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

# NEWSLETTER

Issue 42
18 November 2016

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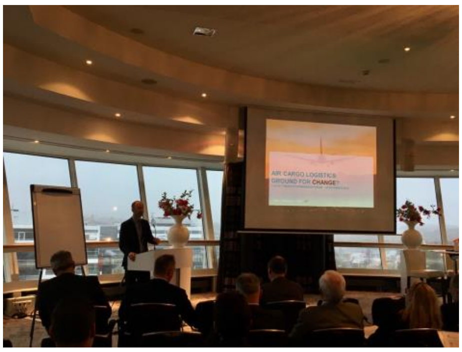
# *News from Brussels*

## FFF16 'AIR CARGO LOGISTICS: GROUND FOR CHANGE?'

CLECAT held its 16th Freight Forwarders Forum "Air Cargo Logistics: Ground for Change?" at the Brussels Airport' van der Valk Hotel on the 16th November. More than 85 experts, policy makers, and stakeholders in the air cargo supply chain discussed the challenges of air cargo logistics.



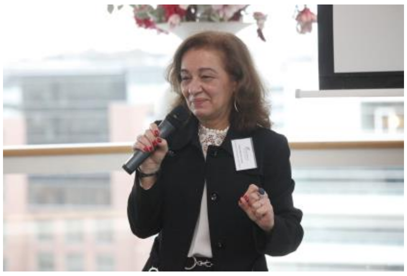
In his keynote speech, Matthew Baldwin, Deputy Director General of DG MOVE at the European Commission, outlined the EU Aviation Strategy which is intended to improve the competitive position of Europe in the global aviation marketplace. This requires a boost in Europe's connectivity, which is losing out to the Middle East and Asia, and collaboration throughout the supply chain.

Alain Lumbroso, Economist at the International Transport Forum, outlined the effect of air cargo on the European economy. He highlighted the high value nature of goods transported by air into and out of Europe, where the speed and protection offered by air cargo supports key industries, enabling the economy which 21st-century Europe wants. He noted therefore that trade facilitation measures which speed up the supply chain are crucial for air cargo.

Christian Doepgen, Editor-in-chief of the International Transport Journal, moderated three panel sessions. The first, on Embracing e-Business, discussed the challenges, opportunities and industry expectations in digitising air cargo. Kester Meijer of KLM Cargo, Lothar Moehle of DB Schenker, Markus Flacke of CHAMP Cargosystems and Uwe Glaser of Cargomind discussed the need for seamless cargo flows and fast-lanes at airports based on digital data submissions between forwarders and carriers. This requires industry to work together in order to develop messaging formats, communication protocols and interfaces which enable these data flows and collaboration.

The second panel discussed 'Adding Value to the Air Logistics Chain', with Ariaen Zimmerman of CargoiQ, Steven Polmans of Brussels Airport, Markus Muecke of Panalpina and Rob Dekkers of GE Healthcare giving the various supply chain perspectives. Investment in disruptive, innovative technology is a driver of change, panellists said, which can add value on a step-by-step basis. Collaboration throughout the supply chain would be vital in this regard also.

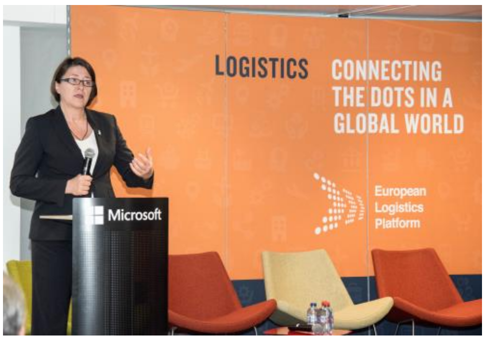
Luc de Blieck, Deputy Director for Procedures and Facilitation at the World Customs Organisation, introduced the third panel by outlining the progress made at the WCO to enable fast, efficient trade flows while increasing security and risk management. Andreas Wilhelm of Kuehne + Nagel, Gordon Wright of IATA and Manuela Cabral of DG TAXUD at the European Commission discussed the implementation of Pre-Loading Advance Cargo Information systems, using electronically submitted customs data to complete additional risk assessment in order to react to security risks upstream. The development of interoperable IT systems and ensuring high data quality would be key in the success of these schemes.



CLECAT's President Steve Parker thanked Brussels Airport for their support, and participants for the fruitful debates which demonstrated again that collaboration between parties is key for the future of logistics.

## ELP EVENT ON THE FUTURE OF LOGISTICS

At the first Forum organized by the European Logistics Platform (ELP) hosted at the Microsoft center, more than 100 EU policymakers and industry stakeholders came together to discuss the future of logistics.




In her keynote address, the European Commissioner for Mobility and Transport, Violeta Bulc pointed out the remarkable dynamics and changes unfolding in Europe today; especially in the area of logistics and digitalisation of transport. The Commissioner gave her vision on how to harness and use data allowing organisations to build efficient transport logistics chains. She announced her vision on multimodality and effective use of all transport modes, which requires both a well-functioning single European transport area and modern infrastructure.

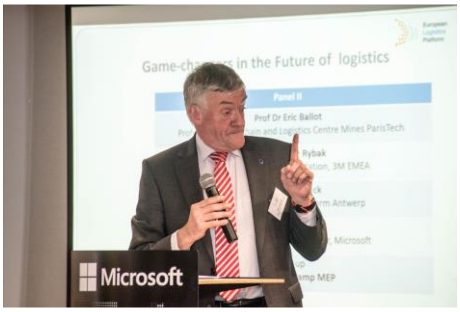
The Commission encouraged stakeholders in the logistics sector to benefit from the various funding and financing opportunities which the EC can offer in the coming years. She concluded that a wave of innovation is about to revolutionize the transport sector, driven broadly by employing new energy sources, decarbonisation, modern electronics and information and communication technology. This should be embraced, since it improves green efficiency and brings job opportunities to European citizens.

**Markus Kuckelhaus**, Vice-President Innovation and Trend research, DHL, presented a deep dive into logistics trends and game-changing solutions, from robotics and 3D printing to automated solutions with drones. He equally promoted collaborative innovation as rapidly changing supply chains will require logistics providers to be fast and flexible in order to react to changes in time and place of production.

The first panel with **Marc Verelst,** P&G Supply Network Innovation Center, **Prof. Dr. Cathy Macharis**, VUB, Head of Research group MOBI, **Arthur van Dijk**, President TLN and **Johan Gemels**, Business Development, Intermodal expert, B Logistics debated new ways of delivering sustainability in logistics. There was in general not much appetite for stringent regulation**,** but rather for regulators to become more agile, to allow for much-needed innovation to be commercialised more quickly. At the same time, the development of multimodal transport has to be pursued to improve efficient synchro-modality.


**Ismail Ertug,** MEP gave a wrap-up of the first session, noting that logistics is important for Europe, but while R&D funding and collaboration are important, the much needed skills and education of workers should not be forgotten.

A second panel reviewed some real game-changers in logistics and provided insights in what logistics may look like in 2050. **Professor Eric Ballot** introduced the world of the Physical Internet, which may appear a distant prospect but in fact is already happening today.  Panel speakers including **Hanns-Georg Rybak**, Project Manager Transportation, 3M EMEA, **Mark Scheerlinck**, Booking Platform Antwerp and **Maciej Surowiec** from Microsoft demonstrated that today's new business models are based on the sharing and collaborative business practices. The session was concluded with a call to 'stop talking and start acting!' on this.




**Wim van de Camp MEP** noted the debate demonstrated again that Europe needs to foster solutions based on state-of-the-art information and communication technologies, well established infrastructure – but not necessarily the hardware, particularly in logistics chains.

**Gesine Meissner MEP** concluded that keeping current European world leadership in logistics is the key for the future of Europe's citizens

## GLEC FRAMEWORK LAUNCHED IN BRUSSELS

The Brussels launch of the Global Logistics Emissions Council Framework took place on 15 November at the Stanhope Hotel. The Framework developed by GLEC, of which CLECAT is a member, sets out a single methodology for calculating carbon footprint across the logistics chain. The launch event outlined the Framework, which allows comparison of carbon emissions between modes on a harmonised basis, and discussed its implementation.

A panel involving the first five adopters of the Framework (DHL, Kuehne + Nagel, DB Schenker, Intel and HP) discussed the benefits of the GLEC Framework and issues in its implementation. Benefits cited included the ability to gather granular-level data across modes and regions in the supply chain in a simple manner, enabling global harmonisation of carbon footprinting. Outreach by carriers and shippers in particular was identified as essential in driving the framework's use and development, in order to have the best possible data and highest uptake. Training on implementation of the framework was also identified as a future priority.


The LEARN project, in which CLECAT is a partner, was also presented. The project aims to build a co-ordinated network of industry, government and civil society stakeholders to promote a globally harmonised, multimodal carbon footprinting methodology, as the basis for eco-labelling, certification, and carbon footprint measurement and reporting. This would then form the basis of carbon-efficient decision making in the logistics chain. In a panel discussion to launch the project, CLECAT Director General Nicolette van der Jagt said that the project was needed in order to aid companies in saving money and emissions by having visibility over their carbon footprints. LEARN will help promote the goal of sustainability and provide high quality data for effective business decisions.

The framework is available here.

## CALL FOR MORE EU BUDGET FOR TRANSPORT

In view of the Council meeting earlier this week, 30 EU transport associations reiterated their call for more EU budget for transport. Transport is an enabler of economic growth and jobs, currently giving jobs to 20 million persons and accounting for 10% of total EU employment. It is therefore crucial to continue to invest in the completion of the Trans-European Network for Transport (TEN-T) thus allowing to create 10 million additional jobs and 1.8% GDP growth expected by 2030.

Decrease in national transport budgets has led to less and less investments in transport infrastructure and it is anticipated that the non-completion of TEN-T will cause the loss of around 3.2 billion EUR GDP and the non-creation of 11 million job-years.

"We, transport stakeholders, rely on the Council to make sure that all past efforts regarding the financing of TEN-T are carried on and that Europe's competitive advantage in terms of transport infrastructure is consolidated thanks to the allocation to the CEF budget of 500 billion Euros" noted Nicolette van der Jagt, Director General of CLECAT.

Read the full statement here.

## TRAN COMMITTEE CONSIDERS LOGISTICS IN THE EU REPORT

MEPs at the TRAN Committee meeting last week considered amendments for the Report on "Logistics in the EU and multimodal transport in the new TEN-T corridors". Rapporteur A. I. Sender and Shadow Rapporteurs discussed the main directions for strengthening EU logistics and freight transport as an integral part of EU transport policy .

Members wanted to see better coordination of national transport infrastructure programs and corridor work programmes to ensure coherence with the agreed TEN-T objectives. They underlined in particular the need for a timely completion of national projects of critical corridor relevance, a broader modal shift from road to rail and inland waterway freight transport, and focused actions on linking urban nodes and long-distance logistics.

Members called in particular for focused measures to bring down CO2 emissions from freight transport in order to help meet the EU's climate policy goals. Measures could include emission standards for heavy trucks, CO2 foot printing and cargo pooling, while others were skeptical about overreaching new regulatory measures. Members also highlighted the need to reap the benefits of new technologies and digitalization in transport, including automated operations and navigation supported by Galileo.

The Commission pointed out the upcoming edition of the so-called issues papers by the European Coordinators for the TEN-T corridors which will further elaborate on the cross-cutting topics of multimodality, digitalization and decarbonisation in transport, and provide further input in following-up the debate on freight logistics.

Meetings of the Shadow Rapporteurs are planned for 16 and 24 November. The TRAN Committee will vote on the amendments and the report on 5 December.

## COMMITTEE URGES EU TO DEEPEN SINGLE MARKET IN TRANSPORT

The TRAN Committee considered and adopted a report on the EU Competition policy last week. The opinion calls on the Commission and Member States to show greater political will towards further deepening the single market in transport, and properly implement and enforce existing EU transport legislation in order to deliver additional benefits to business, industry, consumers, social conditions of workers and the environment.

It underlines the need to further tackle physical, technical and regulatory barriers as well as indirect obstacles for ensuring the smooth functioning of the internal market for transport. Pointing out the advances in digital technologies and the collaborative economy in the transport and tourism sectors, the opinion considers a clear legal framework is needed to reap the benefits of the ongoing digitalization process.

The opinion notes that the gradual opening of the EU road haulage market can bring benefits to consumers by increased competition but condemns the fact that certain measures taken by some Members States are undermining the internal market in this field. It welcomes the adoption of the Fourth Railway Package technical pillar and expects it to remove technical barriers to competition by improving interoperability.

Source: TRAN Committee, 17 November, Draft report here

# *Road*

## STUDY ON PAY CONDITIONS INTERNATIONAL ROAD TRANSPORT

The 'Comité National Routier' (CNR), the French road freight transport economic committee has issued a 'Comparative study of employment and pay conditions of international lorry drivers in Europe'. The conclusions of the report note that the differences and gaps highlighted in this study are considerable and involve all aspects of international lorry drivers' employment and pay conditions: salaries, social security contributions, travel allowances, driving time and working hours. From the companies' perspective, these discrepancies concern the largest production cost for their road freight transport business (37% in France). The report concludes that the "cost of driving personnel" is therefore an objective factor that distorts competition in Europe. In addition to wage gaps, which are naturally linked to the economic development gap between European countries, this study reveals other underlying differences.

The 'Comité National Routier' (CNR), the French road freight transport economic committee, is an observatory on road freight sector economics. Over the last 15 years, CNR has been conducting comparative studies of the EU countries with the busiest international road freight sectors or the largest domestic markets.

# *Rail*

## SURVEY ON COMBINED TRANSPORT

The European Commission (Directorate General for Mobility and Transport) is planning a possible amendment to Directive 92/106/EEC on the establishment of common rules for certain types of combined transport (CT) of goods between Member States.

To provide evidence for a possible proposal to amend the Directive and for the assessment of the impacts of the possible amendment, the Commission has contracted TRT Trasporti e Territorio (IT) and MDS Transmodal (UK) to conduct a survey of operators and stakeholders to gather further data on CT operations in all the Member States of the EU. In 2014 the Commission conducted a public consultation on the Combined Transport to have a first indication of whether there is need for revision. The Commission is currently doing a REFIT evaluation of the Directive.

CLECAT has been asked to forward the link to the survey to members inviting them to complete it.

# *Air*

## MEPS CONSIDER AMENDMENTS FOR EU AVIATION STRATEGY

The European Parliament TRAN Committee considered the Amendments to the Aviation Strategy for Europe. Rapporteur P. Telička presented the current situation regarding possible compromises to be found between the political groups in view of the vote on 5 December.

Negotiations are taking place in a very good and collaborative spirit, the Rapporteur is hopeful that a wide agreement will be reached in the coming weeks. Indeed, everyone around the table recognized that aviation is a key driver of economic growth, jobs, trade and investment with a major impact on the EU's economy and the life and mobility of its citizens. Members could agree on the need to develop a more effective internal market with a strengthened industrial base.Some reservations were raised, linked to the social and environmental issues, as some Members would wish to see these issues being more central in the future report.  A vote in TRAN will be held on December 5.

Source: TRAN Committee, 17 November
Read the report on the European Aviation strategy here, and view the proposed amendments here.

## AVIATION SAFETY: TRANSPORT MEPS BACK DRAFT EU RULES

Plans to update EU civil aviation safety rules to address emerging risks were amended and approved by Transport and Tourism Committee MEPs on Thursday. The updated EU regulation will also introduce the EU-level requirements for drones, to ensure safety and privacy.

"EU aviation safety standards are already high. Even so, the growing use of drones and threats from terrorism and cyber-attacks require new rules to ensure aviation safety and security. At the same time, these rules should be performance and risk based - ultralight or business aviation should not have to meet the same requirements", said rapporteur Marian-Jean Marinescu (EPP, RO).

"Unmanned aircraft have great potential for the future. Many applications are already providing various services, with better quality and results. At the same time, without proper discipline, these could give rise to serious safety and security problems. Registration and identification are basic requirements. Unmanned aircraft with a take-off mass higher than 250 grammes and all certified ones should be registered", he added.

The committee text includes provisions for safety management systems at EU and  member state levels to identify potential safety risks earlier. A European Aviation Safety Programme should be drawn up and each EU member state should also establish its own national aviation safety programme and a plan setting out key safety risks for its civil aviation safety system and actions to mitigate them

Source: European Commission Press Release, 10 November

# Maritime

## THE ALLIANCE NEXT TO UNVEIL PLANNED SERVICES

THE Alliance – Hapag-Lloyd, K Line, MOL, NYK and Yang Ming – have announced their pro-forma east-west tradelane network for April next year. It follows publication by rival grouping the Ocean Alliance last week and news that the container divisions of the Japanese shipping groups would merge.

THE Alliance said its product, which is subject to regulatory approval, would be characterized by "fast transit times, a broad port coverage and deployment of modern and most-efficient ships". It claimed: “Our best ship for the loop principle and our dedicated shuttle service design are the basis for one of the most competitive products available in the market.”

THE Alliance intends to offer 31 services across the east-west trades, deploying 240 ships over 75 ports in Asia, North Europe, the Mediterranean, North America and the Middle East. This will feature five Asia-North Europe loops, compared with the Ocean Alliance’s proposed six, and three strings between Asia and the Mediterranean, one less than its rival.

However, according to Alphaliner, THE Alliance will be the smallest of the three VSA groups between Asia and Europe, with a capacity share of approximately 28% – after deducting Hanjin Shipping’s pre-bankruptcy share and assuming the merger between Hapag-Lloyd and UASC completes. On the transpacific, THE Alliance will be behind the Ocean Alliance’s 39% capacity market share, its 28% share ahead of the 2M + HMM at 19%.

THE Alliance also published its “base-plan” of port rotations for the 31 services, saying it “will keep the market informed about further steps and the final, more precise service rotations”. Indeed, a number of loops only specify country calls or regional hubs, suggesting that negotiations with terminals have yet to be concluded.

Source: The Load Star, 8 November

# *Customs*

## COUNCIL ADOPTS CONCLUSIONS ON VAT RULES FOR CROSS BORDER TRANSACTIONS

On 8 November 2016, the EU Council adopted a series of conclusions on improvements to VAT rules for cross-border transactions. These conclusions are the results of a work undertaken by the Slovak Presidency who initiated an exchange of views between Member States on identifying the needs for quick improvement of the current VAT rules governing cross-border supplies of goods. This could be done in view and in the context of the ongoing work on the definitive VAT system in the EU.

The conclusions relate in particular to:

- the VAT identification number as an additional condition for application of an exemption in respect of an intra-EU supply;
- in order to better tackle VAT fraud, improving the quality and reliability of data used in the EU's VAT information exchange system;
- determining the VAT treatment of the transaction chain, including 'triangular transactions' (where goods are shipped from a member state other than that of the supplier and the customer);
- simplifying rules for call-off stock (where goods are sent to a customer's storage facility in another member state);
- work concerning the exemption from VAT of intra-EU supplies.

The Council invites the Commission to present legislative proposals, especially one aiming at amending the relevant provisions of Directive 2006/112/EC on the common system of value added tax to the effect that the valid VAT identification number of the taxable person or non-taxable legal person acquiring the goods, allocated by a Member State other than that in which dispatch or transport of the goods began, should constitute an additional substantive condition for application of an exemption in respect of an intra-EU supply of goods.

The conclusions of the Council are available here.

## EU-NORWAY ADMINISTRATIVE COOPERATION ON VAT

On 8 November 2016, the EU Council took note of the state of play in negotiations with Norway on an agreement on administrative cooperation, on combating fraud and on the recovery of claims in the field of VAT, and asked the Commission to continue and to complete the negotiations started in December 2014.

The aim of the agreement, if concluded, will be to establish a common framework for cooperation between EU member states and Norway, in a manner similar to cooperation amongst the member states themselves. The framework would cover the exchange of information and best practices regarding VAT fraud, as well as cooperation in the recovery of VAT claims.

# *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

### 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**
**5 December, Brussels**

### Transport Council

**1-2 December, Brussels**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