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News from Brussels

COUNCIL INDUSTRY WORKING GROUP DEBATES LOGISTICS

CLECAT was invited to speak earlier this week at the EU Council's Industry working party organized by the Maltese Presidency of the EU on the importance of logistics for the competitiveness of European industry. The Maltese Presidency had lined up a panel including express operators, logistics service providers and the representatives of the manufacturing industry including Eurofer, Ethiad and Business Europe.

Following the presentation of Sandro Santamato, Head of unit on logistics in DG MOVE, Nicolette van der Jagt, Director General of CLECAT outlined the importance of the logistics sector for the competitiveness of Europe. She called on the importance of completing the single market to enable efficient, integrated, resilient supply chains and referred to a number of developments which hamper these developments referring to uncoordinated national initiatives in particular in road freight transport. Addressing the Member States representatives on 'better regulation' she noted that much would be achieved with less scope for different interpretations as well as consistent enforcement of EU legislation. While much legislative harmonisation already exists in Europe, its inconsistent application makes that there is a lack of a level playing field. Member States should jointly and with the support of the EC take steps such as the sharing of good practices across transport sectors and across countries.

Noting that industry has already achieved much in developing digital logistics solutions Ms van der Jagt said that the deployment of innovative ICT technologies, within Europe and internationally, is still hampered by widely differing operational practices and standards. This restricts the speed of implementation and slows down innovation. Equally Ms van der Jagt referred to the need of governments to upgrade their ICT systems to enable a more efficient Business-to-Administration and Administration-to-Administration data flow for the benefit of both themselves and business.

CLECAT is of the view that the European Commission should continue to support a logistics policy and consider transport as a system rather than a collection of individual modes. This way of thinking should be adopted by the whole transport sector and by policy makers. The goal must be to make all modes and the connection between them as efficient – and with this as sustainable as possible - through infrastructure, ICT and open markets. The completion of Europe’s internal market should be accompanied by trade facilitation which will enhance Europe’s connectivity with other world regions. By doing so, logistics connectivity will increase the competitiveness of the EU in global trade.

T&E DEBATE ON ROAD CHARGING FOR EMISSIONS REDUCTION

On 11 April CLECAT attended a lunch event organised by Transport & Environment and Ismail Ertug MEP on the role of road charging in reducing emissions. MEP Ertug set out five conditions for the forthcoming revision of the Eurovignette Directive, namely that charging schemes be non-discriminatory; that they be interoperable; that pricing reflect emissions; the internalisation of external costs; and that extension of charging to passenger cars be seriously considered.

Samuel Kenny of T&E called for the introduction of CO2 standards for heavy-duty vehicles and differentiation based on emissions in the Eurovignette Directive. He said that the speed of innovation in zero-emission vehicles should not be underestimated, and that tolls can be an incentive for their uptake. He said that a particular phenomenon which had been observed recently, such as in Belgium in the year since charging was introduced for heavy-duty vehicles, was the increase in the number of vans on the road in order to avoid tolls for vehicles over 3.5 tonnes and other regulations. He therefore said that vans should also be included in Eurovignette when transporting freight.

Josep Lluís Gimenez Sevilla of Abertis called for harmonisation of tolling systems across the TEN-T by resolving the question of the European Electronic Tolling System through innovation beyond the use of on-board units, development of a European clearing house for toll transactions and technical interoperability.

Claus Doll of the Fraunhofer Institute presented a [study](#) which they had conducted for T&E on the impact of road charging on emissions, particularly in Spain and Germany. The study had found that the level of empty running had not been particularly affected by charging, with only a 1% increase in efficiency in Germany as a result of tolling, and that external costs had only been reduced by 0.5% in the two countries. It would be vital to examine what is done with the revenues from charging from a sustainability perspective, as well as taking into account the ability of businesses to pay. The study also considered that the European framework should also consider the position of peripheral countries with regard to cost and overall management of tolling systems.

Eddy Liègeois, Head of Unit Road Transport of DG MOVE said that the draft Commission proposal seemed to meet the criteria outlined by the speakers, including extension of Eurovignette to buses and coaches, simplification of the method for calculation of external costs and maintaining the goal of earmarking, but in a different form to previous initiatives in order to minimise the risk of conflict with the Council.



CLECAT supports an EU initiative to establish a European framework for electronic interoperable *distance based charging* for the use of road infrastructure on the conditions that the charging is fair, transparent, simple and non-discriminatory. This would mean that:

- All types of road vehicles (both freight and passenger transport, heavy- and light-duty vehicles) should be part of EU legislation in the area of charges linked to the use of roads.
- EU legislation in the area of charges linked to the use of roads should cover all infrastructure of European importance (TEN-T roads, motorways and national roads)
- Revenues from tolls and road user charges should be earmarked preferably for road transport projects aimed at reducing the external cost. Without strict earmarking provision, there could be discrimination vis-à-vis road freight users having paid the external cost charges and who would expect that the revenues will be invested into schemes reducing external costs of road transport.
- The introduction of road charges should be (partly) compensated by the reduction in other taxes and charges (vehicle taxation, labour charges, VAT on reduction transport,...) to avoid double-charging (via CO2 external cost charge and existing taxes on fuel or VAT on fuel).

ELP DEBATE “SMART FREIGHT LOGISTICS”



**European
Logistics
Platform**

The European Logistics Platform organises a dinner event entitled “Unlocking the Potential - Smart Freight Logistics” on Monday 24th April in the European Parliament. The event will be kindly hosted and moderated by Wim van de Camp Member of the TRAN Committee and ELP Advisory Board (S&D). Other speakers include Matthew Beddow, Deputy Director

General DG MOVE, Matthijs van Doorn, Manager Logistics from the Port of Rotterdam and Christoph Kuss from Goodyear Proactive Solutions.

Due to today’s global and fast changing markets, companies face the challenge of continuously improving their logistics in order to stay competitive. In many areas of modern freight logistics, digital innovation and services already provide a new level of operational efficiency and customer service. However, there are remaining obstacles in providing internationally competitive solutions.

As the European Commission’s Digital Single Market (DSM) Strategy aims to unlock the full economic potential of the data economy, these challenges for the logistics sector have to be brought into the political debate. The ELP would like to give members from across the European Parliament’s committees and political groups, the European Commission and the Permanent Representations the opportunity for exchanging views on the many chances of a digital connected logistics sector.

[Registration](#) for the event is still open.

Maritime

VEA: BREAKBULK POSSIBLE ALTERNATIVE FOR CONTAINERS

The Antwerp Freight Forwarders Association VEA has suggested the chartering of break-bulk vessels for break bulk transport as a solution to the capacity crisis. The current capacity crisis in the Europe-Asia trade continues to cause problems. Forwarders and shippers have reported heavy delays in shipping goods to Asia, with waits of several weeks for goods to be loaded, as well as blank sailings, uncertainty over which goods will eventually be loaded and a need to find alternative carriage options at short notice. Furthermore, spot rates have increased in line with these developments, sometimes



in dramatic proportions, putting European traders under additional pressure. Frank de Fyn, chair of VEA's breakbulk working group, suggests that chartering should be considered as an alternative. VEA is considering whether they can act as a facilitator.

Source: [Flows](#), 11 April

DREWRY: PERFECT STORM LED TO CAPACITY CRISIS

Last week's insights by container shipping analyst Drewry takes a closer look at the capacity crunch on Europe-Asia trade lanes and suggests a 'perfect storm of events' accumulated to this outcome. Eastbound Europe to Asia shippers are currently struggling to secure space onboard ships with some waiting up to eight weeks to load, leading some carriers to stop taking bookings. Additionally, spot rates are considerably more than the usual going rate

Eastbound ships are usually only 60% full at best so in normal circumstances shippers should never have to worry about space shortages. However, a perfect storm of events has conspired to make their lives very difficult right now. These factors include stronger than expected demand in Asia for European products, most significantly of heavy cargoes that restrict a ship's carrying capacity, and what now seems like a poorly managed integration of new alliance networks. Drewry suggests the biggest single factor was the migration towards the new alliance services as ships moved off their normal schedule in readiness for the 1 April start.

Drewry suspects that like many ships on the route, prices have maxed out. Any sustained rise in backhaul volumes will bode well for future westbound shipments and could spark another rate revival on the latter corridor.

Source: [Drewry Container Insight Weekly](#), 9 April

EC APPROVES ACQUISITION OF HAMBURG SÜD BY MAERSK LINE

The European Commission has cleared under the EU Merger Regulation the proposed acquisition of container liner shipping company Hamburg Süd of Germany by Maersk Line A/S of Denmark, subject to conditions. The clearance is conditional upon the withdrawal of Hamburg Süd from five consortia/alliances on trade routes where the merged entity would have faced insufficient competition after the transaction.

After a transition period Hamburg Süd will terminate its participation in five consortia with other carriers on the suggested trade routes (Eurosail 1/SAWC, N Europe – C America/Caribbean; Eurosail 2/SAWC, N Europe – W coast S America; EPIC 2, Mediterranean – W Coast S America; CCWM/MEDANDES, Mediterranean – W Coast S America; MESA, Mediterranean – E Coast S America). The 'losers' from this termination will be CMA CGM and Hapag-Lloyd, the main alliance partners for some of these lines, who will need to replace Hamburg Süd's capacity.

The European Commission only considers trade lines to and from Europe for their decision. Other countries will evaluate other relevant lines. Regarding the merger approval in Brazil, Maersk Line announced the sell Hamburg Süd's subsidiary Mercosul Line to comply with competition considerations. Without the sale, Maersk Line and Hamburg Süd would have a joint market share of 80% in intra-Brazilian trades.

Source: [European Commission](#), 10 April, [The Loadstar](#) 11 April



ALIBABA SIGNS MOU WITH KUEHNE + NAGEL

Kuehne + Nagel this week signed an agreement with the world's largest e-commerce platform, Alibaba, to cover B2B volumes. The memorandum of understanding (MoU) deepens an existing partnership and is further evidence of Alibaba's strategy of engaging as many logistics service providers and freight carriers as possible – in contrast to Amazon's apparent preference for controlling as much of its supply chain as possible. KN and Alibaba already have an arrangement for the e-commerce platform's sellers to use the 3PL's air freight and less-than-container load (LCL) solutions for cross-border shipments. The new MoU extends that to include the full scope of KN's forwarding services – including full ocean container loads and ground and contract logistics services both inside and outside China.

The major obstacle to the growth of Alibaba beyond its domestic market in China has been the complexities of cross-border e-commerce shipment, especially in terms of customs. The deal follows a slew of other agreements between Alibaba and freight service providers. Maersk, CMA CGM and Zim all offer ocean booking services to Chinese shippers, while Flexport and SEKO Logistics are among 3PLs picked to help with shipments. In addition, the WCA's e-commerce network has also signed a deal with Alibaba, potentially offering the platform access to up its 4,000-plus member forwarders.

Source: The [Loadstar](#), 12 April

Road

POLICE DISMANTLE EUROPEAN CARGO CRIME RING

Authorities in Romania and France have dismantled an international criminal network composed of 28 Romanian nationals suspected of having stolen goods worth over €4 million from trucks across Europe over an 18-month period. They were supported by Europol, the European Union's law enforcement agency, and Eurojust, an EU agency dealing with judicial co-operation in criminal matters.

Earlier this month, six members of the crime ring were arrested while operating in France. Subsequently, following official requests from the French authorities, Romanian police carried out 46 house searches and issued 14 arrest warrants across eight counties in the country. During the searches, police officers found and seized bottles of perfume, electronic devices, and documents. Warehouses were also searched in the Netherlands.

Source: [Lloyd's Loading List](#), 10 April

Rail

FIRST EVER UK-CHINA FREIGHT TRAIN DEPARTS

The first ever UK to China freight train departed on Monday 10 April from DP World London Gateway's rail terminal laden with containers full of UK goods including soft drinks, vitamins, pharmaceuticals and baby products. This inaugural export train bound for China departed just under three months



after the first ever import train from China arrived in the UK. DP World said the service formed part of China's 'One Belt, One Road' programme, reviving the ancient Silk Road trading routes to the West.

The train will make the 12,000km journey in around 17 days from the east London port to Yiwu in Zhejiang province in eastern China. After passing through the channel tunnel into France and Belgium, the DB Cargo locomotive will call in Duisburg, Germany. B Logistics will handle the operation for the Belgian section of the trip. From Duisburg InterRail will pull the cargo through Poland, Belarus, Russia and Kazakhstan before the train crosses to Yiwu, China.

Container operator OneTwoThree Logistics is overseeing the transport and booking of cargo for the UK-China rail freight trains, in conjunction with Yiwu Timex Industrial Investment Co., which is running the service with China Railway Container. Earlier this year the first freight train between China and the UK completed its journey.

Source: [Lloyd's Loading List](#), 11 April

Air

AIR FREIGHT MOVES FASTER THAN PREVIOUSLY THOUGHT

Air freight moves significantly faster than previously thought, with new data revealing average air cargo shipment times of less than five-and-a-half days, not the seven days traditional critics of the industry have claimed it takes. Ariaen Zimmerman, executive director of the IATA-affiliated air freight quality improvement initiative Cargo iQ, told attendees at the Multimodal 2017 seminar on Valuing Cargo Performance last week: "In January 2016, we introduced a new way of measuring this - with a couple of hundred thousand shipments a month, so we are producing robust numbers - and we saw it was 5.3 to 5.4 days."

But the industry is still using the figure of an average of seven days, he added, a measurement produced in 1997 and part of a process that saw the establishment of Cargo iQ's predecessor Cargo 2000, the first industry-wide effort to improve transit times. "So we are 23% faster than we think," he said. "And no one has noticed."

Panelists at the event agreed that all stakeholders in the air cargo industry needed to 'talk the same language' and use the same targets and goals in order to reach meaningful agreements and be able to compare data. Transparency across the air freight supply chain is an important issue and carriers are increasingly pressured by customers to provide accurate and real time data.

Source: [Lloyd's Loading List](#), 13 April

EC INFORMAL EXPERT GROUP ON DRONES

The DG MOVE at the European Commission has set up an informal expert group on drones and is looking for members. The group will assist the Commission on policy issues related to drones and the establishment of a regulatory framework. Specifically, the group will help the Commission identify and conceptualize actions needed to support the objectives of the EU policy on drones (part of the [European Aviation Strategy](#); p. 12) The deadline for applications is May 8.

More information available [here](#).



Customs

CONSULTATION ON THE REVISION OF THE EXCISE DIRECTIVE

On the 11th of April, DG TAXUD launched a public consultation on “general arrangements for excise duty – harmonisation and simplification”.

The purpose of this consultation is to gather the views of EU citizens, economic operators and other stakeholders on a set of possible options for the revision of [Council Directive 2008/118/EC](#), which sets out the general arrangements for the holding of excise goods and their movements between Member States.

The Commission explains that, on the basis of two studies carried out in 2014 and 2016, a report was drafted and will be published soon. The outcomes of the report show that there might be scope to improve Directive 2008/118/EC in order to reduce administrative burden for both Member States and economic operators and reduce distortions in the internal market.

EU citizens, economic operators and other stakeholders are invited to give their views on the different options envisaged by the Commission. The consultation is open until 4 July 2017. More information available [here](#).

General

TRAN COMMITTEE HEARING ON “WOMEN AND TRANSPORT”

This week the European Parliament’s TRAN Committee held a [public hearing](#) on “Women and Transport - the role of women in solving the shortage of qualified staff in transport”. The hearing included presentations of Gilles Bergot, Deputy Head of Unit MOVE B5, on the position of the European Commission and from industry stakeholders presenting their view. These included Ms Åsa Webber, Deputy Permanent Representative of Sweden to the European Union, Ms Cristina Tilling, from the European Transport Workers’ Federation, and Ms Theresia Hacksteiner, from the European Barge Union.

The transport sector employs 22% women, compared to the 46% EU average. The European Commission’s main strategy included making transport more appealing to women and to improve the image, also towards the general population. MEPs welcomed the initiative and actions taken towards gender equality. Members noted that achieving gender equality in the transport sector, as well as in other sectors, includes breaking down traditional social roles. At the same time, real gender specific barriers need to be removed. These include the need to provide safe parking and adequate sanitation facilities and addressing the issue of violence against women. Some also called on the Commission to incorporate gender mainstreaming more thoroughly in every policy.

Participants also noted that there should be more gender based statistics, because only once the differences in gender patters are known and understood can policies properly address the issues. Some MEPs criticized the title of the hearing, noting that one ought to distinguish between attracting more qualified workers to the sector and solving the gender imbalance of the transport sector



WTO EXPECTS TRADE RECOVERY IN 2017 AND 2018

The WTO is forecasting that global trade will expand by 2.4% in 2017. However, as deep uncertainty about near-term economic and policy developments raise the forecast risk, this figure is placed within a range of 1.8% to 3.6%. In 2018, the WTO is forecasting trade growth between 2.1% and 4%.

The unpredictable direction of the global economy in the near term and the lack of clarity about government action on monetary, fiscal and trade policies raises the risk that trade activity will be stifled. A spike in inflation leading to higher interest rates, tighter fiscal policies and the imposition of measures to curtail trade could all undermine higher trade growth over the next two years.

"Weak international trade growth in the last few years largely reflects continuing weakness in the global economy. Trade has the potential to strengthen global growth if the movement of goods and supply of services across borders remains largely unfettered. However, if policymakers attempt to address job losses at home with severe restrictions on imports, trade cannot help boost growth and may even constitute a drag on the recovery," said WTO Director-General Roberto Azevêdo.

Source WTO: [WTO PRESS/793 TRADE STATISTICS AND OUTLOOK](#)

TEN-T COORDINATORS EXCHANGE VIEWS WITH TRAN COMMITTEE

This week the European Parliament's TRAN Committee welcomed two TEN-T coordinators, Karla Peijs (Coordinator for the Rhine-Danube Corridor) and Brian Simpson (Coordinator for the Motorways of the Sea) for an exchange of views. Both coordinators updated MEPs on their activities and progress and answered some questions.

Both the Coordinators and MEPs noted that Member States often have a too narrow national focus in their transport system and policies and fail to look across the border. The coordinators therefore engage with Member States regularly to ensure cross-border issues are being dealt with. Regarding the Motorways of the Sea, the fact that ports are competitors and follow their own agenda is another omnipresent issue.

Key topics for the Rhine-Danube Corridor are the digitalization of transport, sustainable transport services and the environment, the dredging of the Danube river and making sure transport nodes are interlinked properly. For the Motorways of the Sea digitalization is also important topic, as is the environment and the upcoming IMO sulfur directive, safety and how the Motorway of the Sea interacts with extra-EU traffic. Talking about Brexit, Simpson stressed that it will be important to make sure that Ireland will still be properly connected to the European corridors.

MEPS ADOPT DIGITALIZATION OPINION ON TRANSPORT

This week the European Parliament's TRAN Committee adopted two opinions on [digitalizing European Industry](#) and European standards, calling for more consideration of the transport sector. Digitalization in the transport sector goes far beyond connected and automated driving, and this should be reflected in the EU strategy. Rapporteur Pavel Telička underlined the importance of EU-wide standardization for the dismantling of barriers in the internal market and stressed the need to promote open standards. During the discussion MEPs underlined the importance of digitalizing the transport sector but also some issues that need to be considered. Both opinions were adopted by the TRAN Committee this week.

The draft opinion on digitizing European industry is available [here](#). The draft opinion on European standards is available [here](#).



Forthcoming events

CLECAT MEETINGS

Customs and Indirect Taxation Institute

16 June, Lisbon

Board and General Assembly

16 June, Lisbon

Road institute meeting

28 June, Brussels

Supply Chain Security Institute

24 October, Paris (tbc)

Air Logistics Institute

24 October, Paris (tbc)

CLECAT Freight Forwarders Forum 2018

24 November, Barcelona

OTHER EVENTS WITH CLECAT PARTICIPATION

ELP dinner event on Smart Freight Logistics

24 April, Brussels

DTLF Plenary Forum

26 April, Brussels

Global Green Logistics: Making Emissions Accounting Work for Business

9 May, Transport logistic Messe, München

Global Liner Shipping Conference

16-17 May, Hamburg

ELP dinner event on Low Carbon Strategy

30 May, Brussels

8th edition of the UIC/FIATA Market Place Seminar

14-15 September, Duisburg

EP/COUNCIL MEETINGS

European Parliament

Transport and Tourism Committee

3-4 May, Brussels



Plenary Session

26-27 April, Strasbourg

Transport, Telecommunications and Energy Council

8 -9 June 2017, Luxembourg

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