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

NEWSLETTER

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News from Brussels

PUBLIC CONSULTATION ON CEF

The European Commission launched earlier in the week a public consultation for a mid-term review of the Connecting Europe Facility (CEF). The CEF is a European program aimed at supporting the development of high-performing, sustainable and efficiently interconnected trans-European networks in the field of transport, telecommunications and energy over the period 2014-2020. The aim of the evaluation is to report on the progress the project has made so far, focusing mainly on whether necessary conditions are in place to allow the program to meet its objectives.

Along with other transport associations, CLECAT has called for increased EU budget for transport within the next Multiannual Financial Framework, as the funding already devoted to transport within the CEF has been largely exhausted and massively oversubscribed. CLECAT will assess the consultation and potential responses. The Consultation is open until 27 February.

The CEF budget for transport is €24.05 billion for the period 2014-2020. CEF funding within transport focusses mainly on integrating and removing bottle necks from the TEN-T core network. CEF Transport also supports innovation in the transport system in order to improve the use of infrastructure, reduce the environmental impact of transport, enhance energy efficiency and increase safety.

The 2016 CEF Transport Calls for Proposals, opened on 13 October 2016, make €1.9 billion of funding available for projects of common interest in the transport sector. These calls are open until 7 February.

More information on the CEF public consultation is available [here](#).
Find out more about 2016 CEF calls [here](#).

Road

DG MOVE PORTAL ON EU ROAD STRATEGY

The European Commission launched a new web-based portal that informs about the upcoming Road Transport Initiatives. It provides a single access point to all news and documents related to the initiatives. Users will be able to view ongoing initiatives and track the progress of each initiative as it progresses through the legislative process.

The Road Transport Strategy is divided in the following themes:
- *A well-functioning internal market*
  The site gives a Summary of the result of the consultation - Review of Regulation (EC) No 1071/2009 on access to the occupation of road transport operator and Regulation (EC) No 1072/2009 on access to the international road haulage market
- *Fair competition and workers' rights* - Inception Impact assessment available here
- *Digital Technologies*
- *Decarbonisation*

On 'Decarbonisation' the Commission refers to the new Road Charging initiative (revised Eurovignette) and published the inception impact assessment. Interestingly, on the economic impact economic impact the note says that the 'initiative may increase transport costs due to an expected expected wider application of distance-based road tolls better reflecting the real costs of use. Due to use. Due to already very small profit margins in the field, freight forwarders will have to pass on the on the costs to their customers. Nevertheless, this will not represent a significant increase in the the price of products and services, but transport operators will face more competition. At the same the same time these costs will be compensated to some extent by indirect benefits, such as time and time and fuel savings or possible savings from reduced transport-related taxes.'

FRANCE DEMANDS EU REGULATOR TO 'CLEAN UP' ROAD FREIGHT

French Transport minister Alain Vidalies has called for the creation of a European agency to regulate road haulage along the lines of those that already exist in the air and maritime sectors. Evoking unfair competition through doctored tachographs to mask driving hours that exceed the legal limits, he said the agency would serve to clean up the sector and rid it of firms who exploit 'posted' workers in the EU.

During a recent visit to the European Parliament last week where he met with European Transport commissioner Violeta Bulc, he said: "It's an absolute necessity that a regulatory agency be set up and that each member state does what is required to ensure unfair competition no longer exists in the transport sector. "This is not the case today. We are up against fraudulent activity that is very well organised."

Mr Vidalies said tachograph fraud was preventing the normal functioning of the road haulage market. "There needs to be a European response to this problem; otherwise it will be left to each country to find its own solution, and this could well fuel anti-European sentiment."

France, along with Germany, is lobbying to include road transport in a proposed revision of a European directive on 'posted' workers as a way of bringing to an end to the practice of firms based in 'low-cost' EU states employing staff in other states on the cheap - by not respecting local legislation relating to employer contributions and minimum wage legislation. However, revising the directive has triggered strong opposition from 11 member states, the majority in Eastern Europe, notably Poland. They argue that changes would reduce the competitiveness of their firms.

Source: Lloyd's Loading List, 28 November

GREECE SHOWS STRONG INTEREST IN E-CMR

IRU reported that the Greek Ministry of Transport is started active work towards accession to the e-CMR consignment note protocol and reviewed potential for its inclusion in their binding five-year Logistics Strategy Plan. Greece expressed interest in taking part in a pilot project, possibly to include other Balkan countries. Greece's support adds to the momentum for e-CMR, already building with accession to the protocol by France in October and most recently Estonia in November of this year. The launch of UNECE standardisation is another milestone, and the first pilot transports will take place early next year.

CONNECTED AND COOPERATIVE VEHICLES ON ROADS BY 2019

In a new strategy for connected and automated vehicles published on Wednesday, the EU Commission wants to ensure the EU creates the necessary conditions and infrastructure to accommodate future developments. Commissioner for Transport Violeta Bulc said "My ambition is to see connected and cooperative vehicles on European roads by 2019 and the Strategy we adopted today is a decisive step in that direction."

The strategy document, "A European strategy on Cooperative Intelligent Transport Systems", a milestone towards cooperative, connected and automated mobility", provides a road map for the introduction of automated vehicles to the EU and aims to prevent the fragmentation of the internal market. The Strategy foresees the adoption of the appropriate legal framework at EU level by 2018 to ensure legal certainty for public and private investors.

Find out more about the C-ITS strategy here, and download the full strategy text here.

Rail

WORKSHOP TO EVALUATE RAIL FREIGHT CORRIDOR REGULATION

CLECAT has been invited to attend a workshop organized by the European Commission in the framework of the evaluation of the EU regulation concerning a European rail network for competitive freight (regulation 913/2010) (RFC Regulation). The regulation entered into force in November 2010 and lays down the rules for the establishment, organization and management of international Rail Freight Corridors (RFCs), on the main international rail freight routes in the EU.

The Commission is currently in the process of evaluating the directive. A public consultation took place earlier this year, and in light of the evaluation of this consultation, the Commission invites stakeholders to an open discussion. At the workshop the main results of the consultation will be presented, and participants are invited to discuss options for a revision of the directive.

Consult the RFC Directive here.
Find out more about the public consultation here.
Learn more about the EUs Rail Freight Corridors here.

WHAT WILL THE FUTURE FOR THE RAIL INDUSTRY LOOK LIKE?

At the Innotrans 2016 participants were asked about their ideas and visions for the future of the sector. Ideas range from improved sustainability to new ways of thinking and business models. One idea was the introduction of mixed rolling stock to the rail industry, where trains combine passenger and freight transport. Although rail traffic already has an edge on other modes of transport in terms of sustainability, further improvements are expected, which include technological advancements, eco-driving techniques and alternative fuel considerations (where electrification has not yet been applied).

The slow implementation of the ERTMS across all EU member states is cause for a lot of frustration in the sector, and often lacking political will in member states in perceived as a major obstacle. Regulatory complexity and high administrative burdens are a common fear in the industry, and hopes are to develop a 'one-stop-shop' system for the authorization of railway systems. Other issues include the use of digital data systems and ensuring sufficient data protection is in place, introduction of preventative maintenance to improve the availability of rolling stock, and a bottom-up approach of safety management systems.

View the 'Big Picture' of the future of the rail industry here.

Air

ICAO SEMINAR ON INNOVATION IN AVIATION SECURITY TECHNOLOGY

CLECAT attended on 30 November-2 December an ICAO seminar on air cargo security technology in Bonn. Discussions focused on the current state of air cargo security technology, the regulatory and standards framework and future technology and regulatory needs.

Technology needs identified included specific cargo screening technology, with algorithms and physical capabilities suited to cargo rather than passenger baggage, in order to deal with the attributes of cargo shipments and modern supply chains. Furthermore, development of global standards, testing methodologies and mutual recognition of certified technology was identified as a key need of industry.

Possible solutions discussed included CT scanning, mass spectrometry, whole-aircraft x-rays and explosive vapour detection. These would overcome deficiencies in current explosive trace detection and x-ray technology such as the need to open packaging.

Andreas Wilhelm, Global Security Manager of Kühne + Nagel, articulated these points in a presentation, noting the restrictions sometimes imposed by shippers on opening packages, and the need for a shipper letter of indemnification to do so, which impedes the efficiency of the supply chain.

Based on the discussions, ICAO is developing a roadmap for further action. CLECAT is continuing to discuss these issues with the EU institutions, including in the context of the present proposed regulation on EU certification of screening equipment.

Maritime

NEW ALLIANCE SCHEDULES WON'T EASE OVERCAPACITY CONCERNS

The Asia-Mediterranean trade is still 'over-tonnaged', with headhaul ship utilisation below other major east–west markets, according to Drewry. And it believes the new alliance schedules for next April 'do nothing to address this issue.' Drewry Maritime Research data reveals that Asia–Mediterranean headhaul slot supply had grown 12%, year on year, by August, against container traffic expansion of about 3%. However, the collapse of Hanjin Shipping, resulting in the immediate suspension of the CKYHE alliance's MD3/HPM pendulum service, on which only Hanjin ships were deployed, had the effect of correcting the imbalance.

Nevertheless, Drewry notes that despite Hanjin's sudden withdrawal, it was still not enough to raise utilisation levels above 80% in the third quarter, thus exerting pressure on spot market freight rates on the route. For example, westbound supply in September was 515,000 teu of capacity against demand of 405,000 teu, resulting in an average load factor per vessel of 79%.

The maritime consultant is concerned that the recently published pro-forma networks from the Ocean Alliance and THE Alliance do not address the inherent overcapacity issue, and threaten to throw the supply – demand balance of the tradelane out of kilter. The Ocean Alliance has announced five Asia–Med end-to-end services, with two of its loops making wayport calls at Piraeus and Tangier. Meanwhile, rival THE Alliance will offer three end-to-end weekly sailings, with one of its North Europe loops also making a call at an unspecified West Med hub port.

Source: The Load Star, 28 November

MAERSK LINE TO ACQUIRE HAMBURG SÜD

Maersk Line has reached an agreement with the Oetker Group for the world's largest container line to acquire Hamburg Süd, the world's seventh largest container line and a leader in the North-South trades, subject to final agreement and regulatory approvals. The announcement comes after a week of Hamburg Süd selling rumors.

The deal reflects Maersk Line's new strategy, announced on 22 September, to grow market share organically and through acquisitions, rather than through the purchase of new vessels. It also reflects a recognition by the owners and management of Hamburg Süd that "active participation in the consolidation process of the sector currently taking place would entail an even higher capital requirement" that "would make the balancing of risk within the Oetker Group business portfolio more cumbersome", Hamburg Süd's owners said.

The acquisition is subject to regulatory approval in key markets including China, Korea, Australia, Brazil, the United States and the EU. Maersk Line expects the regulatory process to last until the end of 2017. Until then, Hamburg Süd and Maersk Line will continue business as usual.

With the acquisition, Maersk Line will have container capacity of around 3.8 million TEU compared with 3.1 million TEU currently, and an 18.6% global capacity share, up from 15.7% now. The combined fleet will consist of 741 container vessels with an average age of 8.7 years, compared with 9.2 years currently.

Source: Loyd's Loading List, 1 December

DOCKWORKERS PROTESTING OVER CARGO LASHING

Dockworkers are planning a "noisy and active" protest outside the Aarhus headquarters of Europe's largest feeder operator Unifeeder on Friday, part of a continent-wide campaign to halt the practice of ships' crews lashing (securing a container loaded aboard a vessel) and unlashing containers in port. The International Transport Workers' Federation (ITF), which is organizing the protest by "hundreds of dockworkers", believes "cargo lashing is our work".

Unifeeder argues that the carrier is not the employer but simply charters the vessels that include provision for ships' crews to perform lashing and securing services for the duration of the hire period. It is common practice for feeder vessel charter parties to include this clause – applicable within the constraints of the port. It is believed the practice assists the quick discharge and load of the ship, at whatever time of day or night the vessel arrives or the berth becomes available.

Source: The Load Star, 1 December

Customs

EC UNVEILS MEASURES ON VAT FOR E-COMMERCE

On 1 December 2016, The European Commission has unveiled a series of measures to improve the Value Added Tax (VAT) environment for e-commerce businesses in the EU. These measures comprise in particular:

- a proposal for a Council Directive amending Directive 2006/112/EC and Directive 2009/132/EC as regards certain value added tax obligations for supplies of services and distance sales of goods;
- a proposal for a Council Implementing Regulation amending Implementing Regulation (EU) No 282/2011 laying down implementing measures for Directive 2006/112/EC on the common system of value added tax;
- a proposal for a Council Regulation amending Regulation (EU) No 904/2010 on administrative cooperation and combating fraud in the field of value added tax;
- a proposal for a Council Directive amending Directive 2006/112/EC, as regards rates of value added tax applied to books, newspapers and periodicals.

The Commission estimates that these new measures would recoup the current estimated €5 billion of lost VAT on online sales every year and would reduce VAT compliance expenses for European business, allowing them savings up to €2.3 billion a year. The main features of the proposals are the following:

- **New VAT rules for sales of goods and services online**: Currently, online traders have to register for VAT in all the Member States to which they sell goods. The proposal is that businesses make one quarterly return for the VAT due across the whole of the EU, **using the online VAT One Stop Shop**;
- **Introduction of thresholds to simplify VAT rules for small businesses**: A new yearly threshold of **€10,000** in online sales will be introduced under which businesses selling cross-border can continue to apply the VAT rules they are used to in their home country. A second new yearly threshold of **€100,000** will make life easier for SMEs when it comes to VAT, with simplified rules for identifying where their customers are based. The **thresholds could be applied as early as 2018 on e-services, and by 2021 for online goods**. Other simplifications would allow the smallest businesses to benefit from the same familiar VAT rules of their home country, such as invoicing requirements and record keeping. The first point of contact will always be with the tax administration where the business is located and businesses will no longer be audited by each Member State where they have sales.
- **Action against VAT fraud from outside the EU**: Small consignments imported into the EU that are worth less than €22 are currently exempt from VAT. The Commission has therefore decided to **remove this exemption** in order to ensure a level playing field for EU businesses.
- **Equal rules for taxing e-books, e-newspapers and their printed equivalents**: Once agreed by all Member States, the new set-up will allow – but not oblige – Member States to align the rates on e-publications to those on printed publications.

These legislative proposals will now be submitted to the European Parliament for consultation and to the Council for adoption. The entire legislative package is available here. The full press release of the Commission is available here.

WCO SECRETARY GENERAL AT THE EU AEO CONFERENCE

At the invitation of Mr. Frantisek Imrecze, President of the Financial Administration of the Slovak Republic in his country's capacity as holder of the Presidency of the Council of the European Union (EU), WCO Secretary General Kunio Mikuriya delivered a keynote speech at the EU High-Level Workshop on AEO, held in Senec, Slovakia on 29 November 2016.

Secretary General Mikuriya welcomed this first EU wide Workshop on AEO to deepen the understanding of Customs-Business Partnership, and chart its way forward, especially after implementation of the Union Customs Code (UCC) earlier this year and faced with the increased need to secure and facilitate global trade in collaboration with other border agencies.

Dr. Mikuriya also went on to take part in a live television interview on this topic together with Ms. Dana Meager, State Secretary of the Slovak Ministry of Finance, Mr. Stephen Quest, Director-General of DG TAXUD, and Mr. Imrecze, to explain to a wider Slovak audience the significance of the AEO Programme as well as the current challenges for Customs.

The full press release of the WCO is available here.

CLECAT Customs and Indirect Taxation Chair Mr Jean-François Auzéau participated at the High Level Workshop on AEO on the invitation of the European Commission, just as well as a number of other members of CLECAT.

General

NEW GERMAN FREIGHT FORWARDERS' STANDARD TERMS - 2017

New general German Freight Forwarders' Standard Terms and Conditions 2017 (Allgemeine Deutsche Spediteurbedingungen 2017 – ADSp 2017) have been published, to be used as of 1 January 2017. The German Association for Forwarding and Logistics (DSLV), together with seven other associations from transport, trade and industry, recommends these updated general German Freight Forwarders' Standard Terms and Conditions 2017 for use in 2017.

The ADSp 2017 are the result of long lasting negotiations aiming for a modernization of the former version of the ADSp adopted in 2003. The new ADSp 2017 have concluded a dispute between the unions of forwarders and cargo interests which resulted in the recommendation of two different sets of terms and conditions in 2016: On the one hand the ADSp 2016, and, on the other hand, the German Transport- and Storage-conditions (DTLB).

An English version of the ADSp 2017 is now available for all forwarding companies that wish to do their business on the basis of ADSp 2017. It is particularly advisable for companies doing business in Germany or with German companies to be aware of these terms and conditions.

The ADSp 2017 can be downloaded here in English.

MINISTERIAL CONFERENCE ON TEN-T BALCAN EXTENSION

CLECAT has been invited to the 12th SEETO (South East Europe Transport Observatory) annual Meeting of Ministers, taking place on the 6th December in Brussels. The meeting will discuss the Development of the Indicative Extension of TEN-T Comprehensive and Core Network to the Western Balkans. The SEETO Annual Meeting of Ministers is the highest transport policy forum in the region, which gathers Ministers in charge of Transport of the SEETO Regional Participants and of EU Member States, as well as the high-level representatives from the European Commission, International Financial Institutions, relevant regional and international organizations, and prominent experts in the field. The forum will be followed by two working lunches which are designed to promote an informed policy debate and encourage reflection around new partnership models.

EUROPE SCORES IN TRADE FACILITATION

The EU and North America are the highest performing regions on enabling trade, according to the 2016 Global Enabling Trade Report published by the World Economic Forum. The report assesses the extent to which economies have institutions, policies, infrastructures and services which facilitate the free flow of goods. The report also finds that Europe and North America are experiencing a slowdown in trade facilitation, whereas the ASEAN area has made great improvements in trade openness. Singapore has the highest Enabling Trade Index score in 2016. One central contributing factor is the well-functioning border clearance processes, which are the best in the world. European countries feature strongly in the top ten ranking, with the Netherlands coming in position 2. Trade openness and the good transport infrastructure and strong logistics sectors in EU countries are major contributors to the high scores.

Find out more here.
Read the full report here.

FORWARDERS FACE 'SIGNIFICANT CHANGE FROM E-BUSINESS'

Freight forwarders face "wide and varied threats and opportunities" from disruptive new e-business models and innovative online platforms, which are gaining market traction and changing the way companies buy and transact international shipping services. That is one of the many conclusions from a wide-ranging thought-leadership white paper from Drewry Supply Chain Advisors that examines whether freight forwarders are "at threat of being cast aside by the freight equivalent of Expedia or booking.com". The 'E-Business Disruptions In Global Freight Forwarding' report also attempts to identify the fundamental changes which are driving e-business in international shipping.

Drewry associate Philippe Salles says no single factor can be identified as being the principal driver behind the trend, but both the nature of the spot rate shipping business and e-commerce logistics have encouraged the development of online forwarding. The paper highlights a number of factors which are contributing to the trend. The paper also identifies some of the emerging e-business models: Online sales platforms; Cloud-based freight forwarders; Large 3PLs adapting to online business; Rate and Data service providers; and Transport Management System providers.

The report concludes: 'The spot business and basic port-to-port transport are the natural and easier entry points for e-forwarding. The challenge of instant online capabilities for more complex services may be temporary – watch this space.'

The Drewry Report can be downloaded here.

DHL SAYS 3D PRINTING WON'T SUBSTITUTE MASS PRODUCTION

The latest Trend Report (November 2016) from DHL focusses on 3D printing and the implications on the supply chain. The report takes a closer look at 3D printing and its rising number of applications. Although 3D printing is still expensive and not all products can be 3D printed, it offers great opportunities in terms of customer individualisation and less waste. DHL predicts that 3D printing will complement rather than substitute traditional manufacturing techniques. It is likely to substitute traditional manufacturing in industry segments that produce highly complex and customized goods. This is already happening in sectors such as aviation, automotive, and medical and healthcare applications.

In logistics, DHL finds that 3D printing will play a much more prominent role in the areas of spare parts logistics and individualized parts manufacturing. As manufacturers adapt their production processes and supply chains, this will open new opportunities and will also challenge logistics providers to find new customer-centric solutions. Some product ranges may be produced entirely on demand through 3D printing, and new regional and last-mile logistics solutions will be required.

Download the report here.

Forthcoming events

CLECAT MEETINGS

Customs and Indirect Taxation Institute
11 January, Brussels

Sustainable Logistic Institute
7 February, Brussels

Road Institute
7 February, Brussels

Supply Chain Security Institute
21 March, Brussels

Air Logistics Institute
21 March, Brussels

OTHER EVENTS WITH CLECAT PARTICIPATION

12th SEETO Annual Meeting of Ministers
6 December, Brussels

T&E Workshop on EU Investments and Climate Goals
7 December, Brussels

DG MOVE workshop on TEN-T
7 December, Brussels

FEPORT Second Annual Stakeholders' Conference
8 December, Brussels

European Commission Workshop on evaluating the RFC Regulation
16 December, Brussels

EP/COUNCIL MEETINGS

European Parliament
Transport and Tourism Committee
5 December, Brussels
25-26 January 2017, Brussels

European Parliament - Plenary Session
30 November – 1 December, Brussels
12-15 December, Strasbourg

Transport, Telecommunications and Energy Council

5 December, Brussels

12-15 February 2017, Brussels

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