CLECAT european voice of freight logistics and customs services •

Newsletter Issue 38 / 23 October 2015

NEWS FROM BRUSSELS

SUCCESSFUL SUPPLY CHAIN SOLUTIONS: FROM CO-MODAL TO SYNCHRO-MODAL TRANSPORT

European Logistics Platform

At the ninth event of the European Logistics Platform (ELP), 40 EU policymakers and industry stakeholders came together to review and discuss positive experiences with synchro-modal and intermodal services in logistics supply chains.

The event was hosted by Wim van de Camp MEP, member of the TRAN committee and rapporteur of the INI report on the White Paper on Transport, who underlined the significance of a balanced approach of co-modal and multi-modal transport solutions in the supply chain: "If policy makers want to contribute to a more competitive and resource-efficient transport system, it is crucial that each mode of transport must be optimised and become more efficient and sustainable; at the same time we must create the right framework and support concepts like synchro-modality which lead to improved co-operation among the different modes of transport."

The event discussed different stakeholder perspectives with regard to the challenges and opportunities of synchro-modality. Rob Bagchus, Chief Public Affairs & Public Relations Officer Europe Container Terminals (ECT), highlighted the importance of hinterland transport by using an integrated network of inland terminals with high frequent rail and barge connections which leads to lower costs at a higher quality level for the customer. From the shipper's perspective, Marc Verelst, in charge of supply chain Research & innovation at Procter & Gamble, presented a *New Intermodal Network Approach (NINA)* and emphasized that an open network and a multidimensional collaboration amongst all stakeholders are necessary to make synchro-modal transport operations a success. Sandro Santamato, Head of Unit Maritime Transport and Logistics in DG MOVE, referred to specific challenges for logistics in Europe like administrative burden, poor infrastructure, unexploited ICT potential, unequal performance of transport modes but presented also different initiatives of the Commission to tackle these challenges, such as the Digital Transport and Logistics Forum.

In conclusion, Nicolette van der Jagt, vice-chair of the European Logistics Platform and moderator of the event said: 'Europe needs to facilitate more pilot projects on a national and European level to embrace the full potential of intelligent transport systems (ITS) to secure co-modal and synchro-modal traffic management.'

BOOSTING INVESTMENTS IN TRANSPORT

CLECAT participated yesterday at a High Level Conference on Boosting Investments in Transport organised by DG MOVE. The Conference gathered stakeholders from the financing sector, institutional long term investors, project promoters, consultancies engaged in transport economics, high level representatives involved in planning and financing of the European and national transport infrastructure and the European Investment Bank. Discussions focused on how to enhance the financing of transport infrastructure projects and help deliver Europe's transport networks, which are key drivers of the long-term growth and competitiveness.

In July this year, the Commission unveiled a record €13.1 billion investment plan in 276 transport projects, selected under the Connecting Europe Facility (CEF). This investment will unlock additional public and private co-financing for a combined amount of €28.8 billion. Along with the future European Fund for Strategic Investments (EFSI), the CEF will play a major role in bridging the investment gap in Europe, which is one of the Commission's top priorities. Beyond transport, it will benefit the European economy as a whole by creating more favourable conditions for growth and jobs. A large part of the the projects are waiting for private investments. The Conference reviewed how to improve the investment environment in the EU for transport projects. For example, there is a need to avoid focusing only on major projects, but to also consider opportunities and investment volumes related to smaller projects which can be bundled through dedicated investment platforms to attract investments.

The EU's financial contribution is made in the form of grants, the co-financing rate of which is between 20% and 85% of a given project, depending on its type. The next CEF call will be made before the end of year (€7.6 billion). The CLECAT secretariat can provide further details.

ROAD

SEMINAR ON CHARGING IN PREPARATION FOR THE ROAD PACKAGE

CLECAT participated in a seminar organised by DG MOVE organised to support the Commission in the preparations for the Road Package. Under the Road Charging Pillar the Commission will look at:

- the "Eurovignette" Directive which includes the principles for the charging of infrastructure (Directive 1999/62/EC as amended), and
- the EU framework on the development of interoperable electronic tolls (Directive 2004/52/EC and Decision 2009/750/EC).

The ‘Eurovignette’ Directive provides a comprehensive legal framework for road charging systems applied to heavy goods vehicles (HGV) above 3.5 tons. Its main aim is to ensure that national road charging schemes for HGV’s do not discriminate against foreign hauliers and to price lorries according to their environmental performance to foster increased resource efficiency. In 2013, DG MOVE prepared a revision of the ‘Eurovignette’ Directive which was not adopted for political reasons. Now it may become part of the road package. A public consultation will start at the beginning of next year, followed by an impact assessment. CLECAT secretariat is consulting members on the draft position paper on road charging.

The recently agreed CLECAT position paper on market access and social issues in road freight transport, the other pillar of the Road Package, has been send to the Commission. CLECAT highlights in the paper that the single market and the free movement of goods and services do not exclude the transport sector. CLECAT remains of the view that unfair competition should not be a deterrent to further market opening, but rather suggests the need for a gradual, managed process where liberalisation and harmonisation of the rules are carried out together.

CLECAT will continue to call for the creation of a Single European Transport Area with simple rules that improve the overall efficiency and quality of road freight services, without adding to the burden of bureaucracy associated with regulating an industry, and that can be delivered without increasing the costs of road freight services.

ECR CONFERENCE: THE ROLE OF ROAD TRANSPORT IN THE ECONOMIC DEVELOPMENT OF THE EU

CLECAT has been invited to speak at a conference organised by MEP Kosma Złotowski MEP (ECR) on 'the role of road transport in the economic development of the European Union' on the 8th December at the European Parliament in Brussels. The agenda includes panel debates on the following issues:

- Road Transport versus Boosting the Economic Growth and Employment in the Member States
- Freedom to Provide Services versus Road Transport. Are we to face the threat of withdrawing from the European integration?
- Road Package 2016 - Expectations of Road Transport Versus Legal, Economic and Political Reality

EC REFERS THE CZECH REPUBLIC, LUXEMBOURG AND PORTUGAL TO THE EU COURT OF JUSTICE

The European Commission has decided to refer the Czech Republic, Luxembourg and Portugal to the Court of Justice of the European Union for not having established national electronic registers of road transport undertakings and/or for not having connected them with the national electronic registers of the other EU Member States, as required by Regulation No 1071/2009.

The national registers should have been established and connected with each other on 31 December 2012 at the latest. Since the Czech Republic, Luxembourg and Portugal have not yet complied with these obligations, which results in an inefficient functioning of the interconnection of the registers at the Union level, the EC has decided to refer them to the Court of Justice.

Transparency is a cornerstone for achieving an internal market in road transport. In this respect, Regulation (EC) No 1071/2009 obliges Member States, in its Article 16(1), to create a national electronic register of road transport undertakings which have been authorised by a national competent authority. Article 16(5) requires those national registers to be interconnected with each other. The interconnection of national registers is necessary in order to facilitate the flow of information between Member States on possible infringements committed by companies carrying out haulage or passenger transport at international level (such as exceeding allowed driving times or tachograph fraud). This contributes to making the Union roads safer.

Source: European Commission Press Release, 22/10/2015

RAIL

TRILOGUE MEETING ON 4TH RAILWAY PACKAGE

In anticipation of next week's Trilogue meeting on the 4th Railway Package on governance CLECAT is preparing a joint statement with some other associations in support of a strong role for the Coordination Committees. The paper will call for full financial transparency of Railway undertakings and a call for functions linked to the development, maintenance and operations of the rail infrastructure to be firmly under the responsibility of an independent infrastructure manager, whose interest it is to promote efficient and growth-orientated rail services.

MARITIME

COMMISSIONNER VESTAGER COMMENTS ON COMPETITION IN LINER SHIPPING

Earlier this month, Competition Commissioner Vestager gave a key note speech to the EMLO Annual Conference in Copenhagen. Commissioner Vestager made some interesting comments on consolidation and consortia in the shipping industry. Part of her speech is available below:

'The shipping industry has been facing a challenge of overcapacity for some time now. When an industry is in trouble, I often see calls for a more lenient application of competition rules. However, shielding carriers and other players from competition would only make matters worse. In fact, I am convinced that the clear and consistent competition policies developed in the EU over the last ten years can improve conditions in these markets over time… The first observation in this respect is that the shipping sector has moved towards increasing concentration. Traditionally, liner shipping has been an industry with a large number of players. Recently, we have observed that competitors have been cooperating with each other and the trend is on the rise. In the last two years, four major alliances have emerged or expanded globally. Today, 16 of the world's top 20 carriers are aligned and cooperating in one of them. About half of capacity to and from the EU in 2012 was provided by carriers in consortia. This is a sizable proportion, but the liner shipping is still less concentrated than many other sectors. Forms of cooperation range from fully-integrated agreements to simpler exchanges of space on each other's ships…'So far, we have not identified competition concerns specifically linked to the creation or expansion of alliances. But we can of course intervene at any time using our antitrust tools if we receive justified complaints from market participants.'

Back in 2013, the Commission opened a **formal antitrust case** against 14 liner shipping companies. Our goal was to make sure that they had not engaged in illegal concerted practices. At issue is the fact that after conferences were banned in the EU, carriers regularly announce to the public their intention to raise prices as of a certain date in the future. These announcements are usually published close to each other in time and are similar across carriers with respect to the amount and date of the price rise. We have concern that this practice may allow the carriers to signal price intentions to each other in violation of competition rules. As this case is ongoing, I am not going to comment on it in substance. However, I will go as far as to state that I think the industry should seize the opportunity to develop pricing tools that are both modern, conducive to competition and friendly to the customers' …..

'We maintain a global overview of the sector and have forged ties with our sister competition agencies outside of the EU. From a competition policy perspective, this is important work and I believe the industry at large supports this as well. In June 2015, we hosted a **maritime summit** with American and Chinese regulatory authorities. The summit focused on the global trend towards increased liner shipping cooperation. This was our second meeting on the topic. I have already referred to the measures we have taken in the EU to rationalise and adapt competition policy to the trend of worldwide consolidation in the liner shipping sector. But in some other jurisdictions today, conferences are not prohibited. The Commission makes an effort to share its experience and **advocate for the prohibition of maritime conferences where they are still allowed**.'

The full speech is available HERE

Container shipping faces three more years of overcapacity and financial pain

Slowing global trade and a bloated orderbook of large vessel capacity mean that container shipping is set for another three years of overcapacity and financial pain, according to the latest Container Forecaster report published by global shipping consultancy Drewry.

The recent slowdown in world trade has forced Drewry to halve its forecast for container shipping growth for this year to just 2.2% and revise down estimates for future years. Meanwhile, an additional 1.6 million teu of new capacity is being added to the fleet this year, equating to a growth rate of 7.7%. As a result, Drewry's Global Supply/Demand Index, a measure of the relative balance of vessel capacity and cargo demand in the market where 100 equals equilibrium, has fallen to a reading of 91 in 2015, its lowest level since the recession ravaged year of 2009.

Consequently, spot freight rates across most key trades have fallen to historical lows, particularly on the Asia to Europe, Asia to East Coast of South America and Asia to Middle East trades. Carrier reliance on the monthly GRI mechanism and void sailings to adjust capacity has not worked.

"Were it not for the recent fall in bunker prices, shipping lines would be losing money," said Neil Dekker, Drewry's director of container shipping research. "They cannot continue to rely on this unexpected gift to maintain profitability."

Some carriers have started to take more radical action by removing significant capacity from certain trades. Two alliances have each removed a single loop in the Asia to North Europe trade and the G6 alliance has taken out two strings this winter in the transpacific trade, although this is part of their usual winter re-deployment. On the smaller trades, Maersk has removed its smallest service on the Europe-South Asia route. After a horrific year, five carriers decided to suspend their weekly service of Panamax ships operating between Asia and East Coast South America, which will remove around 6% of operational capacity.

However, with a further 1.3 million teu due to join the global fleet in 2016, many routes that are currently experiencing problems will be further hindered by new deliveries and the continued global cascade. Drewry forecasts that its Global Supply/Demand Index will fall to its lowest level on record over the next few years, indicating that the overhang of excess capacity will be even greater than that experienced in 2009.

"The container shipping industry is in the midst of an over-capacity crisis which will worsen next year," warned Dekker. "How carriers and tramp owners address the overcapacity situation will influence the duration of the crisis. Shipping lines will need to idle a much larger portion of the fleet than they have hitherto been prepared to do. Otherwise, short of an unexpected recovery in traffic volumes, container shipping is set for several years of overcapacity and mounting financial losses.

Source: BIFA Newsletter, 21/10/2015

AIR

Air Freight Volumes Indicate Slowing Growth in the Second Quarter 2015

The latest update of global freight data collected by the International Transport Forum at the OECD through June 2015 shows that:

- International trade related air freight volumes in tonnes of goods moved, considered as a lead indicator, fell during the second quarter in the United States while remaining below pre-crisis peak in the EU area.
- Exports to BRICS and Asia remain locomotives of growth.
- Surface freight volumes, measured in tonne-kilometres of goods transported, show signs of a slowing down in China and Russia.

The overall picture for global freight suggests a slowing growth momentum. Air freight, considered a lead indicator for overall economic performance, fell in the second quarter of 2015 in the United States after growing above the pre-crisis level between 2014 and 2015 for the first time since 2012. In the EU-28, air freight volumes remain below the pre-crisis peak, according to preliminary seasonally adjusted data.

The full October Statistics Brief is available HERE

Source: ITF Statistics, 20/10/2015

CUSTOMS

EUROPEAN COMMISSION EXPECTS THE UCC IA/DA TO BE ADOPTED SOON

CLECAT has been informed by DG TAXUD that no objection had been raised by the European Parliament and the Council regarding the UCC Delegated Act. Neither the EP nor the Council have asked for an additional two months for review. Both the EP and Council had the possibility to reject the proposed Delegated Act until the 21st of October 2015.

The Commission is now expecting the adoption of the Implementing Act by Member States in the coming weeks. A final draft has been circulated amongst national administrations for consideration and will be discussed in the Customs Code Committee on the 29th and 30th of October. According to the Commission, some minor changes may be included but nothing of substance.

The Commission foresees the formal adoption of the Implementing Act by the Customs Code Committee on the 6th of November. The IA/DA will then be translated and is expected to be ready for publication before the end of 2015.

GUIDANCE GIVEN BY THE VAT COMMITTEE ON "DISTANCE SELLING"

The VAT Committee has published an updated version of its Guidelines which includes its clarifications on "Distance selling" (art. 32, 33, 34 of the VAT Directive). The VAT Committee gives its opinion on the cases where the goods are considered as having been "dispatched or transported by or on behalf of the supplier". It also gives examples on cases where the supplier is considered as having intervened indirectly in the dispatch or transport of goods.

As a reminder, the VAT Committee was set up under the VAT Directive to promote the uniform application of the provisions of the VAT Directive. Because it is an Advisory Committee only and has not been attributed any legislative powers, the VAT Committee cannot take legally binding decisions. It can however provide guidance on the application of the Directive.

The updated Guidelines are available HERE. The clarification on "Distance selling" can be found p. 200 (last page of the document).

GENERAL

FREIGHT FORWARDERS FORUM 2015: 'MOVING THE MARITIME SUPPLY CHAIN FORWARD'

Only a few seats are left for CLECAT's Freight Forwarder Forum '**MOVING THE MARITIME SUPPLY CHAIN FORWARD**' taking place on November 19 in Antwerp. The event will gather key policy and business leaders for a lively discussion on mega-trends in the maritime supply chains with 3 sessions debating:

- Big Ships = big challenges for the supply chain
- Creating a smooth Maritime Supply Chain through Innovation
- Container Weight Verification Rules: from legislation to implementation

When: Thursday, November 19, 2015 - Registration/lunch 12.30 event 13.30 -18.30
Where: Port of Antwerp, Havenhuis, Entrepotkaai 1, 2000 Antwerpen
Programme: click here

CLECAT/CORE WORKSHOP 'IMPORTING INTO THE EU UNDER THE NEW UCC'

In conjunction with the Freight Forwarders' Forum, CLECAT and CORE will organise a workshop on '**importing into the EU under the new Union Customs Code**.' The event will gather key policy and business leaders for a lively discussion on the new legal framework of the UCC and IT needs to ensure enhanced data quality and improved risk assessment. CORE will address possible solutions for standardisation and automation in data analysis.

When: Thursday, November 19, 2015 - Registration/coffee 10.00 event 10.30-12.30
Where: Port of Antwerp, Havenhuis, Entrepotkaai 1, 2000 Antwerpen
Participation in the Workshop is free of charge.
Programme: click here
RSVP: by email to poppa@clecat.org (name, company, address)

INTERPARLIAMENTARY MEETING ON "TEN-T INCLUDING CROSS BORDER LINKS"

An Interparliamentary meeting with national Parliaments on "Ten-T including cross border links" was organized in the last TRAN Meeting of the European Parliament. The debate gathered 37 national parliamentarians from 14 EU Member States, as well as from Turkey and Norway.

Commissioner Bulc outlined that TEN-T is a key mechanism for the European markets in connecting Europe via nine multimodal core network corridors by 2030. The Connecting Europe Facility (CEF) and the European Fund for Strategic Investments (EFSI) serve as the main EU financial instruments to achieve this. Ms Bulc called on national parliaments to play a key role in shaping their national policies. She noted the lack of high quality projects and implementation issues at the local level.

The first part of the discussions focused on the implementation of TEN-T projects. Mathieu Grosch, European Coordinator for Orient-East Med Core Network Corridor, explained that coordinators sought to support the implementation of the corridor core network and in particular of the work plan. He concluded that TEN-T policy was about connecting regions not just investing euros.

Karel Vinck, European Coordinator for the European Rail Traffic Management System (ERTMS), highlighted conditions that have to be implemented on all network corridors to achieve rail interoperability. He recalled the importance of "quick wins"; several measures must be implemented without delay to show tangible results to stakeholders and provide more certainty and credibility for those investing in railways.

The debate focused on: further implementation of ERTMS; cross-border sections and incentives for Member States; the need to discuss open data in the transport sector; environmental concerns and the possibility of public participation in the TEN-T process; the importance of the Rail Baltic Project; the need for fair competition for all transport modes; the importance of a balanced regional development without excluding peripheral regions; and a better coordination between national trans- port plans and TEN-T.

The second part of the meeting addressed challenges in view of scarce financial resources. It considered how TEN-T projects could benefit from innovative funding sources.The executive director of the Innovation and Networks Executive Agency, Dirk Beckers, briefed Members on the Agency's activities. INEA manages €22.5 billion of grants of which €11.2 billion goes to transport projects. In the 2014 call for investment, requested funding was three times more than the available budget. Total costs of selected projects amount to €13 billion. Calls for proposals in 2015 will be launched shortly with a total of €7.6 billion from the CEF programme.

Vice-President of the European Investment Bank, Pim van Ballekom, underlined sound transport infrastructure's importance for Europe's economy and for job creation. He described the current financial climate, warning of limited risk-taking capacity. Investment needed to be financially and environmentally sound and to bring added value. He insisted that no quotas were foreseen for countries, projects or sectors. Parliamentarians discussed: the key role of public-private partnerships; the need for better coordination among the Member States and at various levels; and investment options that could be available for the peripheral areas that are not covered by the TEN-T corridors.

Source: TRAN Newsletter, 13/10/2015

TEN-T COORDINATORS PRESENT TO THE TRAN COMMITTEE

On the 13th October, coordinators of the North Sea-Mediterranean and Rhine-Alpine corridors gave presentations of their corridors' work plan to the TRAN Committee of the European Parliament.

European coordinator Mr. Péter Balázs stressed that the North-Sea Mediterranean Corridor represents a crucial transport axis, stretching from Ireland and the United Kingdom through the Netherlands, Belgium and Luxembourg to the South of France. It represents 40% of the EU inland waterway network. Until 2014, €1.6 billion had been allocated to the corridor. Mr. Balázs highlighted that critical issues include: cross-border inland waterway sections such as the Seine-Nord Europe Canal or the Ghent-Terneuzen lock system related to the Seine-Escaut(Scheldt)-Rhône canal project; rail bottlenecks in Paris, Lyon, Strasbourg, Luxembourg and Brussels; interconnectivity in the North and the West of the corridor, where accessibility from the island regions is critical, and where there is a need to develop Motorways of the Sea; and the development of connections between ports and their hinterlands so as to increase capacity. Mr. Balázs also stated that the development of multimodal platforms has a high priority to promote modal shift. The debate with Members revealed that: works on the Seine-Escaut projects were gradually scheduled for the 2017-2023 period; there was a clear need for joint meetings with other corridors, such as the North Sea Baltic one, as well as joint analyses; addressing the last mile problem between the ports and the rail tracks were difficult as lord was often owned by several different entities; and links between Ireland, the UK and Continental Europe require further strengthening.

The Rhine-Alpine Corridor coordinator Mr. Pawel Wojciechowski highlighted that this corridor is one of the busiest freight routes in Europe, connecting the North Sea ports of Rotterdam and Antwerp to the Mediterranean basin in Genoa. Mr. Wojciechowski informed Members about the last two years' work whose main outputs include: a study with detailed analysis and a section on multi-modal transport; maps illustrating the infrastructure's compliance with TEN-T standards; a list of projects planned to be implemented by 2030; a work plan unanimously approved by Member States in May 2015. He stressed that the work plan's priorities include the implementation of large rail cross-border projects, the improvement of compliance with the TEN-T requirements and investment in rail traffic management. The estimated total investment is around €60 billion. Discussion with Members showed that: maintenance along the corridors was currently financed by Member States and this might need to be reconsidered; the short and long term project lists should be consistent; cooperation between Member States on cross-border issues had to be strengthened.

Source: TRAN Newsletter, 13/10/2015

FERRMED ANNUAL CONFERENCE IN BRUSSELS

FERRMED is organizing a conference on "The impact of intercontinental trade on EU competitiveness and Core Network Corridors (2015 – 2030)" on November 12 in Brussels.

The Conference will address important and specific trade flow trends that cause significant impacts on the balance of trade and GDP growth in the EU, infrastructure, carriages and transport modalities, logistical costs and procedures, manufacturing activities, passenger and freight flows in the Trans-European Core Transport Networks. Key experts from all over the world will examine these matters and identify challenges and opportunities for the European economy and transport networks.

More information is available here

ALICE WORKING GROUP ON SUSTAINABLE, SAFE AND SECURE SUPPLY CHAINS

CLECAT will host and participate to the ALICE working group on sustainable, safe and secure supply chains on the 30th October in Brussels.

A link to the you-tube video on the road-map developed by ALICE is available HERE. It presents the vision, scope and main challenges of research and innovation identified by ALICE Working Group 1 in the field of Sustainable, Safe and Secure Supply Chains. It is based on ALICE roadmap towards physical internet. It also includes some examples of projects contributing to the roadmap implementation.

FORTHCOMING EVENTS

CLECAT MEETINGS:

Maritime Logistics Institute

- 18 November 2015, Antwerp (morning)

Rail Institute

- 18 November 2015, Antwerp (afternoon)

CLECAT Freight Forwarders Forum

- 19 November 2015, Antwerp

Board & General Assembly

- 20 November 2015, Antwerp

OTHER EVENTS with CLECAT PARTICIPATION

GLEC Consultation meeting

- 28 October 2015, Brussels

Digital Transport and Logistics Forum – 2nd Plenary Meeting

- 29 October 2015, Brussels

ALICE working group Sustainable Safe and Secure Supply Chains

- 30 October 2015, Brussels

EC Conference on the 2011 White Paper: achievements and challenges

- 12 November 2015, Brussels

FERRMED Conference

- 12 November 2015, Brussels

FEPORT Conference

- 3 December 2015, Brussels

ACEA Conference

- 3 December 2015, Brussels

EU Commission Rail Freight Day 2015 Conference

- 4 December, Vienna

ECR Conference, 'The Role of Road Transport in the Economic Development of the EU'

- 8 December, Brussels

EU meetings

European Parliament

Transport Committee

- 9 November 2015, (afternoon), Brussels
  - Recommendations to the European Commission on the negotiations for the Trade in Services Agreement (TiSA) - consideration of draft opinion;
  - Presentation by the Commission, DG MOVE, of next CEF work programme;
  - Presentation by the Director General of DG MOVE, Mr Hololei.
- 10 November 2015, (morning and afternoon), Brussels
  - Market access to port services and financial transparency of ports: **vote in committee**; **vote in plenary**: December 15;
  - Presentation by the Director of EMSA.
  - Hearing on Transport & Climate. Contribution of the transport system to the objectives of the EU 2030 framework on climate change and energy.
- 3 December 2015, (morning and afternoon), Brussels
- 21 December 2015, (afternoon), Brussels
- 22 December 2015, (morning and afternoon), Brussels

European Council

Transport Council

- 10-11/12 December