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Brussels news

ELP DINNER DEBATE - 'TRANSPORT, TRADE AND BREXIT'



**European
Logistics
Platform**

The European Logistics Platform is organising an interactive forum on the implications of Brexit for trade and logistics on the **27th November** hosted by Dr Andreas Schwab MEP, member of the ELP Advisory Board and of the IMCO Committee.

The negotiations are continuing between the EU and the UK while the clock is ticking. Deal or no deal, transitional period or cliff edge - all scenarios will have an impact on the trade flows and daily transport movements between the EU and UK. What are the implications of these scenarios for supply chains, cross-border trade, customs clearance, perishable goods, transport and for the planning of operations? Whatever the outcome of the negotiations, logistics and industry as a whole need certainty and predictability regarding the future direction of EU-UK relations in order to be prepared for the future.

Members from across the European Parliament's committees and political groups, the European Commission and stakeholders are invited to hear directly from a number of European stakeholders on how Brexit may impact transport and trade and what can be done to ensure the right scenarios are being proposed, taking into account the consequences for trade and logistics in Europe.

The dinner will take place on Monday, 27 November 2017 at 18.00 at Renaissance Hotel, Rue du Parnasse 19, Brussels. You can register [here](#)



TRAN HEARINGS ON MOBILITY PACKAGE AND BREXIT

The TRAN Committee will hold hearings next week on the mobility package and on the impact of Brexit on land transport.

The first Mobility Package hearing, on Wednesday 22 November, will cover the market and social aspects, with speakers from road hauliers, trade unions and inspection services. The second hearing on Thursday 23 November will cover road charging, with speakers from transport operators, infrastructure operators and T&E. The programme is available [here](#).

The hearing on Brexit and land transport on 22 November will feature speakers from a range of road and rail transport associations and companies. The programme is available [here](#).

COMBINED TRANSPORT: HOW THE EU CAN GIVE A BOOST TO MULTIMODALITY

CLECAT's 2017 Freight Forwarders Forum on Smart and Sustainable Logistics Solutions through Multimodal Transport comes as the European Year of Multimodality 2018 approaches. Effective multimodality permits forwarders to offer a tailor-made service to their customers, thus improving the flow of goods throughout the European economy and boosting growth. An efficient multimodal transport chain allows goods to bypass congestion, achieving value pricing through economies of scale and a flexibility which serves customer needs first. This furthermore brings important environmental benefits to the supply chain, and achieving seamless multimodality and synchro-modality in the transport system will be crucial in meeting Europe's climate commitments.



Nonetheless, regulatory barriers to achieving seamless multimodality still exist in Europe. The Combined Transport (CT) Directive currently discourages some combined transport operations by imposing an arbitrary limit on the road leg. These restrictions make it more attractive in some cases to transport the goods entirely by road, in case a port is even slightly outside this radius, or the nearest suitable rail terminal is too far away, contradicting the purposes of the Directive.

[The proposed revision of the Combined Transport Directive](#) makes some welcome steps to address these restrictions, by introducing greater flexibility in the distance requirements and removing the 'nearest suitable terminal' qualifier, as well as extending the scope of the Directive to purely intra-national operations. There are also welcome moves to simplify administrative requirements through digital transport.

The legislative process must ensure that the revised Directive does not hinder CT operations through an excessive administrative burden. Simplicity and flexibility must be the order of the day if the EU is to succeed in using 2018 to promote true multimodality, and the Commission as well as the co-legislators must consider these points as they develop this Directive and future transport policies.



For more information on the FFF2017 and to register, please see [here](#).

For our full blog piece on the CT Directive revision, please see [here](#)

DIGITALISATION OF TRANSPORT DAYS DECLARATION

Last week CLECAT participated at the Digital Transport Days in Tallinn (8-10 November) organised by the European Commission and the Estonian Presidency of the Council of the European Union. The objective of the Digital Transport Days was to explore the potential and to address challenges of digitalisation of transport and mobility both for passengers and freight.

According to the Commission and the Estonian Presidency, digitalisation will fundamentally shape the transport sector from what we know now. New digital technologies will enable to respond to the pressing need to make transport safer, more efficient and sustainable. Data can be the new fuel for transport and provides numerous opportunities to organise transport and mobility services in a new and innovative way. At the same time, the Commission says we need to identify and tackle the obstacles, such as cybersecurity, that might hinder the full potential of what digitalisation can offer.

The Commission issued a [Digital Transport Days Declaration](#) concluding on the discussions. This declaration includes, for example the need to increase the use of common data models and interfaces to reduce administrative burdens and that in order to deliver such interoperable solutions, the Commission needs to get the governance right and find global solutions.

It was also recognized that in order to guarantee a socially sustainable transition, investment in skills and life-long learning will be required. Therefore, DG MOVE said it is crucial that sufficient EU budget is allocated to boost investment and support the development of EU-wide transport digital initiatives.

Road

IRU CRITICAL ON POSTING OF WORKERS IN ROAD TRANSPORT

In an open letter to European and national decision makers on the application of posting of workers to road transport, IRU notes that the general Posting of Workers Directive 96/71/EC is not suitable for the road transport sector and that the EU should take into account the highly mobile character of road transport operators and make a thorough examination of the sector before making any decision.

If it is decided that rules on posting workers should apply to road transport, IRU recommends that the *lex specialis* should lay down the key rules and parameters outlining how posting of workers should be applied to road transport. The biggest concern is that implementation in an increasing number of Member States across the EU has demonstrated that posting rules incur a heavy administrative burden for transport operators. In addition, Member States do not provide sufficient information on how transport operators should apply the rules to their drivers for the time spent abroad. These two issues need to be urgently addressed by the European Commission, European Parliament and Member States.

Moreover, there is a risk that the status of self-employed and false self-employed drivers will proliferate, resulting in further fragmentation of the market (a market which already consists of 85% SMEs).



Finally, IRU welcomes the intention of the European Commission to reduce the administrative burdens for the industry, as it should be avoided that the application of the posting of workers in road transport becomes a barrier to the proper functioning of the EU Internal Market.

Nonetheless, IRU signals that the requirements have only been slightly relaxed, and the costs and risks faced by drivers and road transport operator remain very high, with the consequence of having to face severe sanctions for unintentional mistakes. In conclusion, IRU calls for a reduction of the administrative requirements for transport operators, and invites the legislator to explore potential digital solutions to reduce the administrative burdens, for example by information exchange between Member States using the Electronic Register for Road Transport Undertakings (ERRU).

Sources: [IRU](#)

Rail

NEW EU RULES FOR CREATING A CUSTOMER-ORIENTED RAIL NETWORK

The European Commission recently published its updated directive on the establishment of a 'single European railway area'. This legislation established a 17-point plan aimed to improve the coordination and communication of infrastructure managers and train operators on infrastructure works.

CLECAT believes this is an important proposal to improve the quality, competitiveness and reliability of rail services setting the path towards an effective management and coordination of planned infrastructure works. One of the key developments of the new rules is the establishment of a platform for consultation. Moreover, coordination obligations have been established for infrastructure managers in order to minimize disruption to services. The Rastatt crisis during this summer has proved the need for better rules in order to reduce the effects of unplanned disturbances.

The response from Commissioner Bulc to rail freight stakeholders, in response to the letter of 29 September on the impact of the Rastatt blockage of the Rhine-Alpine corridor on rail freight transport in Europe is available [here](#).

FELB EXPANDS RAIL SERVICES TO CHINA

As part of Far East Land Bridge's strategy to expand their eastbound rail services, a weekly delivery of FCL cargo has been established every Saturday from Port of Hamburg to Changsha.

This new service matches the increasing demand for eastbound cargo transportation. The weekly service, that will departure on Saturdays, goes through Erlian, Mongolia route, which FELB has been using as an alternative route for the past months in order to avoid border congestion. This new rail service is expected to take 20-22 days.

Sources: [RailFreight](#)



Maritime

SHIPPING TO BENEFIT FROM GLOBAL ECONOMY'S 'NEW NORMAL'

With most economic indicators across the globe pointing to positive territory, BIMCO has said the shipping industry's growth outlook amid the 'new normal' could not be better. It noted that the International Monetary Fund has raised expectations for global output by 0.1 percentage point to 3.6% for 2017 versus 3.6% in 2016. For the shipping sector, the IMF's forecast for world trade volumes has also been revised 0.2 percentage points higher to 4.2% for 2017, which is a substantial boost from the 2.4% growth seen in 2016.

In the US, despite dismal wage growth figures, the nation is seeing robust demand for containerised goods, which seems to indicate an uptrend in consumer spending. "The possibility of rising wages is encouraging for the container shipping industry, as higher wages translate into higher household income which promotes higher spending on consumer goods, all indicating additional room for growth in demand," said BIMCO. The IMF has lifted US growth estimates to 2.2% from 2.1% in 2017 and 2.3% from 2.1% for 2018. Things seem to be looking up in Europe as well, with Germany, France and Greece posting record high manufacturing purchasing managers index levels for September.

"There is an overall strengthening in the European manufacturing sector and it is now growing at the fastest pace since 2011. This strong manufacturing growth, combined with rising exports indicates that the growing output in Europe is being consumed outside of European borders and therefore the production uptick benefits both short and deep-sea shipping activity." The IMF has thus raised growth forecasts for the Euro Area by 0.2 percentage points for 2017 and 2018 to 2.1% and 1.9% respectively.

In Asia, stronger global demand and policy measures taken by the Japanese government to support its fiscal stance has led the IMF to raise economic forecasts for the nation by 0.2 percentage points to 1.5% for this year, and by 0.1 percentage point to 0.7% for 2018.

This year has also seen China raising its efforts to cut emissions and air pollution via the reduction of commodities produced locally and the increase in imports for such commodities. This has benefited the dry bulk shipping industry. The IMF has forecast China's economic growth at 6.8% in 2017 and 6.5% in 2018. Although all these seem to present a much-improved scenario for global shipping, BIMCO noted that segments in the industry may be facing gloomy or darker prospects for earnings owing to self-inflicted damage and not from a lack of support and demand.

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

Air

DRAFT EP REPORT ON AIR TRANSPORT COMPETITION

The European Parliament's rapporteur on the proposed regulation on safeguarding competition in air transport, Markus Pieper MEP (EPP, Germany), has published his [draft report](#).



The [proposal](#) aims to address the shortcomings of the existing legal framework set in [Regulation \(EC\) 868/2004](#). The current legislation was intended to defend the Union air carriers against the unfair practices of some third countries, especially in the absence of an international framework that sets out the conditions governing competition among air carriers. However, it was never fit for purpose and therefore never used. The Commission points out that the EU rules ensure that all carriers, European and non-European, are granted the same rights and same opportunity of accessing air transport related services, however this is not always the case outside Europe where discriminatory practices and subsidies may give unfair competitive advantages to air carriers from those third countries.

Mr Pieper's draft report supports the proposal as an improvement to Regulation 868/2004 and agrees with its objectives and means to achieve them. He underlines that redressive measures that could be triggered because of a well-functioning defence mechanism should be used when more than one Member State is affected or existing bilateral procedures exploited. As a result, this report introduces changes that emphasise the need to give priority to bilateral solutions and involve all relevant stakeholders, including the Parliament and the Council as European legislators, in the process of consultation. The rapporteur also finds it important to put more focus on the role of air connectivity as a criterion in the investigations and to specify the notion of Union interest when deciding whether or not to apply the redressive measures if unfair practices of a third country carrier are discovered.

CLECAT has supported the principles of fair competition in air transport, arguing that the EU and its Member States must not respond to any unfair practices with protectionist measures of their own. This would be counterproductive, unsustainable, and would only serve to limit connectivity and growth. Should evidence be found of unfair commercial practices in third countries, responses must be based on clear criteria, laid down in law and communicated transparently with market operators.

Mr Pieper will present his draft report to the Transport Committee on 4 December, with the committee vote scheduled for March 2018.

Sustainable Logistics

TESLA UNVEILS ELECTRIC TRUCK

Elon Musk unveiled the first Tesla electric truck on 16 November. The Tesla Semi has a range of up to 500 miles, and features a battery pack under the cab and possible semi-autonomous driving using the Tesla autopilot. Tesla claims an energy consumption of under 2kWh/mile and prospective fuel savings of over \$200,000. It remains to be determined whether the Tesla Semi will be available on the European market or is destined only for North America. Daimler, Volvo and Volkswagen are also planning electric trucks.

More information: [Tesla](#), [Bloomberg](#)



Digitalisation

ELETA PROJECT KICKS OFF

During the EU Digital Transport Day in Tallinn, Mr. Ad Toet was named coordinator of the Electronic Exchange of ETA information (ELETA) project. The ELETA project aims to demonstrate the practical value of streaming electronic exchange of data on the tracking and tracing of trains and their Estimated Time of Arrival (ETA). To achieve this, 12 selected intermodal relations have been selected to develop the project. National rail infrastructure managers and railway undertakings/operators will make information on ETAs available and provide freight forwarders and shippers with up-to-date information about the status of their freight.

The ELETA project addresses an issue which has been discussed for a long time by stakeholders given that centrally-planned allocation of infrastructure capacity makes it very difficult to estimate the arrival time of an international freight train. The development of the project was identified as a key priority in the Rotterdam TEN-T Day in June 2016.

Customs

PROGRESS ON NEW VAT RULES

On 7 November, the Council discussed [proposals for improved VAT rules](#) to help facilitate electronic commerce and online businesses. A compromise text proposed by the Presidency received broad support from Ministers, whilst one delegation was not yet able to lift its reservations. The Presidency therefore indicated that the Council would revert to the matter in December with a view to reaching an agreement. The proposals are aimed at facilitating the collection of VAT when consumers buy goods and services online. They are part of the EU's 'digital single market' strategy. The new rules extend the existing EU-wide portal (mini 'one-stop shop') and establish a new portal for distance sales from third countries. VAT fraud for distance sales is estimated by the Commission at €5 billion per year.

The proposals are expected to reduce the costs of complying with VAT requirements for business-to-consumer transactions. Administrative cooperation would also be strengthened. The new rules require VAT to be paid in the member state of the consumer, ensuring a fairer distribution of tax revenues amongst member states. Additionally, the texts would make online platforms liable for collecting VAT on the distance sales that they facilitate. The Council requires unanimity to adopt the package. The European Parliament is expected to give its opinion soon.

THE DEVELOPMENT OF CUSTOMS IT SYSTEMS

The Council adopted [conclusions on the way forward to developing customs IT systems](#) on the 7th November. In its conclusions, the Council invites the Commission and the EU Member States to implement the Union Customs Code IT work programme as a top priority, to explore new approaches to develop and operate future customs IT systems in cooperation with the relevant stakeholders and to carry out cost-benefit analyses of new approaches towards future customs IT systems and their impact on authorities, trade and businesses.



Among other things, the conclusions state that ‘today’s society requires speed and response capabilities of customs services, which calls for a timely implementation of the customs legislation and related IT systems. Therefore, priority should be given to a step by step approach which should provide an effective and cost-efficient solution for next generation of Customs IT systems from 2025 onwards, based on an architecture agreed upon by the stakeholders.’ Further, the commitment was given to study new approaches to develop and operate Customs IT systems more thoroughly, including through the launch of a pilot project.

The full report on the results of the Council meeting on Economic and Financial Affairs of 7 November can be found [here](#)

General

EU TRADE AGREEMENTS DELIVER TANGIBLE BENEFITS

Last week, the European Commission published a report assessing the implementation of its existing trade agreements. This horizontal report is the first of its kind and sheds light on what happens after trade agreements are negotiated and have entered into force. The publication is another step towards a fully transparent and inclusive trade policy, in line with the Commission's commitments set out in the EU's 2015 'Trade for All' strategy.

Overall, EU agreements are shown to lead to more EU exports and growth, with major export increases to, for example trade with Mexico increased 416% since 2000, trade with Chile 170% since 2003, with South Korea 59% since 2011 and Serbia 62% since 2013. The report shows that it is often the EU agricultural and motor vehicles' sectors that benefit the most. For example, exports of cars to South Korea have increased by 244% since 2011, and in the case of the agreement with Colombia and Peru there was a 92% and 73% increase, respectively, in the exports of EU agricultural goods.

The report also identifies areas for improvement to increase the benefits of existing agreements. Despite the overall positive impact of trade agreements for EU exports, EU companies do not take full advantage of the opportunities offered. For example, the extent to which EU businesses are using tariff reductions is lower on the EU side than that of our partners. Also, for some sensitive products, instead of full liberalisation, the EU and its partners agreed on limited market openings through tariff-free allowances, known as Tariff Rate Quotas (TRQs). The report shows that these possibilities are often underused by EU exporters. The same is true for the use of some the TRQs conceded by the EU on some sensitive products, despite these issues being amongst the most controversial during the negotiations. Therefore, the report highlights an increasing need to raise awareness amongst EU companies – particularly small and medium-sized ones – about the opportunities that these deals offer, to expand their exports and grow their businesses.

The report will now be subject to discussion with Members of the European Parliament and Member States' representatives in the Council. It will also be a basis for discussion with civil society, the next occasion being the upcoming EU Trade Policy Day on 5 December in Brussel.

The full report and more background information can be found [here](#)



EC INVESTS IN CONNECTIVITY IN BULGARIA

The European Commission recently approved an investment package worth almost €330 million to finance the construction of parts of the Struma motorway. Firstly, it has approved the investment of lot 3.1., between the towns of Blagoevgrad and Krupnik. Secondly, it has also approved investment for lot 3.3., between the towns of Kresna and Sandanski. The Struma motorway connects the South-West part of the Bulgaria to the Greek border, on the Trans-European Transport Network (TEN-T).

Previously, the EU, through its cohesion policy funds, invested €291 million for the construction of lots 1,2 and 4 of the Struma Motorway as part of the 2007-2013 EU budget framework. Commissioner for Regional policy Corina Crețu stated that connectivity infrastructure projects was a key point in the exchanges with the Bulgarian government as part of the preparation for Bulgarian presidency of the Council. Moreover, Commissioner Crețu reminded that "Improving connectivity drives growth" and highlighted that "this project shows that we are delivering for faster, smoother connectivity in Bulgaria and with its neighbours."

Nonetheless, the Commission has approved the modification of the 2014-2020 Cohesion Policy programme for transport infrastructure for Bulgaria, upon request of the Bulgarian authorities. The reason behind this modification is to allow better preparation of railway projects.

Sources: [European Commission - Daily News](#)

Forthcoming events

CLECAT MEETINGS

Maritime Institute
23 November, Barcelona

CLECAT Freight Forwarders Forum 2017
24 November, Barcelona

CLECAT Board meeting
24 November, Barcelona

Supply Chain Security Institute / Air Logistics Institute
28 February, Brussels

OTHER EVENTS WITH CLECAT PARTICIPATION

ELP DINNER ON TRANSPORT, TRADE AND BREXIT
27 November, Brussels

WOMEN IN TRANSPORT – EU PLATFORM FOR CHANGE
27 November, Brussels



INTERMODAL EUROPE

29 November, Amsterdam

FEPORT 3RD ANNUAL STAKEHOLDER CONFERENCE

30 November, Brussels

ITF GLOBAL MARITIME LOGISTICS FORUM

1 December, Brussels

GLEC MEETING

6 December, Amsterdam

RAIL FREIGHT DAYS

7 December, Vienna

EUROPEAN PORTS FORUM

11 December, Brussels

CSR EUROPE WORKSHOP ON SUSTAINABLE DEVELOPMENT IN LOGISTICS

12 December, Brussels

ALICE PLENARY

13 December, Brussels

EP/COUNCIL MEETINGS

European Parliament Transport and Tourism Committee

22, 23 November 2017

4 December 2017

Transport, Telecommunications and Energy Council

4-5 December, Brussels (Telecommunications & Transport)

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