european association for forwarding, transport, logistics and customs services

NEWSLETTER

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News from Brussels

EC TRADE STUDY FINDS GROWING PROTECTIONISM WORLDWIDE

The Commission has published an analysis of protectionist trends around the world. The tendency to restrict trade remains strong, with 200 new protectionist measures adopted in the 31 monitored countries in the 18-month period covered by the report. This increases the total amount of trade-restrictive measures adopted in these countries since the beginning of the economic crisis to well over 1000.

Trade Commissioner Cecilia Malmström said: "Trade protectionism continues to be on the rise around the world. Open markets are proven to bring more innovation, increased productivity, economic growth and prosperity. Despite this, few barriers to trade have been removed, while new ones have been introduced. That's why we continue our efforts to promote open trade by negotiating free trade agreements, and enforcing the existing rules. I strongly hope that our partners can join us in our strong commitment to make open markets work for all."

Product bans, import or export duties and licences that strike trade right at the border, remain the most common trade restrictions. They are followed by internal measures affecting in particular trade in services, investment and access to foreign public contracts.

Products most affected by restrictive measures include raw materials and energy products hit by export restrictions and ICT (Information and Communications Technology) products hit with local content requirements, unjustified data localisation constraints and certification or intrusive testing requirements.

Emerging economies are responsible for roughly half of all new trade-restrictive measures introduced between June 2014 and December 2015. However, developed countries, including some G20 members, also continue to adopt such measures, in spite of repeated pledges against protectionism.

Source: European Commission

Road

FRANCE THREATENS TO STOP APPLYING EU LAW ON POSTED WORKERS

The European Union should swiftly modify the regulation allowing pay differentials between seconded and local workers or France will stop applying it, Prime Minister Manuel Valls said on 3rd July. French politicians and unions have blamed the system of seconded or "posted" workers, allowing employers to pay them no more than the minimum rate in the host country, as the cause of job losses in France, particularly in the livestock industry.

This was reported in a story in EurActiv on the 4th July. "The French government is seeking to convince (the EU), and many countries agree, that we need to change. There must be equal treatment upwards to fight social dumping," he told *TF1* television in an interview. "If it is not possible to convince…France will not apply this directive." The number of seconded workers, employed in one EU state but temporarily sent to work in another, has jumped in recent years. There were some 1.9 million posted workers in the EU in 2014, the most recent data shows. Employers are now not obliged to pay posted workers more than the minimum wage in the host country, which leads to underpayment of posted workers and competition between firms employing seconded or local workers. The European Commission has proposed making the pay of the two categories the same. But several Central European countries such as Hungary and Poland oppose this, saying it would be disadvantageous to them and would threaten jobs.

On 10th May, national parliaments, mainly from Central and Eastern Europe, managed to trigger a "yellow card" that forces the European Commission to reconsider its proposal to revise the Posted Workers Directive. The Commission must now decide whether it amends, withdraws or maintains the proposal to revise the Posted Workers Directive, but any decision must be justified. In the European Parliament, the Socialists and Democrats Group, for instance, stands firmly behind the Commission and rejected the national parliaments' call on the Commission to withdraw the revision of the directive.

Whereas CLECAT strongly support the announcement of the European Commission (16th June 2016) to undertake legal action against France and Germany for their minimum wage legislation in the road transport sector, the transport workers federations ETF and ETUC believe that this legal action would create a legal vacuum for international professional drivers in Europe. The ETF and ETUC state in a joint letter to Commissioner Bulc, responsible for transport, and Commissioner Thyssen, responsible for employment and social affairs that the planned legal action would promote arbitrary decisions and extreme legal uncertainty in the road transport sector. It would be up to the Commission's services and the courts at various levels to determine on a case-by-case basis and according to unknown criteria which road transport operation is governed by the Directive on the posting of workers and which is regulated by a country of origin principle. In the letter the ETF remind the European Commission to take on board ETF's set of proposals "The extra-mile towards a full-fledged enforcement scenario in the EU road transport sector, an ETF proposal to policy makers." The solutions described in that document allow immediate enforcement of cabotage, posting of workers and access to occupation, with only minor - if any - changes in the EU rules.

Maritime

BOX WEIGHING "OFF TO A RELATIVELY SMOOTH START"

Initial ocean freight operations under the new regulations requiring shippers to notify lines of a container's verified gross mass (VGM) prior to loading appear to have progressed relatively smoothly, although some Asian export ports – including the world's largest container port Shanghai – reported containers arriving without a VGM on the first day.

With some non-compliance seen as inevitable on 1 July, Shanghai's shippers were negotiating with carriers to put those non-VGM boxes on vessels, and containers with or without VGM were both being allowed through the gates. Reports from Hong Kong suggested many shippers had yet to get a VGM registration number by the 1 July implementation deadline, with containers being weighed by authorised companies initially while shippers arranged to get their own. But elsewhere in the Far East, no problems were reported in the world's largest transhipment hub, Singapore, in Vietnam's Cai Mep International Terminal, or in Malaysia's Port Klang.

And in Europe, good preparations by container terminals and markets dominated by big forwarders meant there were few issues, while in the US, additional container-weighing resources at some terminals and the US Coast Guard's declaration of "equivalency" of the new SOLAS regulations with existing federal legislation prevented major disruptions, according to Lloyd's List.

While carriers have been accepting all containers carrying a VGM, there is scepticism in some regions as to the validity of that VGM, particularly in countries that have yet to issue guidelines on certification, Lloyd's List reports.

Source: Lloyd's Loading List

COMMISSION ACCEPTS COMMITMENTS BY CONTAINER LINER SHIPPING COMPANIES ON PRICE TRANSPARENCY

The European Commission has adopted a decision that renders legally binding the commitments offered by fourteen container liner shipping companies. The commitments aim to increase price transparency for customers and to reduce the likelihood of coordinating prices.

The commitments address the Commission's concerns that the companies' practice of publishing their intentions on future price increases may have harmed competition and customers. This practice may have raised prices on the market for container liner shipping services on routes to and from Europe, in breach of EU antitrust rules.

Commissioner in charge of competition policy, Margrethe Vestager, said: "Container shipping accounts for the vast majority of the non-bulk freight carried by sea to and from Europe. Competitive shipping services are therefore essential for European companies and for the EU's economy as a whole. The commitments offered by 14 carriers will make prices for these services more transparent and increase competition".

The Commission had concerns that General Rate Increase announcements do not provide full information on new prices to customers but merely allow carriers to be aware of each other's pricing intentions and may make it possible for them to coordinate their behaviour.

Announcing future price increases may signal the intended market conduct of carriers and by reducing the level of uncertainty about their pricing behaviour, decrease their incentives to compete against each other. Because the announcements provide only partial information to customers, and may not be binding on the carriers, customers may not be able to rely on them and therefore carriers may be able to adjust prices without the risk of losing customers.

This practice may lead to higher prices for container liner shipping services and harm competition and customers, in breach of EU and European Economic Area (EEA) competition rules' ban on concerted practices between companies (Article 101 of the Treaty on the Functioning of the European Union (TFEU) and Article 53 of the EEA Agreement).

In order to address the Commission's concerns, the carriers offered the following commitments:

- the carriers will stop publishing and communicating General Rate Increase announcements, i.e. changes to prices expressed solely as an amount or percentage of the change
- in order for any future price announcements to be useful for customers, the carriers will announce figures that include at least the five main elements of the total price (base rate, bunker charges, security charges, terminal handling charges and peak season charges if applicable)
- price announcements will be binding on the carriers as maximum prices for the announced period of validity (but carriers will remain free to offer prices below these ceilings)
- price announcements will not be made more than 31 days before their entry into force, which corresponds to the period when customers usually start booking in significant volumes (typically, customers plan their shipments between 4 weeks and 1 week before they need to move their consignments) and
- the commitments will not apply to:
    a) communications with purchasers who already have an existing rate agreement in force on the route to which the communication refers
    b) communications during bilateral negotiations or communications tailored to the needs of specific identified purchasers.

After carrying out a market test of the commitments, the Commission is satisfied that they address its concerns. They will increase price transparency for customers and reduce the likelihood of concerted price signaling by binding the carriers to the prices announced.

CLECAT submitted comments to the Commission regarding the lines' commitments, supporting the principles of transparency in pricing announcements, that pricing decisions be made by individual shipping lines based on their own situations. CLECAT called on the Commission to maintain scrutiny over pricing practices, and also to consider the impact of alliances.

The Commission has therefore made the commitments legally binding on the carriers for a period of three years starting from 7 December 2016.

Source: European Commission

Air

AIR FREIGHT VOLUMES DECREASE FIRST QUARTER 2016

The latest update of global freight data collected by the International Transport Forum at the OECD through April 2016 shows that:

- International trade related air freight volumes, in tonnes of goods moved, considered as a lead indicator, remain below the pre-crisis level both in the EU area and in the US.
- Exports to BRICS and Asia remain the locomotives of growth.
- Surface freight volumes, measured in tonne-kilometres of goods transported, show signs of a slowing down in China and in the EU.

In the EU area, total external trade by sea, measured in tonnes of goods carried, has been growing above the pre-crisis level since the first quarter of 2015, while volume remains stagnant in the United States (-8%). Exports and imports continue to display diverging trends. Total exports transported by sea reached 38% and 13% above pre-crisis peak in the EU-28 and the United States respectively while imports stagnate below pre-crisis levels (EU -5%; USA -24%).

See also the ITF Statistics Brief

Customs

DIRECTIVE ON CUSTOMS INFRINGEMENTS AND SANCTIONS

On the 14th of July, the European Parliament IMCO Committee will vote on the draft Report presented by the Rapporteur Kaja Kallas (ALDE/Estonia) on the proposal for a directive on Customs infringements and sanctions.

Following intense debates between the political parties over the last months, the draft report will be accompanied by 13 compromise amendments aimed at finding a final agreement on the draft Report.

More information on the proposal for a directive on Customs infringements and sanctions is available here (Legislative Observatory)

EU VAT EXPERT GROUP - CALL FOR APPLICATIONS

On the 5th of July, the European Commission published a call for applications for the selection of members and observers of the VAT Expert Group. The VAT Expert Group assists and advises the European Commission on VAT matters. It is composed of individuals appointed in a personal capacity with the requisite expertise in the area of VAT and organisations representing in particular businesses and tax practitioners which can assist in the development and implementation of VAT policies (maximum 40 members). The VAT Expert Group can also can give observer status to certain individuals or organisations and, on a case-by-case basis, invite them to attend the meetings on issues deemed of particular interest to them.

The mandate of the current members and observers of the Expert Group will expire on the 30th of September 2016. The new VAT Expert Group will be appointed from the 1st of October 2016 to the 30th of September 2019.

The call for applications can be found here and must be sent by 14 September 2016 at the latest.

Rail

ILU-CODE: BOOSTING THE COMPETITIVENESS OF CT SINCE 5 YEARS

5 years ago, UIRR, the Administrator of the ILU-Code (**www.ilu-code.eu**), issued the first ILU-Code owner-key - thus bringing to life the standardised identifier of European intermodal loading units (ILU) identical to the global BIC-Code mandatory for maritime containers. According to the latest reports, the two identifiers together were used to book nearly 98% of the consignments forwarded by unaccompanied Combined Transport in Europe.

The EN13044 standard - developed within the framework of CEN on the initiative of the Combined Transport sector - defined the ILU-Code, this indispensable prerequisite for digitalisation, which enables easy booking, efficient terminal processing and tracking and tracing, as well as easy control by public security authorities.

Whereas the regulator had no role in its development, the proliferation of the ILU-Code was materially aided through the EU funded DESTINY Project. By today this led to the issuance of more than 850 outstanding ILU-Code owner-keys to loading unit owners across 26 European countries - including Turkey and Russia as well.

UIRR collaborates with the Bureau International de Containers (BIC), the Paris-based caretaker of the globally used container ISO prefix (also known as the "BIC-Code"), and develops applications and value added services to further aid the stakeholders of intermodal transport. BIC launched its Technical Characteristics Database (TCD) today. This digital register contains easily retrievable container tare weight data essential to determine the verified gross mass (VGM), prescribed recently by the International Maritime Organisation (IMO).

UIRR, together with its members, is progressing to develop the electronic ILU Register that will streamline train load planning for intermodal terminals and clearance verification by railway undertakings by offering all codification parameters of intermodal loading units in a single and easy-to-use system.

Both BIC and UIRR offer web-based control solution to enable the automated checking of the validity of the BIC-and ILU-Code during the booking process and within the terminal operating systems (TOS).

The new European Customs Code, that came into effect on 14 May 2016, mandates that every loading unit entering or leaving the EU via unaccompanied Combined Transport shall be identifiable by a BIC - or an ILU- Code. UIRR advocates - in collaboration with its stakeholder allies - that the same obligation is defined during the revision of Directive 92/106 for unaccompanied intermodal transport that takes place within the EU's borders. Finally, the TAF TSI Regulation also defines the BIC- and ILU-Code as the unique identification parameter for intermodal loading units.

General

CONSULTATION ON THE EUROPEAN UNION C-ITS INITIATIVE

The European Commission has issued a public consultation with regard to possible actions at EU level to support the accelerated and interoperable deployment of Cooperative Intelligent Transport Systems (C-ITS) in the EU (consultation period: 24/06/2016 – 16/09/2016).

The replies submitted to this public consultation will be analysed and taken into consideration during the development of the C-ITS Master Plan, a Communication by the European Commission that is foreseen for the second half of 2016, and the first non-legislative step of a roadmap for the deployment of C-ITS across Europe.

New measures are required to continue and possibly accelerate the downward trend of road fatalities by using newly available technologies. At the same time and on the background of the Energy Union and Climate priority and the Paris Agreement signed on 12 December 2015 as outcome of COP21, the EU aims at increasing its efforts to reduce carbon and other air pollutants due to transport. To achieve this without curbing mobility all modes will need to become more efficient and road traffic will need to become smarter and better integrated. On the condition rebound effects are confined C-ITS has the potential to contribute to this both directly, through better traffic management leading to seamless flow and less congestion, and indirectly, by facilitating modal shift and the transition towards low-emission vehicles.

Considering the parallel trend of automation, the need for connectivity and cooperative systems only increases, as future partially or fully automated vehicles will benefit at least as much as human drivers from the additional information provided to them. This is because it increases the safe functioning of such vehicles (not solely relying on internal sensors) but also because automated vehicles can process more information than human drivers. And some services (such as platooning) generally considered under automation, will not even be possible without connectivity.

Funding for C-ITS pilot projects has been available under EU funding programmes (TEN-T, CEF, FP7 and H2020). Some Member States are about to start deployment in real life conditions on selected motorway corridors in Europe. Interoperability will need to be supported by the successfully linking of such projects and cross testing of vehicles and infrastructure. Finally, EFSI might also provide additional financing opportunities for the deployment of Cooperative Intelligent Transport Services.

The public consultation is available here

NEW LOGISTICS TREND RADAR PUBLISHED

DHL Trend Research regularly publishes a key instrument for the global logistics community – the Logistics Trend Radar. Now in its fourth year, the Logistics Trend Radar is a dynamic, living tool that captures the development of society, business and technology trends. It has become an inspiring benchmark for strategy and innovation in the logistics industry and has triggered a number of successful, award-winning pilots both inside and outside of DHL in close collaboration with our customers and partners.

Since the last update of the Logistics Trend Radar, DHL has conducted 'deep dives' into multiple specific logistics trends and the findings are published in the form of individual trend reports. Recent reports include *The Internet of Things*, *Robotics*, *Omni-channel* and *Fair & Responsible Logistics*.

The latest update can be downloaded here

COMMISSION CYBER-RESILIENCE STRATEGY

The Commission launched on 5 July a new public-private partnership on cybersecurity that is expected to trigger €1.8 billion of investment by 2020. This is part of a series of new initiatives to better equip Europe against cyber-attacks and to strengthen the competitiveness of its cybersecurity sector.

According to a recent survey, at least 80% of European companies have experienced at least one cybersecurity incident over the last year and the number of security incidents across all industries worldwide rose by 38% in 2015. This damages European companies, whether they are big or small, and threats to undermine trust in the digital economy. As part of its Digital Single Market strategy the Commission wants to reinforce cooperation across borders, and between all actors and sectors active in cybersecurity, and to help develop innovative and secure technologies, products and services throughout the EU.

Andrus Ansip, Vice-President for the Digital Single Market, said: "Without trust and security, there can be no Digital Single Market. Europe has to be ready to tackle cyber-threats that are increasingly sophisticated and do not recognise borders. Today, we are proposing concrete measures to strengthen Europe's resilience against such attacks and secure the capacity needed for building and expanding our digital economy."

Günther H. Oettinger, Commissioner for the Digital Economy and Society, said: "Europe needs high quality, affordable and interoperable cybersecurity products and services. There is a major opportunity for our cybersecurity industry to compete in a fast-growing global market. We call on Member States and all cybersecurity bodies to strengthen cooperation and pool their knowledge, information and expertise to increase Europe's cyber resilience. The milestone partnership on cybersecurity signed today with the industry is a major step."

The Commission also sets out different measures to tackle the fragmentation of the EU cybersecurity market. Currently an ICT company might need to undergo different certification processes to sell its products and services in several Member States. The Commission will therefore look into a possible European certification framework for ICT security products.

A myriad of innovative European SMEs have emerged in niche markets (e.g. cryptography) and in well-established markets with new business models (e.g. antivirus software), but they are often unable to scale up their operations. The Commission wants to ease access to finance for smaller businesses working in the field of cybersecurity and will explore different options under the EU investment plan.

The Network and Information Security Directive, which was adopted on 6 July by the European Parliament, creates a network of Computer Security Incident Response Teams across the EU in order to rapidly react to cyber threats and incidents. It also establishes a 'Cooperation Group' between Member States, to support and facilitate strategic cooperation as well as the exchange of information, and to develop trust and confidence.

In its new Communication on Strengthening Europe's Cyber-Resilience System, the Commission calls on Member States to make the most of these new mechanisms and to strengthen coordination when and where possible. The Commission will propose how to enhance cross-border cooperation in case of a major cyber-incident. Given the speed with which the cybersecurity landscape is evolving, the Commission will also bring forward its evaluation of the European Union Agency for Network and Information Security (ENISA).This evaluation will assess whether ENISA's mandate and capabilities remain adequate to achieve its mission of supporting EU Member States in boosting their own cyber resilience. The Commission also examines how to strengthen and streamline cybersecurity cooperation across different sectors of the economy, including in cybersecurity training and education.

Source: European Commission

Forthcoming events

CLECAT MEETINGS

Customs and Indirect Taxation Institute
7 September, Brussels (morning)

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

2016 FREIGHT FORWARDERS FORUM
16 November, Brussels (morning)

Board & General Assembly
16 November, Brussels (afternoon)

OTHER EVENTS WITH CLECAT PARTICIPATION

Conference "EU Customs – Making A Difference In Modern Trade?"
7 September, Brussels

European Transport Forum
27 September, Brussels

FIATA World Congress
3-8 October 2016, Dublin

Conference 'Law and logistics: the way forward'
12/13 October 2016, Antwerp

GLEC event on launch methodology
15 November, Brussels

ELP Forum on the Future of Logistics
15 November, Brussels

2016 FREIGHT FORWARDERS FORUM

16 November, Brussels (morning)

FEPORT Second Annual Stakeholders' Conference

8 December, Brussels

EP/COUNCIL MEETINGS

European Parliament

Transport and Tourism Committee
11/12 July, Brussels
1 September, Brussels

Council of the European Union

14 October 2016 - Transport, Telecommunications and Energy Council

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
european association for forwarding, transport, logistics and customs services