CLECAT

european association for forwarding, transport, logistics and customs services

NEWSLETTER

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News from Brussels

BUSINESS AND GOVERNMENT FOR SMARTER FREIGHT

At the ITF Annual Summit in Leipzig representatives from CLECAT, FIATA, ESC, IRU and Smart Freight Centre (SFC) debated this morning opportunities for business and governments to work towards 'smarter freight.'

The freight and logistics sector is a critical part of transport and mobility and the broader economy. The private sector has to make ends meet in transposing low carbon use, efficient procedures and competitive freight rates ("smart freight") at the same time. Governments must help to overcome market and policy barriers to accelerate the uptake of solutions and innovation. It was noted that many challenges for businesses are global and supranational and therefore regulation should be harmonised at the global level. However, legal instruments and national regulation are often not consistent. Business continues to call for agile responses from governments to the quick pace of changes in business models. Jens Poggensee, CLECAT board member and UPS Head of freight forwarding Europe gave some solid existing examples on where governments should invest in infrastructure, as there is a clear need for hard infrastructure, next to collaboration and better use of assets through IT and digitalisation.

The moderator Christian Doepgen of the International Transport Journal summarized the debate with the call for the right incentives from governments to allow for smarter solutions with digitalisation, investments, trade facilitation and horizontal and vertical collaboration. Green freight programmes are a long term solution for industry and governments in reducing emissions and living up to the commitments made.

ITF FORUM ON 'GREEN AND INCLUSIVE TRANSPORT'

CLECAT attended the 2016 edition of the ITF Annual Summit that took place on 18-20 May in Leipzig, Germany, to exchange ideas and share insights on "Green and Inclusive Transport". The annual Summit of the International Transport Forum (ITF) brought together leaders from around the world to share and discuss green and inclusive transport policy ideas with CEOs, heads of international organisations, civil society and the media.

Transport plays a central role in supporting economic growth and competitiveness as well as sustainability. As demand for transport increases, there is a growing need to provide sustainable transport solutions. ITF's 2016 Summit explored the importance of low-carbon transport as an essential element in the transition to a green growth economy as well as ways to make transport more inclusive and provide access to jobs, public services and trade.

The Ministers declaration noted "Demand for transport is growing rapidly, with particularly strong growth coming from trade-driven freight transport and rapid or persistent motorisation in urban areas. Most of this growth is CO2 intensive. The Paris Agreement on Climate Change opens a new era of initiative to secure a low- carbon future for transport. This will be essential to address the growing share of transport in global energy-related CO2 emissions." The preamble continued: "A combination of advances in renewable power generation and propulsion technology, managing demand along with changes in behaviour, as well as novel approaches to rationalising mobility and land use, will be necessary to address these challenges".

The full Declaration from Ministers on Green and Inclusive Transport is available here.

LAUNCH GLOBAL DECARBONISING TRANSPORT PROJECT

The ITF at the Summit officially launched a major global initiative towards carbon-free transport. Transport activity currently contributes 23% of global CO2 emissions from fossil fuels, with the share expected to rise. "The COP 21 Paris Agreement created a political pathway for global CO2 mitigation efforts. The key is to close the gaps between commitments and delivery. It is now up to the transport sector to demonstrate how carbon-free mobility can be achieved. That is why we are launching the Decarbonising Transport project," said Secretary General José Viegas at the project inauguration event during the Annual Summit of transport ministers in Leipzig, Germany. "This is a very ambitious project. But ambition is what the world needs to stop climate change. Ambition is also something that has characterised the transport sector throughout its long history of innovation. Our challenge is to reduce transport CO2 without sacrificing the access and opportunities offered by transport, keeping our societies together and making our economies turn," said Viegas. The Decarbonising Transport project aims to:

- Provide a common assessment tool based on a comprehensive modelling framework supported by dialogue with key stakeholders. This is essential for "clarity, transparency and understanding" of Intended Nationally Determined Contributions as required in the Paris Agreement for carbon emissions. This approach will enable the ITF and its partners to evaluate the impacts of different sets of measures on carbon reduction.
- Enable countries and other stakeholders to translate roadmaps into actions that deliver results grounded in quantitative data.

- Support actions to achieve the UN Sustainable Development Goals along with the decarbonisation of the transport sector.

The Decarbonising Transport project is supported by a wide range of stakeholders, including private sector companies, multilateral development banks, intergovernmental organisations, sector associations, NGOs and research institutions. CLECAT was present at the launch of the project and expressed its support.

ELP EVENT ON THE IMPACT OF MIGRATION ON LOGISTICS

European Logistics Platform

The European Logistics Platform will organise a lunch event in the European Parliament on the 1st June. The event will be hosted by Member of the European Parliament Matthijs van Miltenburg.

The current refugee crisis is showing that the lack of a comprehensive EU migration and asylum system seriously affects the European economy. Beyond the human aspects, there is a severe impact on one of the EU's core sectors, transport and logistics. The introduction by some Member States of additional border controls has led to further economic losses for transport and logistics companies within the EU; inevitably undermining the Single European Market.

Michael Nielsen, General Delegate to the EU, IRU will present possible solutions to alleviate the negative impact on the sector. Russell Cowley, Managing Director, Clan International will present how *migration has* impacted upon transport and logistics companies. Robert Missen from DG MOVE will give the European Commission's perspective.

To register for the event please use the registration form.

CLECAT MARITIME LOGISTICS INSTITUTE MEETS IN BRUSSELS

The CLECAT Maritime Logistics Institute met in Brussels on 18 May, to discuss a range of issues. The primary topic of discussion was the impending implementation of the SOLAS container weighing amendment, where delegates discussed the state of play in European countries and how freight forwarders are affected. This included the certification regimes applicable for the calculation method in determining the verified container weight, the margin of error to be allowed by national authorities, and the enforcement regimes, as well as whether forwarders may make a 'back-to-back' declaration based on weight information received from their shipper, when the forwarder is named as shipper on the bill of lading.

Other topics of discussion included the proposed EU port services regulation, currently in trilogue negotiations, measures to increase the sustainability of shipping, and the state of competitiveness in the shipping industry.

Road

THE LOOP OF CARGO CRIMES

Cargo crime has reached a three-year high, according to the latest reports by TAPA's Europe, Middle East and Africa region.

The number of incidents reported rose 115% year-on-year, to 444 across 19 countries, for the first quarter. Of those, 29 were major losses, with a value of more than €100,000. The average loss was just under €75,000, while the largest was the theft of eight pallets of perfume, valued at €600,000, from a trailer in Lower Saxony, Germany.

Of the thefts, 56% were from trucks stopped at motorway service stations, lay-bys or industrial estates. TAPA noted that a lack of secure parking locations in Europe was evident, with losses from unsecure parking locations accounting for 55% of the thefts. While it is not clear whether the rise is due to better reporting or more crime, there does appear to be an increasing number of thefts, with a wide variety of goods targeted.

Some authorities lump all crime reports together, whether from vehicles, trucks or property, making it harder to extract data specifically referring to cargo crime.

Some countries report cargo crime better than others, and this seems to distort the overall figures. More than 86% of the cargo thefts reported in the first quarter happened in just four countries – those where law enforcement agencies report their data to TAPA.

The full article is available here.

NO AUSTRIAN BORDER CONTROLS FOR NOW AT BRENNER PASS

Austria has said it will not impose mooted checks at the Brenner Pass, after Italy tightened controls on migrants. Rome had voiced extreme concern about the plans to slow traffic at the border.

Vienna had said last month that it would set up a "border management system" at the pass, including a fence and checks on vehicles passing the crossing point, but then last week it has announced that it would not go through with plans to introduce tighter border controls at the Brenner Pass in the Alps because tougher measures by Rome had slowed the number of migrants heading for northern European countries.

The announcement of plans to construct a fence drew vehement criticism from Italy. Both Italy and Austria are members of the European Union's Schengen open-border zone. The plans put forward by Vienna also sparked violent protests at the pass in recent weeks, as well as coming under fire from the EU's executive body, the European Commission, whose president, Jean-Claude Juncker, called the proposal a "political catastrophe" for Europe.

Border controls at the pass, a crucial transport route for Italy's exports to northern Europe, would be a highly unwelcome hindrance to the some 5,550 trucks using the crossing point each day, which already often have to contend with long delays even without checks.

The full article available here.

Rail

RAIL STAKEHOLDERS MEET IN SHENZHEN, CHINA

On 12th and 13th of May 2016 FIATA and UIC jointly hosted the Meeting of the Enlarged Contact Group, inviting elites from the railway and freight forwarding industries together with relevant international organisations to Shenzhen, China, under the overarching title "Putting China-Europe on Rail". FIATA President Mr. Zhao Huxiang noted in his opening speech that the China-Europe bilateral trade is expected to increase to around 1 trillion USD by 2020, while less than 5% of the products are transported by rail today; FIATA sees this as a great potential for rail freight on the China-Europe rail link.

This is the first time FIATA/UIC rail working group host an event in Shenzhen, which belongs to Guangdong Province of China. In his speech, Mr. Wang Yiyang, Director of Guangdong Development Research Centre, announced that Guangdong aims to become a strategic hub for sea transport and land-sea multimodal transport of Eurasia within the Chinese government's overarching initiative known as the "Belt and Road".

Another reason to host this meeting in China was "to build better understanding and respect among Chinese and European freight forwarders", as expressed by Dr Ivan Petrov, FIATA Senior Vice President and Chairman of the FIATA WG Rail, "the market and practice of China and European are rather different, what we should do is to understand each other, instead of trying to change one another", concluded Dr Petrov.

Johan Gemels, Chair of the CLECAT Rail Freight institute, represented CLECAT at the meeting, addressing the expectations of the freight forwarders from service providers on the EurAsian rail services.

Air

EU PILOTS BLAME GULF AIRLINES FOR PREDATORY EXPANSION PRACTICES

The European Cockpit Association (ECA) launched a vigorous appeal to the EU Commission to take immediate action for stopping what they see as capacity-dumping practices of the Gulf Carriers and restore fair competition in aviation. Their step fully supports the coalition "Europeans for Fair Competition" (E4FC) to restoring a level playing field for European aviation curtailing the activities of state-aided Gulf airlines.

The ECA refers to the massive capacity expansion exercised by Arabian carriers on many routes to the detriment of their European peers. This move is legitimate if based on transparent commercial conditions enabling European carriers to compete with their Gulf rivals on fair terms, reasons ECA. However, those conditions are not given, since the fully or partially state-run airlines from the United Arab Emirates and Qatar enjoy large-scale cost advantages guaranteed by their governments. They are benefitting from access to cheap ground infrastructure, fuel and unlimited sources of capital, which allows them growing their fleets at a breath-taking pace as a platform as cornerstone for their capacity-dumping policy with the primary objective to increasingly snatch away market shares from their commercially driven competitors. All this is claimed as being fact by the ECA.

"Everyone should be bound to play by the same rules," demands ECA President Dirk Polloczek. His organization, representing 38,000 European pilots claims that over the past decade, the three Gulf airlines have collectively received €39 billion in unfair subsidies from their governments for taking away market shares in passenger and cargo transports from their EU competitors. This is shown in a recent in-depth investigation, the ECA holds. "It is therefore no surprise that these cash-rich airlines can afford to easily finance their excessive and detrimental growth strategy," Polloczek criticizes.

CLECAT has meanwhile been calling on the EU institutions to maintain respect for fair competition in international aviation. CLECAT's position paper on the EU Aviation Strategy welcomes the Commission's intentions to ensure that European aviation may compete fairly on a global scale, to review the EU's mechanisms to address any instances of anti-competitive behaviour, and to link this to the EU's international agreements. However, CLECAT warns that such measures must only be deployed in response to clear evidence of anti-competitive behaviour by third countries, and that the EU should not respond to real or perceived unfair conditions by engaging in protectionism, which would be counterproductive, unsustainable, and would only serve to limit connectivity and growth.

Source: CargoForwarder Global

Maritime

ASIAN AND US SHIPPERS UNPREPARED FOR SOLAS VGM

Asian exporters unprepared for SOLAS Verified Gross Mass (VGM) regulations could force carriers to blank sailings, while some shippers have hinted they will cheat on weight declarations. A lack of shipper urgency on new container weight rules may cause serious supply chain disruption.

With less than 50 days until the 1 July deadline customers were questioning how various countries will monitor and enforce the weight verification rules.

Guidance by relevant authorities on implementation and enforcement is severely lacking. In fact, according to shipping software firm CargoSmart, only 18 out of 162 SOLAS countries have published guidelines or discussion papers on container weight rules. Out of the 18 countries with published guidelines, only seven are in Asia where the majority of global export containers originate.

China is one of the seven Asian countries with published guidelines. The Maritime Safety Administration (MSA) says it will perform random spot-checks on export containers, with any breaches of the maximum allowable weight discrepancy between the VGM declared by the shipper and that obtained by the MSA resulting in vessels not being permitted to sail until the error is rectified.

Shippers must ensure their declared VGM falls within plus/minus 5% or one tonne, whichever is less, of the weight obtained by the MSA.

China's MSA guidelines also advise that shippers adopting SOLAS weighing Method 2 – whereby a container's tare weight is added to the accumulative weight of the cargo and packaging inside to create a VGM – should establish internal processes to ensure their weight declarations fall within the required accuracy standards, including standard operating procedures with external suppliers and proper training for staff involved in the weighing process.

Most Asian exporters are likely to opt for Method 2 due to cost considerations and the availability of weighing services at ports and terminals, according to CargoSmart. Furthermore, new research has found that an overwhelming proportion of North American exporters still don't understand how to comply.

A survey published by American Shipper found that 69% of shippers don't know how to comply with new regulation, due to enter force on 1 July, while 60% of freight service providers are also unaware of how to comply.

Of 521 respondents, 45% were shippers, 36% forwarders, NVOs, or logistics providers and 13% carriers– the vast majority based in North America.

And while 69% of shippers expect at least some of their shipments not to be loaded as a result of non-compliance, that figure rose to 79% of forwarders, NVOs and 3PLs, especially since many will effectively be the shipper due to having their name on the bill of lading (B/L).

With many of the respondents being US importers managing global supply chains, the report's authors have emphasised the complexity of managing the new regulations on a worldwide basis. "It's clear that shippers and forwarders, NVOs, and 3PLs will have to grapple with a host of differing processes across the nations where they load containerised cargo," says the report.

Source: The Loadstar 16 May, 18 May

Customs

TURKEY AND IRAN CUSTOMS TO IMPLEMENT E-TIR

On 10 May 2016 Turkey and Iran Customs agreed to commence implementation of the 2nd phase of the e-TIR in July 2016 to cover more Customs offices in the two countries.

The two countries have three land border cross-points that have been operative for centuries; thousands of containers pass the borders daily through roads and rail. The borders connect Asian and European nations and contribute to the economies of the countries over a vast area.

The e-TIR joint project of Iran and Turkey is an initiative that is considered an achievement for the two Customs administrations and was established under the auspices of international organizations such as the IRU, UNECE, and WCO. The project will also support the Silk Road Initiative and Caravanserai Project.

The full press release is available here.

General

EU-WIDE CYBERSECURITY RULES ADOPTED BY THE COUNCIL

On 17 May 2016, the Council formally adopted new rules to step up the security of network and information systems across the EU.

The network and information security (NIS) directive will increase cooperation between member states on the vital issue of cybersecurity. It lays down security obligations for operators of essential services (in critical sectors such as energy, transport, health and finance) and for digital service providers (online marketplaces, search engines and cloud services). Each EU country will also be required to designate one or more national authorities and to establish a strategy for dealing with cyber threats.

The Netherlands presidency together with the EU Agency for Network and Information Security (ENISA) has already started preparing the implementation of the directive. The Council position at first reading confirmed the agreement reached with the European Parliament in December 2015. To conclude the procedure, the legal act must still be approved by the European Parliament at second reading. The directive is expected to enter into force in August 2016.

Position of the Council at first reading available here.

TEN-T DAYS 2016

From 20-22 June 2016 European Commissioner for Transport Violeta Bulc, in cooperation with the Dutch Presidency of the Council of the European Union, Minister for Infrastructure and the Environment Melanie Schultz van Haegen invites key stakeholders to Rotterdam to discuss the development of the Trans-European Transport Network, TEN-T Days.

The focus of the conference will be on the Core Network Corridors, ERTMS and Motorways of the Sea (MoS), their implementation and financing.

More information about the programme of the event is available here.

CLECAT will attend the TEN-T days and organise its Board meeting, General Assembly and Rail Institute meeting in conjunction with the TEN-T days in Rotterdam.

INFRASTRUCTURE IN CENTRAL AND EASTERN EUROPE TO IMPROVE

The Transport Committee of the European Parliament has published a draft report on improving the connectivity and accessibility of the transport infrastructure in Central and Eastern Europe.

As there are severe gaps with regard to transport infrastructure in the Central and Eastern European Member States, the trans-European transport network (TEN-T) aims to increase connectedness and access EU wide. The published draft report discusses the TEN-T, which is needed to stimulate economic growth and employment, especially in rural areas and border regions. Connectivity also needs to be improved along the north-south direction and in the eastern regions. The aim is to complete the strategic core network by 2030 and the comprehensive network by 2050. To meet the TENT-T objectives, Member States and the Commission will first focus on missing links, the elimination of bottlenecks and the creation of seamless connections.

The report also offers the possibility for input with regard to issues in the development of different modes of land, water and air transport in Central and Eastern Europe, including the promoting of inter-modality through hubs and in ports.

The EP draft report is available here.

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

Road Logistics Institute
20 October, Berlin

Sustainable Logistics Institute
20 October, Berlin

Supply Chain Security Institute
21 October, Berlin

Air Logistics Institute
21 October, Berlin

OTHER EVENTS WITH CLECAT PARTICIPATION

ECASBA seminar
26-27 May, Lisbon, Portugal

ELP event on the impact of migration on transport
1 June, Brussels

ESPO Conference
2-3 June, Dublin

AEA event on Innovation in European Air Cargo
13 June, Brussels

TOC Hamburg
14-16 June, Hamburg, Germany

Workshop for the preparation of EU guidance documents on urban logistics
14 June, Brussels

TEN-T Days and Dutch Presidency Conference
20-22 June, Rotterdam

Rail Freight Corridors' Business Conference
21 June, Rotterdam

UIC Global Rail Freight Conference
22-23 June, Rotterdam

EP/COUNCIL MEETINGS

European Parliament
Transport and Tourism Committee
23/24 May, Brussels

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

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