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

NEWSLETTER

Issue 41
7 November 2016

Table of content

News from Brussels

FFF16 'AIR CARGO LOGISTICS: GROUND FOR CHANGE?'

Next week CLECAT's Annual Freight Forwarders Conference, this year with the focus on air cargo logistics and its challenges on quality, performance, security and innovation, is taking place. Registration is still possible so you are welcome to join.

This is a half day conference followed by a networking lunch.

The conference, which will be attended by leading company representatives, industry experts and policy makers aims to discuss a number of important developments in air cargo logistics and how these are being addressed by the industry and EU policy makers, now and in the future.

For more information and for registration have a look at the conference pages at http://www.clecat.org/news/events/freight-forwarders-forum-2016

ELP EVENT ON THE FUTURE OF LOGISTICS

Did you already register for the first ELP conference on the Future of Logistics? There are still some places free for Members of the European

Parliament, policy makers, ELP members and other stakeholders. The event, which will be interactive will be moderated by professional journalist, Jacki Davis.

Following a keynote introduction from Transport Commissioner Violeta Bulc and a deep dive into logistics trends by DHL innovation, by Markus Kückelhaus, Vice-President Innovation and Trend research, at DHL, a first panel will debate new ways of delivering sustainability in logistics.

Professor Eric Ballot from Mines Paris Tech, Europe's expert on the physical internet will be introducing the concept of the Physical Internet and what it will mean for logistics in the future. This may become the reality in 2050 but today, already, collaboration can produce significant gains in terms of both efficiency and sustainability.

Join the debate by registering HERE.

Road

ITALIAN NATIONAL MINIMUM WAGE REQUIREMENTS

CLECAT has learnt that the Italian government published a decree on 27 October that will bring into force reporting requirements for compliance with the Italian national minimum wage. The decree relates to the implementation of the national measures linked to the transposing of the Directive 2014/67/EC following the approval of the legislative decree in July.

The decree issued by the Ministry of Labour and Social Policies provides instructions and a declaration model for the mandatory communication related to the start of the posting of workers period. However, the new decree doesn't provide any indication related to the scope of international transport. It only confirms that cabotage is included.

The Italian government has issued a website but, again, this is currently only available in Italian:
http://www.lavoro.gov.it/strumenti-e-servizi/Distacco-transnazionale/Pagine/default.aspx

CALAIS HAULIERS MAY RECEIVE COMPENSATION

Calais-based road haulage firms will be able to seek compensation for the impact of migrant-related disruption on their activities through a €4 million French state fund.

But in an interview with Lloyd's Loading List, a local representative of France's leading road haulage federation FNTR, Sébastien Rivera, said that while the financial aid was good news, it fell well short of the industry's expectations. "We recognise this not a negligible sum, but it covers all types of businesses in Calais, such as bars, restaurants and hotels, not just haulage firms," he said. The FNTR has been calling provisions that specifically compensate hauliers, who suffered considerably from migrant attacks. They will continue to press for a better compensation deal.

Rivera said he understood that firms claiming compensation would have to provide evidence that their annual turnover had fallen by at least 30% spanning a period between 2014 to 2016. "Any firm impacted to this extent would not have stayed in business for long, and I don't know of any haulage firm that would meet such a condition," he added.

Rivera also criticised the geographical scope of the aid, pointing out that only firms in Calais and its immediate environs could submit claims. “No one is contesting that these firms were the hardest-hit by migrant action, but there are hauliers not too far from Calais, who have justifiable claims for compensation, who will be excluded.” He also warned that the dismantling of ‘The Jungle’ and the improved security in the vicinity of the port, could lead to migrants stepping up attempts to board trucks heading for the UK well before they reached Calais.

Source: Lloyd’s Loading List, 3 November

AUSTRIA: SECTORAL BAN ON DRIVING IN FORCE SINCE 1/11/16

On 1 November the sectoral ban of certain vehicles came into force on a section of the A12 motorway in Austria (between Kufstein and Innsbruck). The ban includes all vehicles over 7.5 tons (gross vehicle weight). These will not be permitted between Langkampfen (km 6,35) and Ampass (km 72,00), in both directions. The ban only includes certain cargo: Rocks, earth, excavations of any kind, log wood and cork; motor vehicles; iron, steel and iron ore; marble and tiles for further use.

The Tiroler Provincial Government negotiated with the European Commission in the last couple of days, and was able to avoid an injunction before the European Court of Justice. The current legislation was amended to the initial proposal to exclude: Euro 6 vehicles on an open ended basis, and Euro 5 vehicles only until 30. April 2017.

More information on the ban can be found here (in German).

ECO-COMBI MAKES PROGRESS IN EUROPE

The Wallonian government has finalized preparations for the ecocombi project, which will start in January 2017. In maximum 8 years the results will be evaluated and a permanent solution may be considered. The design of the project allows for international routes, provided the starting point or destination lies in Wallonia, and the transporter has permission from the international partner.

Meanwhile, in Germany the test phase of ecocombi’s will run out by the end of the year. The success of the trial period may lead to a more permanent legislation. Minister of Transport Dobrindt announced he will start working on a proposal to allow for ecocombi’s on a regular basis.

Air

AIR FREIGHT SHOWS SIGNS OF IMPROVEMENT

After a torrid few months, international air freight has begun to show signs of improvement, with September seeing global volume growth of more than 5%, year over year (YoY), for the first time in two years, according to new figures from WorldACD.

Combined with a further worldwide average yield improvement over previous months and industry sources claiming that October will be even better, the Amsterdam-based analyst said: “One could be forgiven for thinking that the industry shows signs of improving health.”

It said the origin region Europe contributed most to the positive figures, with a YoY volume increase of 8%. Asia Pacific followed closely behind with a 6% increase, although Latin "remains in the doldrums".

At a country level, the US and China stood out as the most important growth markets, both inbound and outbound. "Also, it seems that one of the traditional 'engines' of the end-of-year growth, Hong Kong, has started its climb towards the November peak somewhat earlier than in previous years," WorldACD added

Source: Lloyd's Loading List, 2 November

Maritime

MAERSK SAYS WORST MAY BE OVER FOR SHIPPING INDUSTRY

The world's biggest container shipping line said that the industry's woes may have reached a limit. The statement came as the Danish conglomerate posted losses for the second quarter in a row. Freight rates saw a 16 percent year-on-year decline in the third quarter, but rose 5.5 percent over the March to June period, the first increase in two years.

"Right now we are seeing positive developments in pricing," Søren Skou, the chief executive of AP Moller-Maersk, told the Financial Times. "We expect that to continue this quarter, leaving us in a better position when we come to renegotiate contracts [with customers] at the end of the year."

Read the full story in the Financial Times here.

JAPAN'S TOP LINES TO MERGE CONTAINER BUSINESSES

Japan's three major shipping conglomerates have agreed to integrate their container shipping businesses next year and start joint services in 2018, effectively creating the world's sixth-largest box ship operator with 110 ships and an estimated 7% of global capacity.

The move by Nippon Yusen Kabushiki Kaisha (NYK), Mitsui OSK Lines (MOL), and Kawasaki Kisen Kaisha ('K' Line) follows months of industry rumours that a merger was under discussion, and removes the possibility of overseas interests purchasing any of the lines' container assets.

The three Japanese carriers said that, subject to regulatory approval, the new joint venture would be established by 1 July 2017 and integrate the companies' container shipping and global terminal operations businesses, but exclude terminal operations in Japan. NYK will have a 38% stake in the new business, with MOL and K Line taking 31% each.

Joint services are planned to commence from 1 April 2018, and some JPY300 billion (US$2.9 billion) will be contributed by the parent firms to the new JV in cash, vessels, and terminals. The merger of the Japanese lines' operations will create the world's sixth largest box ship operator with a combined fleet 110 ships of 1.4m TEU capacity. It will also see the number of global carriers fall from 20 six years ago to just 13.

In a joint statement, the carriers said the decision to merge container operations was taken against the backdrop of a decline in the container growth rate and the rapid influx of newly built vessels.

Source: Lloyd's Loading List, 31 November
Find an overview of shipping M&A and Alliances here.

Rail

WORLD BANK RAIL FREIGHT DAYS

CLECAT has been invited to speak at the Rail Freight Conference organised by the World Bank in Vienna tomorrow. It is part of a 3-day series of events and engagements, with the aim to drive home a simple message that freight and logistics is no longer a railways-centric business. In the world of modern logistics having a competitive, high quality rail service with reliable infrastructure and services is required, but in itself is insufficient to regain customer confidence after several decades of poor service.

As a result, railway organizations need to focus on needs of customers and try to fit their services within a larger logistics chain which has changed dramatically in past 15-20 years. There will also be presentations and participation from other organizations such as JB Hunt, Duisport, Port of Rotterdam, DHL, Transnet, Network Rail and Maersk.

NETHERLANDS TO RUN ALL TRAINS ON RENEWABLE ENERGY

Dutch Railways (NS) has announced that starting with 2017 all electric trains running on the Netherlands railway network will power from renewable sources. NS made the announcement during the Dutch national climate conference in Rotterdam, and called upon companies and passengers to make their mobility cleaner and more sustainable. The move will affect both passenger and freight operators as the entire Dutch railway sector purchases traction energy collectively.

Source: RailwayPro, 3 November

Customs

EC RECOMMENDATIONS TO IMPROVE EU FRAMEWORK FOR EXCISE DUTY ON ALCOHOLIC DRINKS

The European Commission recently published a set of recommendations related to the implementation of the Directive 92/83/EEC on the harmonisation of structures of excise duty on alcohol and alcoholic beverages. This Directive defines and classifies the different types of alcohol and alcoholic beverages, and provides a legal framework for reduced rates in some sectors, exemptions and certain derogations.

The recommendations are based on an evaluation of the functioning of the Directive, assessing whether the legislation leads to unnecessary administrative costs and burdens for both national administrations and economic operators and to identify elements which could be further assessed as part of an impact assessment on the level of compliance and security in collecting excise duties on alcohol and alcoholic beverages. The evaluation started in December 2014 and was finalised in July 2016.

The conclusions of the evaluation performed reveal that the Directive allows for neutral conditions of competition. At the same time, the evaluation findings show that there are some distortions within the internal market, and that they are significantly detrimental that the Commission must act upon them. The evaluation identifies unnecessary administrative and compliance costs for tax administrations and economic operators. These costs result from certain definitions which can lead to legal uncertainty over the treatment of specific products. Finally, the Directive has proven to be effective and generally appropriate for enabling adequate collection of excise duties for the large majority of stakeholders.

On the basis of the conclusions, the Commission makes some recommendations related inter-alia to classification, exemptions, reduced rates, and outdated references. These recommendations are all available in the Annex of the document.

The Recommendations are available here.

Sustainable Logistics

UNCTAD: FREIGHT TRANSPORT GROWING FAST, BUT NEEDS MORE CLIMATE EFFICIENCY

Trade-related freight transport is expected to grow by a factor of 4.3 between 2010 and 2050, but addressing climate change requires that it become more energy efficient, a UN Conference on Trade and Development official said, outlining a series of solutions ahead of an UNCTAD meeting at COP 22 on freight efficiency.

Freight transport accounts for roughly 7% of global greenhouse gas emissions (GHG), and emissions from trade-related are expected to increase by a factor of 3.9 between 2010 and 2050, Ms. Frida Youssef, head of UNCTAD's transport section, said. "Freight transport is central to the goal of expanding trade and creating jobs, but we need to get emissions down," she said.

"Developing countries which are investing in infrastructure may have an opportunity get their transport infrastructure right," she said, ahead of several UNCTAD events, taking place on the sidelines of the twenty-second session of the Conference of the Parties (COP 22).

Solutions to make freight transport more energy efficient include better use of technology and innovation, use of cleaner fuels and more efficient transport, regulations, and other measures too.
Several developing countries have begun to boost the efficiency of their freight transport. The 2012 China Green Freight Initiative aims to improve fuel efficiency, reduce CO2, and air pollutant emissions, by adopting cleaner technologies and smarter freight management practices.

Indonesia has introduced comprehensive policies to promote sustainable freight transport systems by improving fuel efficiency and reducing the transport burden on roads, which currently account for about 70% of freight ton-kilometres.

Approaches in other countries, such as India, included dedicated freight corridors to shift freight traffic from roads to rail. Africa's Northern Corridor links landlocked Uganda, Rwanda, Eastern

Democratic Republic of the Congo, South Sudan and Burundi with Kenya's maritime port of Mombasa, helping to boost trade while boosting the efficiency of freight transport. Since the route was re-established, freight costs have dropped from Mombasa to Nairobi by 56% and from Mombasa to Goma by 38%.

Industry is also pushing for low-carbon and sustainable freight transport with initiatives such as the Clean Cargo Working Group and the Sustainable Shipping Initiative. UNCTAD assists developing countries to make informed policy choices, addressing the emerging environmental and social challenges in relation to transport, and to provide the associated capacity-building needs.

Source: UNCTAD

Forthcoming events

CLECAT MEETINGS

2016 FREIGHT FORWARDERS FORUM
16 November, Brussels (morning)

Board & General Assembly
16 November, Brussels (afternoon)

Customs and Indirect Taxation Institute
11 January, Brussels

Sustainable Logistic Institute

Road institute

Air Logistics Institute

Security Institute

OTHER EVENTS WITH CLECAT PARTICIPATION

World Bank Conference on Rail Freight in Logistics
8 November, Vienna

FERRMED Conference
10 November, Brussels

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

EU Rail Freight Day

9 December, Vienna, Austria.

EP/COUNCIL MEETINGS

European Parliament

Transport and Tourism Committee
9-10 November, Brussels

Transport Council

1-2 December, Brussels

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