The Decarbonising Transport project will be officially inaugurated on 19 May at ITF's 2016 Summit in Leipzig, Germany.

Source: ITF Newsletter

Forthcoming events

CLECAT MEETINGS

Customs and Indirect Taxation Institute
10 June 2016, London

Board/General Assembly
22 June 2016, Rotterdam

Rail logistics institute
22 June 2016, Rotterdam

Supply Chain Security Institute
26 September 2016, Berlin

Air Logistics Institute
26 September 2016, Berlin

Road Institute
27 September 2016

Sustainable Logistics Institute
27 September 2016

OTHER EVENTS WITH CLECAT PARTICIPATION

DTLF Plenary meeting
16 March & 20 September, Brussels

ERFA Annual Event
15 March, Brussels

SITL – CLECAT/TLF/ESC workshop Global Supply Chain Day
22-25 March, Paris

FIATA headquarters meeting
17-20 March, Zurich

Road Freight Conference
19 April, Brussels

Port Finance International
20-21 April Antwerp, Netherlands

European Rail Summit
10 May, Brussels

ITF 2016 Summit on Green and Inclusive Transport
18-20 May Leipzig, Germany

TEN-T Days and Dutch Presidency Conference
22-23 June, Rotterdam, Netherlands

UIC Rail Freight Conference
22-23 June Rotterdam, Netherlands

EP/COUNCIL MEETINGS

European Parliament
Transport and Tourism Committee
14/15 March, Brussels

Council of the European Union
Transport, Telecommunications and Energy Council
6 June 2015

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