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News from Brussels

MARITIME INSTITUTE MEETING IN MILAN

CLECAT's Maritime Institute met in Milan on Friday, kindly hosted at the premises of FEDESPEDI. Discussions covered a wide range of topics, including the effect on freight forwarders of carrier consolidation, alliances and supply-chain integration; EU policy developments with regard to infrastructure financing and port services; the EU maritime transport strategy; the implementation of the IMO container weighing requirement; greenhouse gas emissions from shipping; the forthcoming review of the combined transport directive; and issues relating to inland waterway transport.

Members discussed in particular how best practice can be shared with regard to digitalisation, modernisation and collaboration among freight forwarders and between electronic communities/platforms, in order to develop the service offering and competitive position of freight forwarders in the developing maritime transport market. The meeting also saw Robin van Leijen of FENEX elected Vice-Chair of the Institute.

TAJANI NEW EUROPEAN PARLIAMENT PRESIDENT

Antonio Tajani MEP, Italian member of the centre-right European People's Party (EPP) group was elected President of the European Parliament on 17 January, succeeding Martin Schulz. Tajani received 351 votes in the fourth and final round of voting, compared to 282 votes for Gianni Pittella,

the Italian leader of the S&D group. The election took four rounds of voting over 12 hours. His term in office will end in 2019, when the next elections for the European Parliament will be held.

Tajani was Commissioner in charge of transport in 2008 and took over responsibility for the industry and entrepreneurship portfolio in 2010. In 2014 he was re-elected as MEP and was elected vice-president of the European Parliament.

Source: [European Parliament](#)

CONNECTING EUROPE FACILITY UP FOR MID-TERM REVIEW

The European Commission is preparing the mid-term review of the Connecting Europe Facility (CEF) for the funding period 2014-2020. The report is to be presented to the European Council and Parliament by the end of 2017. To evaluate the progress and efficiency of the programme the Commission ordered PwC to conduct an independent study of stakeholders' views. CLECAT has been invited to participate to a survey to determine progress and shortcomings of the CEF.

The CEF is a funding instrument of the EU that supports the development of efficient and interconnected trans-European networks the field of transport, energy and telecom. CEF Transport closely aligns to the TEN-T objectives and focusses on cross-border projects especially those aimed at removing bottlenecks. CEF Transport has a budget of €24.05 billion for the period 2014-2020.

Road

DSLVL: LACKING EU CONTROLS FAVOUR MANIPULATION

German media (ZDF) reported last week that some Eastern European transport companies manipulate the emissions data of their vehicles in order to conform with EU standards. DSLVL condemns these manipulations and calls for improved enforcement of the rules by more controls.

“The manipulation of emissions data but also tampered tachographs are always taken with fraudulent intent and are extremely harmful for the environment and the economy”, says DSLVL. The fact that these practices can go undetected shows great deficiencies in enforcement taking place in Europe. Further, this is unfair competition for law-abiding transport companies that follow the strict EU rules.

In the interest of fair competition it is essential that responsible authorities are capable to detect and punish those involved with these fraudulent manipulations. The increase of digitalization of transport data calls for better software to prevent manipulation of data.

Source: [DSLVL Press Release](#) (extract)

GERMANY AND AUSTRIA TO EXTEND BORDER CONTROLS

Germany and Austria want to extend border controls indefinitely. German Minister for Home Affairs de Maizière said border controls are necessary due to insufficient border security at outer EU



borders and current terrorist threats. He met with his Austrian colleague Sobotka this week to discuss the issue.

As a result of the refugee crisis several EU states have re-introduced border controls in the EU. These were intended to end at the end of February. However, Member States like Germany and Austria want to keep the controls in place. The issue will be discussed on EU level next week at the EU meeting of Ministers of Home Affairs in Malta.

Source: [Verkehrsrundschau](#), 19 January

Maritime

SMART FREIGHT CENTER AND FEPORT SIGN MOU ON EMISSIONS FRAMEWORK

Smart Freight Center (SFC) and FEPORT signed a MoU to incorporate the most appropriate existing methodologies for port terminals in the Global Logistics Emissions Council (GLEC) Framework.

The use of different approaches in different locations and for different activities along the supply chain leads to fragmentation in calculating and reporting emissions. In an effort to bring more consistency in the calculation and reporting of emissions, Smart Freight Centre (SFC) has formed in 2014 the Global Logistics Emissions Council (GLEC), a voluntary partnership of companies, associations and programs committed to the consistent calculation and reporting of emissions from logistics operations, with a view to using this information as the basis for targeted emissions reduction from the logistics sector.

Since 2012, the major container terminal operators in the European Union have created a voluntary methodology (the EEEG[1] Guidelines) which allows container terminals to calculate their CO2 emissions on a periodical basis. Many of FEPORT members have engaged in voluntary actions to reduce carbon emissions and ports are actively involved in reduction of emissions, says Ms. Lamia Kerdjoudj-Belkaid, FEPORT Secretary General. “We believe that industry actors remain best placed to take initiatives aiming at the necessary steps to continue to reducing emissions and we are doing it” continues FEPORT Secretary General.

“The Smart Freight Center’s Framework for Logistics Emissions Methodologies (GLEC) is now recognized as the logistics sector guidance by the Greenhouse Gas Protocol Corporate Standard, the most widely-accepted GHG accounting practice. This is why FEPORT has decided to engage into an active cooperation with the Smart Freight Center” comments Ms. Lamia Kerdjoudj-Belkaid, FEPORT Secretary General.

Mr. Alan Lewis, GLEC Director at Smart Freight Centre observes: “Real life practical application is the next key step for the GLEC Framework to demonstrate its benefit across the transport chain. We are really looking forward to working with FEPORT and its members in their carbon calculation, reporting and improvement actions and integrating this with the rest of the GLEC Framework”.



RECORD YEAR FORECAST FOR BOXSHIP SCRAPPING

Containership scrapping could reach 750,000 teu in 2017, beating the record 655,000 teu sent for scrap in 2016, according to Alphaliner. A total of 42,000 teu was removed from the fleet in the first three weeks of this year, with a further 113,000 teu due to follow in the coming weeks, Alphaliner said.

Panamaxes account for a majority of the ships to be removed, with 16 units of 4,000 teu-5,000 teu being scrapped. "The rapid pace of panamax containership scrapping has helped to reduce the idle pool of panamax ships of 4,000 teu to 5,100 teu from 88 units in late December to 80 units as at January 9, of which 62 are non-operating owners' ships available for charter," Alphaliner said.

On Monday, Global Ship Lease chief executive Ian Webber said that the opening of the new Panama Canal locks last year had increased the number of panamax vessels going for scrap. He also notes however, that only a third of the panama fleet actually used the canal. Meanwhile, the idle fleet fell back to under 5% following a spike ahead of Chinese New Year, which occurs at the end of January this year.

Source: [Lloyds Loading List](#), 19 January 2017

LOW WATER LEVELS ON RHINE RIVER LEAD TO SHIFT TO ROAD

Low water levels on the Rhine river are leading to a shift of freight to road and rail transport. Water levels have been low since September last year and the shift is now clearly visible. The low water levels results in not all ships being able to navigate the river (or part of it) and to load to full capacity. Some shippers are charging a 'low-water level surcharge("Kleinwasserzuschlag") to compensate the low loading levels of the ships.

Source: [Verkehrsrundschau](#)

Customs

CHINA FILES COMPLAINT AT WTO OVER ANTI-DUMPING DUTIES

An expired sub-paragraph in Chinas accession protocol to the WTO is the cause of some confusion and argument over anti-dumping duties and Chinas status as a market economy. China has also launched a dispute settlement procedure against the EU and the US at the WTO.

The sub-paragraph in the WTO accession protocol allows China to be treated as a non-market economy (NME) when calculating anti-dumping duties (an additional tariff on imports if products are exported well below 'home' prices/production costs (dumping)). The paragraph expired 15 years after the accession date, on 11 December 2016. China believes the expiration of the paragraph will therefore automatically grant them the status of a market economy. The EU and US disagree and argue there is no automatic granting of market economy status, their criteria still need to be met before a status is changed.

The distinction NME and market economy is important for the method applied to calculate anti-dumping duties. A market economy is based in the principles of free competition where supply and



demand determine prices. In a NME on the other hand the market is disrupted by government actions. To calculate anti-dumping duties 'home' prices and production costs are compared to the export price. As defined in GATT/WTO agreements, these prices are skewed in NME due to the disruptions. Therefore prices of a 3rd market economy are used. In most cases this results in higher duties for NME countries.

Because the EU and the US failed to award the market economy status to China as the paragraph expired, China has launched a dispute settlement procedure at the WTO against them on 12 December 2016. The first stage will be 60 days of consolidation between the parties. If they fail to reach an agreement, a WTO panel will decide over the matter. The panel will deliver a clear interpretation of the paragraph and determine the legality of current anti-dumping duties against China.

Parallel to this the Commission has been working on a proposal to modernise the EU's Trade Defence Instruments and a proposal to renew anti-dumping and anti-subsidies calculating methods. The latter would allow the EU to determine anti-dumping duties on the basis of market distortions, irrespective of the market economy status. The Commission's proposals still need to be put to vote by the European Parliament and the Council. The European Parliament had previously urged the Commission not to award market economy status to China.

General

BIFA STILL 'MISSING THE REAL DETAIL' OF UK'S BREXIT AIMS

UK prime minister Theresa May's Brexit speech this week has "delivered some clarity on the UK's plans to leave the European Union's single market", but freight forwarders still lack sufficient detail about the UK's Brexit aims, according to the British International Freight Association (BIFA).

BIFA said the much-anticipated speech remained "short on the details" that will assist the association's freight forwarding member companies as they go about their business of managing much of the UK's visible international trade.

"Our members across the country over the last few months have been dealing with a lot of uncertainty," said BIFA director general Robert Keen. "They would have welcomed clarity on the mechanics that will underpin Mrs May's desire for 'tariff-free and frictionless trade'

Keen continued: "Freight forwarding executives are none the wiser on the actual mechanics of Britain's future trading relationships and how they might affect the freight forwarding sector. Will Customs reintroduce EU transaction border controls? Will the replacement for CHIEF go ahead and will the new system be able to handle the millions of extra transactions? How will controls on dual use items be managed? Mrs May has made reference to maintaining the common travel arrangements between the UK and the Republic of Ireland, but how will freight be managed between the two countries?"

"What our members need from Government is some answers to those questions. As the old saying goes, the devil is in the details. And after today's much anticipated speech, much of the real detail is missing."



Source: [Lloyd's Loading List](#), 18 January

DHL LAUNCHES DIGITAL LOGISTICS MARKETPLACE: CILLOX

On Thursday DHL launched their new digital B2B marketplace CILLOX. The platform allows companies to match transport needs with transport providers' capacities. The platform allows shippers to compare different quotes and choose the best fit, and to control their shipment end-to-end in a single platform. CILLOX also provides a single and convenient interface for tracking, documentation and payment processes, extracting the complexities of interfacing with many different parties.

DHL initiated a test phase of CILLOX with customers in September 2016, which is now successfully completed. Starting this week, the state-of-the-art digital freight platform is ready to use for all companies and transport providers shipping road freight within Germany or from Germany throughout Europe.

Source: [DHL Press Release](#)

Forthcoming events

CLECAT MEETINGS

Sustainable Logistics Institute
7 February, Brussels

Road Institute
7 February, Brussels

Customs and Indirect Taxation Institute
20 March, Brussels

Supply Chain Security Institute
21 March, Brussels

Air Logistics Institute
21 March, Brussels

OTHER EVENTS WITH CLECAT PARTICIPATION

ELP debate 'Women in Transport'
24 January, Brussels

Heavy Duty Vehicles, What's the way forward?
25 January, Brussels

Joint Trade Contact Group and Customs Expert Group Meeting
30 January, Brussels



GLEC meeting

9 February, Essen

UNECE-Meeting Intermodal transport

21 February, Geneva

EC Conference on Connected and Automated Driving

5-6 April, Brussels

EP/COUNCIL MEETINGS

European Parliament

Transport and Tourism Committee

25-26 January, Brussels

27-28 February, Brussels

22-23 March, Brussels

Plenary Session

16-19 January, Brussels

1-2 February, Brussels

Transport, Telecommunications and Energy Council

27 February, Brussels

8-9 June, Brussels

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