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News from Brussels

CLECAT GENERAL ASSEMBLY/CUSTOMS INSTITUTE



CLECAT meetings took place in Lisbon last week at the kind invitation of ODO, the Portuguese organisation of customs agents.

The Customs Institute reviewed the main initiatives and progress in the context of the UCC. The CITI had also exchanges on the state of play and next steps of the various TAXUD Project Groups in which CLECAT is involved, namely on Centralised Clearance, Single Window and ICS2. Delegates had the opportunity to present the main issues faced at national level when it comes to UCC

implementation. The UCC is currently under the so-called transitional period to allow for the development of the IT systems needed for full automation of customs procedures. The transitional period also allows for further improvements to be considered and is a chance for building better collaboration between the Commission, trade and other institutions to discuss and solve shortcomings (see below story).

In the afternoon, the General Assembly agreed on CLECAT's policy priorities for the coming year, new Board members were formally elected and the chairs of the various institutes reported on activities and progress made over the last six months.

Members expressed their interest and commitment to work in recently formed working group on Brexit and Digitalisation and IT. As freight forwarders, logistics service providers and customs brokers play an important role in international trade and logistics, CLECAT considers it important to seek to advise the European institutions whenever possible and to consult its members on the many aspects of the Brexit. The Working Group on Digitalisation and IT will support CLECAT in its ongoing participation in the work of the Digitalisation and Transport Logistics Forum (DTLF).

DTLF NEW WEBSITE

CLECAT would like to advise its members on the new website of the DTLF <http://www.dtlf.eu/#home> which provides relevant background information on the various objectives, initiatives and events of the DTLF. The promotion and facilitation of use of transport documents in an electronic format is one of the core objectives of the DTLF. But there is equally focus on cargo flow optimisation. The DTLF seeks to pursue the development and validation of a trusted concept for information sharing between businesses, within and between countries and different traffic modes along given corridors and supply chains.

The DTLF is a group of experts that brings together stakeholders from different transport and logistics communities from both the private and the public sector. It was set up in June 2015 by the European Commission with a view to build a common vision and road map for digital transport and logistics. It is also mandated to help identify the need for EU level measures and to support their development and implementation where relevant.

CONNECTING THE DOTS FOR A EUROPEAN SINGLE ROAD MARKET

MEP Wim van de Camp will host a lunch event organised by CLECAT on the 28th June for Members of the CLECAT Road institute and MEP's and policy makers in the European Parliament. The event will follow the Road institute of CLECAT which will seek to further analyse, discuss and reach positions on some of legislative proposals made in the context of the Mobility Package. The focus will be legislative initiatives on market access, social aspects and enforcement and smart road pricing.

CLECAT is pleased that the Commission has taken on board many of its recommendations to make the regulation simpler and easier to enforce which we consider an important towards the creation of a European Single Transport Area. However, some of the proposals, in particular in relation to market access in international road freight transport, generate high administrative burdens and restrict freedom to provide cross-border road transport services. CLECAT is hopeful that Council and Parliament recognize the importance of achieving a competitive internal market for road transport, whilst supporting a level playing field.

The event is fully booked so registration is no longer open.

EXCHANGE OF VIEWS WITH COMMISSIONER BULC

Ms Violeta Bulc, Commissioner for Transport had an exchange of views at the TRAN Committee meeting following a general overview from the Commissioner on the Mobility package. The package outlines the Commission's long-term plans on mobility and contains a first set of 8 legislative initiatives



with particular focus on road transport as well as a number of non-legislative documents on accelerating the shift to a sustainable, digital and integrated mobility system.

With regards to competitive and fair mobility, the Commissioner noted that the status quo is not an option in view of a lack of following the rules, lack of implementation of the acquis European leading to higher costs of industry, social issues and challenges for the drivers. Therefore, the Commission proposed something that can work on a single market, that can work for the Europe without fitting one group of Member States. One of the prominent – and much awaited - measures is the fight against letterbox companies. Another issue of competition and fairness relates to cabotage. The current rules are too complex and too difficult to control. The Commission has therefore decided to simplify them. The new 5-day limit with an unlimited number of cabotage during that period will neither provide for market opening nor for market closure. Commission proposal offers more flexibility for transport undertaking to organise their operations – avoiding thereby empty runs. It will also make controls by national authorities much easier and limit thereby limit illegal cabotage.

On the question of the application of the Posting of Workers Directive to the road haulage sector, Commissioner Bulc noted that the Commission has always argued that the rules on posting of workers should apply to road transport. The fact that workers are highly mobile is not a reason to exclude them and deprive them from the benefit of EU legislation. This being said, she was convinced that there is a need for sector specific rules and again to find European solutions to this issue. The road initiatives propose to 1) reduce administration burden for road hauliers: the way some countries are applying the posting rules to road transport is disproportionate and burdensome. 2) Make sure that the more efficient tools available in the sector, such as the digital tachograph and electronic consignment notes (eCMR), can be fully used in future to ensure proper enforcement of the rules; and 3) establish a minimum threshold for application of national minimum wages. While today the posting directive does not specify how to enforce the principle of proportionality, the EC proposes is that local rules on remuneration should only become applicable to drivers after 3 days per month of accumulated time in a Member State.

The Commissioner was also explaining the revised Eurovignette proposal. The Commission's proposes clearer price signals – via road charges - to encourage the use of infrastructure in a more efficient manner as well as to reward the use of cleaner vehicles. Charging rules should no longer apply only to Heavy Goods Vehicles. Passenger cars, van and buses should be brought into the scope of the EU legislation as these vehicles are responsible for the lion's share of CO2 emissions and congestion on our roads. Member States should remain free to decide whether access to any specific infrastructure must be charged or not. However, when road charges are introduced, they should be distance-based not time-based as requested in the recent resolution on road transport adopted by this house. This is a matter of both fairness and efficiency. Distance-based charging is a pre-condition for external cost charging. It is also a pre-condition to better reward the use of clean vehicles. EC introduces CO2 modulation as well as a 75% discount on the price of tolls for all zero emissions vehicles.

MEPs had many questions and comments, mainly on the social and internal market issues, but equally on secure parking and how the package relates to multimodal transport.

The distribution of the files was agreed earlier this week. The appointment of the rapporteurs and the shadow-rapporteurs may take some time, since there are 8 rapporteurs and at least 2 shadow-rapporteurs making this the biggest and most important work on the table of the European Parliament until the end of its term. The ambition is to have the proposal finalised before July 2019 when there are elections of the EP. Rapporteurs will start working on their reports in September 2017.



Customs

CENTRALISED CLEARANCE STATE OF PLAY

Centralised Clearance is one of the most important improvements that the UCC provides. It authorises a holder to lodge a customs declaration at the customs office where he is established, for goods which are presented at another customs office within the customs territory of the Union. It allows the economic operators to centralise and integrate accounting, logistics and distribution functions with consequent savings in administrative and transaction costs, thus providing a genuine simplification.

In the past few months a Customs 2020 Project Group, of which CLECAT is a member, worked to develop and deliver a business case on Centralised Clearance. A phased implementation was decided on in an early stage. Phase 1 is to include the standard, simplified and supplementary import declaration. It will, however, exclude EIDR (Entry in the declarants records), excise goods, CAP (Common Agricultural Policy) and the combination of ENS and import declaration. Nonetheless, these situations will be addressed in a second or later phase, in order to speed up the implementation for other situations. The Business case for phase 1 will be finalized during summer. Phase 2 may start already in September-October this year.

One of the main barriers for a more extensive use of Centralised Clearance remains that a supplementary declaration is required for the payment of VAT in the presentation Member State. The procedures for declaring and paying the VAT in the Member States where the goods are presented are not harmonised. For that purpose, the Project Group has proposed solutions of deferred payment and postponed accounting. To further promote the use of centralised clearance, other recommendations were put forward, which state that Member States should as much as possible allow for the use of postponed accounting for the payment of import VAT. Also, the Member State where the goods are presented should consider not requiring a guarantee, as operators authorised to use centralised clearance always have AEOC status. And finally, when deferred payment is used, the operators concerned should be allowed to make use of global (monthly) declarations for the payment of VAT. The Commission services strongly support the solutions proposed.

As a member of the Project Group, CLECAT appreciates the efforts undertaken by the Commission to develop a practical and efficient solution for Centralised Clearance. However, in order to fully enjoy the benefits of this major simplification by 2020, the VAT and other issues need to be addressed in good cooperation and with high priority by the different bodies of the Commission and Member States.

UCC REVIEW

One year after the entry into force of the Union Customs Code, the first wave of reviews is ongoing. Recently, the [review of the UCC Implementing Act](#) was finalised and published in the EU Official Journal on the 13th of June 2017. The main amendments cover the rules for issuing a long-term supplier's declaration (Article 62), the period to register in the Registered Exporter (REX) (Article 68), the threshold rendering liable a guaranteeing association for TIR operations (Article 163), and the exceptions from the general rule determining the customs office of exit for the export of goods (Article 329).



The review of the UCC Delegated Act is still ongoing. Some articles, and especially the article 84 on “Reduction of the level of the comprehensive guarantee and guarantee waiver”, are still under discussion in DG TAXUD expert groups, involving the Commission, Member States and trade. CLECAT is optimistic that the Commission will find solutions, even though they might not come in the expected timeframe. Remaining issues will be discussed again next week, and CLECAT will take part to the discussion.

The Multi-Annual Strategic Plan (MASP) is also currently under review and the concrete discussions are intended to start at the beginning of July. The MASP sets the timeframe for the implementation of the IT system supporting the UCC. As expected, the implementation of some IT projects foreseen in the UCC will be postponed beyond 2020. CLECAT considers it acceptable that the MASP extends beyond 2020, because it is more important to have robust IT systems in place rather than hastily created due to legal time constraints. CLECAT is also of the opinion that sufficient time should be granted to trade to adapt their own IT systems to the new specifications.

CLECAT has been involved in the discussions related to the review of the UCC and will continue to express the views and opinions of the freight forwarders and customs brokers to the Commission and the Member States.

COMMISSIONER MOSCOVICI AT IMCO COMMITTEE

On 21 June 2017, the European Parliament IMCO (Internal Market and Consumer Protection) Committee had an exchange of views with Pierre Moscovici, European Commissioner for Economic and Financial Affairs, Taxation and Customs. The discussions mainly focused on the progress made in UCC implementation, especially the implementation of the UCC IT systems, and the main priority areas for the Commission in a near future.

Commissioner Moscovici highlighted that customs relies on efficient IT systems to be successful. Financial resources will be crucial in this context and the Commission held its first internal orientation debate on the next Multiannual Financial Framework on 20 June 2017. Commissioner Moscovici presented 5 initiatives for a more efficient implementation of EU customs law:

- The Commission will report, twice a year, on the state of play of UCC implementation;
- Performance indicators are currently developed to assess the UCC implementation;
- More guidance will be developed to ensure a uniform interpretation of UCC provisions;
- A common vision on IT systems usage and timelines must be defined with Member States;
- Synergies with other organisations, such as the police and phytosanitary agencies, will be reinforced.

MEPs questioned the expected delays in the implementation of the UCC IT systems. They reminded that these systems were the backbone of the new Customs Code and that their implementation was a prerequisite for a proper implementation. Some MEPS wondered how the Commission was planning to ensure that Member States would interpret and implement UCC provisions in a uniform way. Some questions were also asked on the state of play regard the proposal for a directive on infringements and sanctions as well as on the negotiations on Brexit.

Commissioner Moscovici replied that some of the foreseen systems would be implemented by 2020, but some other would have to be delayed. He explained that the EU Customs Data Model was aligned with international standards and aimed at ensuring a harmonised language between customs. UCC guidance represented also important instruments to ensure harmonised implementation. Mr Moscovici said that progress was difficult on the directive on sanctions. Finally, Commissioner



Moscovici explained that the negotiations related to Brexit just started and that it was too soon to draw conclusions at this stage.

Maritime

SOUTH AFRICA REJECTS CONTAINER LINE MERGER PROPOSAL

The South African Competition Commission has rejected the merger of the container divisions of NYK, MOL and K Line to create Ocean Network Express.

In South Africa, NYK operates its shipping business through the Mitchell Cotts Maritime agency; MOL through subsidiaries MOL South Africa and MOL ACE South Africa; and K Line through K Line Shipping South Africa.

The SA commission judged that on the evidence of past collusion between container shipping firms, the merger would have led to an increased likelihood of further anti-competitive behaviour.

“The commission has found that the structure of the container liner shipping market is conducive to coordination, based on previous collusive conduct in the container liner market in other parts of the world. The merger increases the likelihood of coordination as it creates further structural linkages in the container liner market,” it said.

While the creation of Ocean Network Express was solely limited to the shipping companies’ container businesses, the commission also looked at whether it would affect the car-carrying business, especially after the car-carrying divisions of all three were found to be part of price-fixing cartel, which also included Hoegh, Walenius Wilhelmsen, EUKOR and CSAV, in the inbound US trade.

“The commission also found that the proposed transaction creates a platform for coordination in the car carrier market which has a history of collusion involving the merging parties. The parties have been prosecuted in some jurisdictions, while investigations are underway in others. It is the commission’s view that the merging parties may require a formal mechanism for the further collusive conduct in the car carriers market. The joint venture provides such a mechanism.

The proposed Ocean Network Express also continues to await a decision from the US. Last month, the Federal Maritime Commission (FMC), to which the lines had submitted their merger proposals, decided it could not rule on mergers, as they are de facto acquisitions.

Source: [The Loadstar](#)

CLECAT RESPONSE TO CARRIERS’ CANCELATION FEES

Forwarders and shippers have suffered over the last three months 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 increased in line with these developments, sometimes in dramatic proportions. Capacity shortages have led carriers to stop taking bookings and shippers had to wait up to eight weeks to load cargo. As a reaction to this situation, many shippers and forwarders started booking longer ahead just to ensure bookings. As a consequence, some failed to deliver and bookings



were cancelled. So due to the situation, which have now more or less normalised, cancellations seem to have increased but it was a reaction to this exceptional situation.

In CLECAT's view cancelation fees should not be raised as a consequence of the recent situation, simply due to the fact that it was exceptional and should (hopefully) not re-occur. We are now witnessing more and more carriers raising no-show fees. CLECAT supports the argument recently expressed by the European Shippers' Council that the same should be valid for the shipping lines in case of rolled containers.

DIGITALISATION IN SHIPPING: SMART DIGITAL SOLUTIONS

On the occasion of the "Digital Assembly 2017" co-organised on 15 & 16 June by the European Commission and the Maltese Presidency of the Council of the EU, the European seafarers and shipowners highlight the importance that shipping is urgently better served by smart digital solutions to finally decrease the administrative burden they face.

Shipping today is still not enjoying a genuine single market and remains hampered by endless paperwork. This is to the detriment of the crew, which faces increased workload with repercussions on rest-time and job satisfaction. It also affects the overall smooth shipping operations, especially for short sea shipping operators as they frequently call at EU ports within short time spans.

The Reporting Formalities Directive that aimed to simplify and rationalise reporting formalities for ships in European ports as of June 2016 has unfortunately not helped in easing the situation. Crews and companies face a worse situation today than before. Rather than having a single European window, diverging national solutions were developed and even at Member States' level there is very often no single solution in place.

ECSA and ETF therefore call on the European Commission to prioritise this matter as part of its Digital Agenda and Better Regulation Initiative and to propose a revision in time for it to be completed during this legislature. They call upon the European Parliament and Member States to fully support and prioritise such a revision.

The full press release is available [here](#).

NOVIMAR STAKEHOLDER MEETING

On 21 June CLECAT attended a stakeholder meeting of the NOVIMAR project, which is developing a vessel train concept for inland waterway transport. The vessel train works in a similar fashion to platooning for road transport, with automated or semi-automated follower vessels linked electronically to a lead vessel which navigates the route. The concept is intended to make optimal use of infrastructure, increase goods access to urban areas and reduce congestion through better intermodal connectivity and vessel utilisation.

Issues discussed during the meeting included the potential for the concept to link into the synchro-modal supply chain through data-driven route- and asset-optimisation, as well as the potential for growing inland waterway transport despite labour shortages.

The project, which is EU-financed under Horizon 2020, runs until June 2021.



Air

QATAR AIRWAYS PLANS LEGAL ACTION DUE TO TRADE BLOCKADE

Qatar Airways is considering legal action to gain back money lost through the Saudi-led blockade of the Gulf state. The carrier's chief executive, Akbar Al Baker, told Bloomberg TV at the Paris Air Show tabs were being kept of increased costs incurred because of the trade blockade for use in any "legal tribunals".

Meanwhile, fears that freight rates to the state would soar appear unfounded, and data from online freight booking platform Freightos suggests the sanctions appear to have had a negligible impact on freight shipments to and from Qatar.

Freightos chief executive Zvi Schreiber told The Loadstar that despite fewer carriers providing services to and from Qatar, June volumes by air and sea from Europe and the US were on track to outpace May's. He said: "If anything, global freight activity indicates that the impact of the sanctions on Qatar have been fairly negligible."

Mr Schreiber said this was because of shifting trade patterns from regional imports/exports to other destinations, including Turkey, the far East, and Europe. "This is particularly true of food imports, which traditionally go through Saudi Arabia, but instead Qatar has now shifted towards air imports of food from Turkey, Europe, and Iran," he continued. "Saudi Arabia is not known for its agriculture, so while there was some immediate disruption, within a few short weeks Qatar had sourced new suppliers from other countries."

In airfreight, Mr Schreiber said non-Qatari carriers anticipating increased demand eliminated some promotional rates, leading to a slight increase. As a result, actual airfreight price increases for shipments to or from Qatar were about \$0.30-\$0.60/kg, despite, he said, there being no shortage of capacity.

Source: [The Loadstar](#)

Sustainable Logistics

7TH GLOBAL MEETING OF LOW CARBON TECHNOLOGY PARTNERSHIPS INITIATIVE

On 19-20 June, CLECAT attended the 7th global meeting of the [Low Carbon Technology Partnerships initiative](#), a programme led by the World Business Council on Sustainable Development. The meeting discussed means to connect businesses and policy-makers for low-carbon solutions.

In a break-out session on freight transport, the WBCSD presented its [Road Freight Lab](#) project, a platform that will allow data and asset sharing between companies. The project's demonstrators project will pair two cities to show both inter- and intra-city road freight solutions. The WBCSD wishes to extend participation in the project to other companies beyond those already involved, which include UPS, Michelin and Total.



The freight transport session also discussed logistics collaboration, slow steaming for efficient logistics, IATA's aviation emission reduction actions, the IRU Commercial Vehicle of the Future report and the [Smart Freight Leadership report](#).

General

BIFA JOINS CALLS FOR SOFTER BREXIT

The British International Freight Association is calling for the UK negotiators to push for a deal that keeps the UK in the European customs union. BIFA Director General, Robert Keen says: "Over the weekend, we heard the UK Chancellor of the Exchequer, Philip Hammond dismiss speculation that the UK could pursue a soft Brexit and remain part of the EU's customs union and the single market.

"Like many, BIFA believes the economic benefits of the European Union single market, which allows free movement of goods, services, capital and people, and the customs union, which enables tariff-free trading within the EU, should be maintained until a final settlement between the UK and the EU is agreed and implemented, whenever that might be. "In light of the confusion caused by the results of the recent General Election, and the lack of a clear mandate from the UK Electorate, Mr Hammond and others, ought to be trying to convince colleagues to review the decision to leave the EU customs union, as laid out by Theresa May in her Lancaster House speech in January.

"Efficient and effective visible international trade needs fluidity at the borders and BIFA fears that leaving the customs union will lead to the imposition of tariffs, border checks, Customs declarations and bureaucracy for the many UK businesses trading within the EU, as well as BIFA members, which provide the logistics services that underpin such trade. "As others have said, the failure to secure a significant mandate in the General Election has left the UK Brexit team in a much-weakened negotiating position. "BIFA, on behalf of its members, suggests the Government needs to keep an open mind on solutions needed for the post-Brexit period, rather than throwing out the baby with the bathwater by having an inflexible attitude on ongoing membership of the customs union."

Forthcoming events

CLECAT MEETINGS

Road institute meeting

28 June, Brussels

CLECAT Event on the Mobility Package

28 June, Stanhope Hotel, Brussels

Supply Chain Security Institute / Air Logistics Institute

24 October, Paris

CLECAT Freight Forwarders Forum 2017

24 November, Barcelona



OTHER EVENTS WITH CLECAT PARTICIPATION

TOC Europe

27 June, Amsterdam

I AM CONNECTIVITY PLENARY MEETING

27 June, Amsterdam

UIC/FIATA Market Place Seminar

14-15 September, Duisburg

Brussels ECG Annual Conference

8-10 November

EP/COUNCIL MEETINGS

European Parliament

Transport and Tourism Committee

19-20 June, Brussels

10-11 July, Brussels

Plenary Session

12-15 June, Strasbourg

3-6 July, Brussels

Transport, Telecommunications and Energy Council

4-5 December, Brussels (Telecommunications & Transport)

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_EU

www.clecat.org

