

NEWSLETTER

european association for forwarding, transport, logistics and customs services ISSUE 2
18 January 2019

Table of content

DIGITAL TRANSPORT AND LOGISTICS FORUM MEETING	P 1	DEFINITIVE SAFEGUARD MEASURES ON STEEL AS OF FEBRUARY	P 6
1 ST MOBILITY PACKAGE AWAITS TRAN DECISION	P 2	DANGEROUS GOODS REGULATION UPDATED	P 7
CLECAT DISAPPOINTED BY FURTHER DOUBT ABOUT BREXIT	P 2	IRU/UNTRR EVENT ON DECARBONISING EU ROAD TRANSPORT	P 7
ELP DINNER DEBATE: BREXIT – HOW BUSINESS GETS READY	Р3	LEARN INTERNATIONAL WORKSHOP	P 8
BREXIT MEETING BETWEEN EU COMMISSION AND TRADE	P 4	EU-US TRADE TALKS	P 8
SAMSKIP INTRODUCES PRE-BREXIT PEAK SURCHARGE	P 5	EC CONFERENCE ON THE FUTURE OF MULTIMODAL TRANSPORT	P 9
SHIPPING LINES EXTEND OCEAN ALLIANCE UNTIL 2027	P 5	SUBSTANTIAL INCREASE OF TRADE IN GOODS	P 9
STRIKES IN GERMANY DISRUPT CARGO	P 6	FORTHCOMING EVENTS	P 10

Brussels news

DIGITAL TRANSPORT AND LOGISTICS FORUM MEETING

On 15 January, CLECAT attended the 1st Plenary Meeting of the Digital Transport and Logistic Forum's (DTLF) under its second mandate. The DTLF is the expert group, which assists the Commission in the development and implementation of the EU's activities and programmes aimed at the digitalisation of transport and logistics. The DTLF will also continue to advise the Commission in the preparation of delegated and implementing acts in the field of digital transport and logistics, including the



recently proposed regulation on electronic Freight Transport Information (eFTI).

During the meeting special attention was given to the Commission's <u>legislative proposal for the Electronic Freight Transport Information (eFTI)</u>. The eFTI regulation will ensure that transport information which needs to be provided to authorities, can be provided through digital means. The Commission re-affirmed that the scope includes Business-to-Government exchange of information and that for that purpose a harmonised dataset will be created in cooperation with the DTLF. Furthermore, it was emphasised that existing standards will be re-used and that any solutions should be technologically neutral to ensure that potential new systems are not rapidly outdated by new developments. CLECAT welcomes these principles as it also proposed them in its <u>paper of October 2018</u>. The proposed regulation is currently discussed in the European Parliament and in view of the



process which the proposal has to undergo, including negotiations between Parliament, the Council and the Commission, it is expected that the legislative Framework will be adopted in the beginning of 2020.

DG MOVE also presented the achievements of DTLF's first mandate and subsequently organised interactive sessions to discuss the new mandate. This included discussions on the areas of work, expectations and views from stakeholders, as well as the outlining of the work programme and definition of priorities at working group level. There will also be close cooperation with the Maritime Single Window initiative and the various Customs related IT projects. Priority will be given to information related to goods. Information related to vehicles (trucks, trailers, trains, wagons, planes etc.) and staff (drivers, pilots, crew) will probably be addressed at a later stage. This is also because of the ongoing discussions concerning the first and second Mobility packages. When asked whether the scope should be expanded or other initiatives should be included, CLECAT, among others, responded that it would be better to not expand the scope in order to maintain focus on the core goals of the DTLF and to achieve as much tangible results as possible.

Having been an active participant of the DTLF during its first mandate, CLECAT will continue its participation during the second mandate to support and contribute to Commission initiatives in the field of digital transport and logistics.

1ST MOBILITY PACKAGE AWAITS TRAN DECISION

Following the European Parliament Transport Committee's rejection of two out of three key reports on the first Mobility Package (all the compromises on the rules of posting and on driving and rest times were rejected), a variety of possible scenarios on how to move forward now exists. Only the compromise of the Rapporteur MEP Ertug on amending regulation no 1072/2009 and 1071/2009 was adopted.

The formal way would be to tweak the texts that have already been adopted in the Transport Committee (either in June/July 2018 or in January 2019) and bring them to vote in Plenary. However, amendments to these texts could be tabled during Plenary. The Committee can also decide to move ahead with the already adopted files (including the one on cabotage and access to the market) and issue no opinion on the rest. This is unlikely as the files are strongly linked. It is also possible that the decision is made not to move forward with the reports.

Following internal coordination discussions, the Transport Committee coordinators are expected to come to a joint decision by 21 January.

Brexit

CLECAT DISAPPOINTED BY FURTHER DOUBT ABOUT BREXIT

On 15 January, the Members of the UK Parliament rejected the Prime Minister Theresa May's Brexit deal, casting the UK's path out of the European Union with further doubt. The deal must be ratified by the UK and European parliaments before it can come into force on 29 March 2019. Without a withdrawal agreement, the UK will become a third country to the EU as of the withdrawal date, meaning that there will be no transition period or any other specific arrangements that could ease the exit of the UK from the EU. However, just 10 weeks before that date, it remains unclear whether the



no-deal Brexit will actually happen, as various scenarios are possible, including a delay of the UK's exit, possible amendments to the Withdrawal Agreement or even no Brexit at all.

In reaction to the rejection of Prime Minister May's Brexit deal by British Parliament Members, CLECAT issued a press release in which it expressed its disappointment with the outcome of the vote in the UK Parliament, which leaves the industry in further doubt about Brexit. The press release further noted that the logistics sector - including logistics service providers and customs agents - is continuing to prepare for a situation whereby the UK will leave the EU without a transition period. Dominique Willems, senior manager of CLECAT said: 'Our members are already used to handling trade with third countries. In most cases they already have the competence, experience, permits (including for example AEO) and IT systems in place to deal with such circumstances. The challenges that remain are the amount of human resources needed and the preparedness of importers, exporters and other stakeholders in the logistic chain, which have limited experience in trading with third countries.'

He continued: 'Over the past year, and especially over the last couple of months, various measures were already taken to soften the blow of a no-deal Brexit by both government authorities and the private sector stakeholders. Customs authorities in countries such as Belgium, France, the Netherlands and UK have recruited and educated additional employees. Various stakeholders such as port operators, transporters and freight forwarders have started good cooperation initiatives to ensure that, for example, any delays at ferry terminals can be minimalised or at least managed in the best possible way. Despite the preparedness of the logistics service providers, CLECAT still considers that a no-deal Brexit on 29 March should be prevented at all cost. Regardless of any preparatory efforts, such a situation will almost certainly lead to disruption, delays and extra costs in trade, and it will thus surely damage the economies of both the UK and EU.'

On 19 December, the EU Commission proposed further steps towards implementing its Contingency Action Plan to mitigate some of the most significant damage that would arise from a no-deal Brexit scenario, including measures relating to road haulage permits (ECMT), air freight and several specific customs aspects. In cooperation with Member States and private sector representatives, the Commission is continuing these efforts.

During their speeches at the Plenary session of the European Parliament on the occasion of the debate on the UK's withdrawal from the EU, Frans Timmermans, First Vice President of the Commission and Chief Negotiator Michel Barnier, on behalf of the Commission's President Juncker, expressed their regrets regarding the rejection of the Withdrawal Agreement. Mr Timmermans noted that according to the Commission, the negotiated Withdrawal Agreement represents the best possible outcome, limiting the harm to the minimum possible and ensuring an orderly withdrawal. Furthermore, he stressed that the Commission will be well-prepared to react to any possible outcome. Mr Barnier highlighted that an orderly Brexit will remain the 'absolute priority over the coming weeks' as the Commission wants to avoid a no-deal scenario. He recalled that the Withdrawal Agreement, a compromise reached over 18 months of negotiation, remains the best compromise possible to bring 'legal certainty where Brexit creates uncertainty.'

ELP DINNER DEBATE: BREXIT - HOW BUSINESS GETS READY



On 29 January, the European Logistics Platform is organising a dinner debate on Brexit hosted by MEP Caroline Nagtegaal (ALDE, Netherlands) during which business will present how they prepare themselves for a (no-deal) Brexit and what MEPs could do to supports logistics' efforts to address the challenges of a hard Brexit.



While the draft withdrawal agreement provides the basis for a 21-month transition period, during which the current trading and transport rules would essentially remain the same, such a transition will not happen if the withdrawal agreement is not ratified. Considering the ongoing political uncertainty in the UK, companies have to be prepared for all outcomes, including a no-deal or 'cliff-edge scenario' in March 2019.

A 'no deal' Brexit would have important consequences in terms of market access conditions for transport operators, but also on the fluidity of traffic and robustness of supply chains. The contingency measures proposed by the European Commission to alleviate some of the negative consequences of a 'no deal' Brexit would help when adopted, but industry will still face significant challenges. All players in the supply chain, from importers and exporters, to forwarders, customs agents and transport operators, will need to collaborate and put in place robust plans to mitigate the impact of a 'no deal' Brexit on the transit of goods. The event will allow industry representatives to present what they are doing to rise to the challenge and what MEPs could do to support their efforts.

During the event, representatives from the industry will share their insights on how they prepare for Brexit. Mr Sebastiaan Scholte, CEO of Jan de Rijk Logistics, will share insights from a logistics point of view regarding the preparations for a no-deal Brexit. Ian Howells, Senior Vice President of Honda Motor Europe, will present the shipper's perspective, and Marty van Pelt, Manager Business Relations & Communications at Portbase, will provide insights on the joint stakeholder initiative to get ready for Brexit in the Netherlands.

Members from across the European Parliament's committees and political groups, the European Commission and stakeholders are invited to join the debate on the 29th of January at 18.00h at the Renaissance Hotel in Brussels. Registration is possible here.

BREXIT MEETING BETWEEN EU COMMISSION AND TRADE

On 17 January, the Commission's DG TAXUD organised a meeting about customs and Brexit with the Trade Contact Group (TCG), of which CLECAT is a member. The person responsible for customs in the EU Article 50 negotiation team was also present. The meeting was dedicated to the preparedness for a possible 'No-Deal' withdrawal of the UK from the EU.



The Commission emphasised that without a withdrawal agreement no special arrangements can be created. This will include for example, simplified customs procedures other than those that currently exist in the Union Customs Code (UCC), mutual recognition of AEO's or duty reductions or exemptions. It will also for instance mean that all UK EORI numbers, VAT numbers and REX registrations will not be valid for the EU anymore. Concerning the Withdrawal Agreement, the Commission and the Article 50 team stated that they are not prepared to re-negotiate it. Nonetheless, they expressed their disappointment in the UK's vote and the uncertain situation caused by it.

During the meeting, the Commission and the TCG discussed what action can be taken in order to minimise the negative impacts of a No-Deal Brexit. In December, the Commission already proposed several legislative initiatives on the Entry and Exit summary declarations, valuation and export control licenses. These were further discussed during the Customs Code Committee meeting of 14 January, where CLECAT was also present. The legislative changes are expected to be adopted without any issues before the end of March. It is also with certainty expected that the UK's membership of the



Common Transit Convention can be formalised by that time. Other formal aspects, for example at the WTO and concerning tariff quota's, will also be arranged.

Special attention was given to practical issues such as the provision of EORI numbers, return goods and maximisation of simplifications provided by the UCC. CLECAT, among others, requested to find pragmatic solutions and to be flexible with the EORI numbers. Concerning return goods and to avoid double taxation, a suitable solution remains to be found. The Commission is preparing a proposal together with Member States on this matter. For the maximum use of simplifications, the Commission has organised meetings with the most relevant Member States and is supporting them with preparations. However, it remains a Member State competency to provide those simplifications. At the same time, it is up to trade and its service providers themselves to analyse their own processes and based on that apply for the available simplifications. To support that process, the Commission will soon publish a guidance document. CLECAT requested to include the national measures taken by Belgium, France and the Netherlands, so companies in other Member States can also be informed or at least know where to find information. The Commission promised to do so. The Commission will provide additional financial support to Member States to be prepared. Member States can also apply these funds to support trade.

The next meeting between DG TAXUD and Trade representatives on preparations for Brexit will be held mid-February.

Maritime

SAMSKIP INTRODUCES PRE-BREXIT PEAK SURCHARGE

European shortsea shipping line and multimodal operator Samskip has announced a pre-Brexit peak volume surcharge on shipments to and from the UK, as it expects increased demand for container services to the UK as an alternative to using ro-ro services through the ferry ports of southern England.

The company specified that a €243 per shipment surcharge will be levied on all shipments to and from the UK if they exceed a shipper's surcharge-free weekly allocation. The surcharge-free weekly allocation, calculated based on the volumes that shippers put through Samskip's UK-bound services in 2018, will be offered on all cargo to be loaded during February and March. The Pre-Brexit surcharge will apply to each individual shipment loading beyond the surcharge-free weekly allocation until 1 April.

Samskip's Europe-UK network comprises 14 weekly sailings linking Rotterdam, Amsterdam and Gent to the UK ports of Hull, Tilbury, Grangemouth and Belfast. Fearing that demand might outstrip available vessel capacity in the run up to the UK's withdrawal on 29 March, the company has secured access to additional vessel, rail and truck capacity to be able to scale up throughout the supply chain in preparation for Brexit.

SHIPPING LINES EXTEND OCEAN ALLIANCE UNTIL 2027

Members of the OCEAN Alliance, namely CMA CGM, COSCO Shipping Lines, OOCL and Evergreen, have extended of the duration of the Alliance, prolonging the cooperation agreement until 31 March 2027. Launched in 2017 for an initial period of five years with an option for a five-year renewal, OCEAN Alliance is the world's largest operational agreement between shipping companies. It is one of three



major alliances that dominate the major container trades alongside 2M, comprising Maersk and MSC, and THE Alliance made up of Hapag-Lloyd, Ocean Network Express (ONE) and Yang Ming.

The signing of the documents comes just a day after the alliance partners announced the launching of its 'Day 3 Product,' to be rolled out in April 2019. Under the new service offering, the partners said they would serve 19 transpacific routes and cover 38 services using 330 vessels with an estimated carrying capacity of around 3.8 million TEUs.

Air

STRIKES IN GERMANY DISRUPT CARGO

In the past two weeks, repeated strikes organised by the German trade union 'Verdi', have taken place at the airports of Berlin, Cologne, Düsseldorf, Stuttgart and Frankfurt, leading to the cancellation of hundreds of flights. The strikes concern an increase of wage for security staff at airports.

Verdi has been in continued negotiations with the German Federal Association of Aviation Security Companies (BDLS), demanding a wage increase to €20/hour for all security staff checking freight, goods, passengers and personnel. This demand has been rejected by BDLS, arguing that wages vary by airport and role. Negotiations are scheduled to resume on 23 January.

As a result of the strikes, mainly passenger traffic, but also cargo operations have been disrupted at the airports. According to a statement made by Cologne Airport to 'Air Cargo Airports', there have been longer waiting times for the forwarding agents and truck traffic due to the availability of fewer control lanes at the entrance to its security area between the landside and airside. For freight transport, Cologne airport has been one of the more prominent examples, as there is no restriction for night flights. According to reports, the strikes there led to significant delays for trucks delivering the cargo to the airport.

Source: Cologne-Bonn (CGN) Airport

Customs

DEFINITIVE SAFEGUARD MEASURES ON STEEL AS OF FEBRUARY

On 15 January, the EU Member States supported the European Commission's plan to impose definitive safeguard measures on imports of steel. The Commission will now finalise the procedure, so that the definitive measures can enter into force in the beginning of February.

The proposed measures will be imposed erga omnes (against imports from all origins), concern 26 steel product categories and will ensure that trade diversion is avoided whilst maintaining traditional levels of trade in steel on the EU market. They consist of tariff-rate quota by which a duty of 25% will apply when the level of the traditional trade flows is reached. This system is similar to the provisional measures currently in place since July 2018, with some variances in order to preserve traditional trade



flows. For example, the main supplying countries will benefit from individual quotas based on their own historical imports.

Once adopted, the new measures will replace the provisional safeguard measures in place since July 2018. The new measures can remain in place for a period of three years, until July 2021.

Other trade defence measures recently adopted by the EU:

- safeguard measures on import of rice from Cambodia and Myanmar;
- a definitive countervailing duty on imports of electric bicycles originating in China; and
- a definitive anti-dumping duty and definitively collecting the provisional duty imposed on imports of electric bicycles originating in China.

Rail

DANGEROUS GOODS REGULATION UPDATED

On 1 January, the latest version of the Regulation concerning the International Carriage of Dangerous Goods by Rail (RID) came into effect, thereby replacing the text from 2017. Nonetheless, the 2017 version may continue to be used during the transitional period which ends on 30 June 2019.

The RID, which is issued and regularly updated by the Intergovernmental Organisation for International Carriage by Rail (OTIF), applies to international carriage of goods by rail between 44 countries in Europe, Asia and North Africa, and by virtue of Directive 2008/68/EC also to national traffic within the Member States of the EU. Its aim is to ensure safety and prevent accidents and damage to persons, property and environment. Therefore, there is close cooperation with the United Nations Economic Commission for Europe (UNECE), resulting in coordination with regulations covering transport of dangerous goods by road (ADR) and inland waterways (ADN). The bi-annual RID/ADR/ADR joint meetings between the Secretariats of OTIF and the UNECE Transport Division aim at harmonising the rules on the international carriage of goods amongst the modes as close as possible to simplify and promote multimodal transports.

The changes introduced by the RID 2019 include changes to classification, packing and labelling of items containing dangerous substances, a revision of the classification codes for corrosive substances, new packing instructions for damaged or defective lithium batteries and destructive testing of gas cylinders.

Sustainable Logistics

IRU/UNTRR EVENT ON DECARBONISING EU ROAD TRANSPORT

CLECAT's DG Nicolette van der Jagt will speak at the IRU/UNTRR event on decarbonising road transport on 19 February in Bucharest, Romania. The debate will first focus on the EU environmental policy framework, ongoing legislative proposals on CO2 emissions and taxation and their implications for the road sector. Carbon footprinting of logistics operations as a way to reduce operational costs will also be discussed, followed by the introduction of the GLEC Framework and the presentation of the



outcomes of the European-funded LEARN project. Furthermore, road transport decarbonisation solutions pertaining to innovative technologies and alternative fuels will be addressed, as well as the increasing number of city access restrictions across Europe and their impact on road transport operators.

The detailed agenda will be finalised shortly.

LEARN INTERNATIONAL WORKSHOP

On 6-7 February 2019, the Logistics Emissions Accounting and Reduction Network project (LEARN) partners are hosting a workshop, where project results and learnings will be presented and discussed.

The workshop will demonstrate practical examples of companies that have tested emissions calculation, assurance and reporting in practice, and recognise their achievements. It will also be explored how to move forward and work with businesses beyond the LEARN project through policy, research, training and a growing network of programs and initiatives.



The Logistics Emissions Accounting and Reduction Network project (LEARN) mobilizes business to reduce their carbon footprint across their global supply chains logistics through improved emissions calculation. assurance and reporting. Over the past

2 years, LEARN partners - including CLECAT - have been working closely with related organizations, initiatives and already existing networks. This includes the Global Logistics Emissions Council (GLEC), a voluntary partnership of companies, industry associations and programs, led by Smart Freight Centre. The LEARN project has built on and sought to improve the 'GLEC Framework for Logistics Emissions Methodologies' that combines existing methods and fills gaps, making carbon accounting work for industry.

The full two-day agenda and the registration form can be found <u>here</u>.

General

EU-US TRADE TALKS

On 18 January, the European Commission adopted two proposals for negotiating directives for its trade talks with the United States. The EU Member States must now give their approval to the proposals before negotiations can begin.

The negotiating directives, submitted by the Commission to the Council, implement the 25 July Joint Statement agreed by European Commission President Jean-Claude Juncker and US President Donald Trump and cover two potential agreements with the US:

1. A trade agreement strictly focused on the removal of tariffs on industrial goods, excluding agricultural products;



2. A second agreement, on conformity assessment, that would help address the objective of removing non-tariff barriers, by making it easier for companies to prove their products meet technical requirements on both sides of the Atlantic.

Source and links to the draft mandates: European Commission

EC CONFERENCE ON THE FUTURE OF MULTIMODAL TRANSPORT

On 26 February, the European Commission is organising the high-level conference "Multimodal Transport – towards the future". This officially marks the closing of the 2018 Year of Multimodality, which was called to promote the functioning of the transport sector as a fully integrated system, making better use of existing capacities in all transport modes, and improving efficiency of the logistics chains.

The conference will summarise the achievements of the Year of Multimodality, offer the opportunity to discuss with stakeholders the possible gaps towards the transport system of the future, and address with them opportunities and new openings for a seamless multimodal transport system stemming from technological developments.

Registration will open soon here.

SUBSTANTIAL INCREASE OF TRADE IN GOODS

On 15 January, EUROSTAT reported that from November 2017 to November 2018, Euro Area exports of goods to the rest of the world rose to €2 098.4 bn, an increase of 4.2% compared with the previous year, while imports rose to €1 923.2 bn, an increase of 6.6%. As a result, the euro area recorded a surplus of €175.2 bn. The biggest growth of exports was recorded for India (10.3%), Canada (10.2%) and the US (8.5%). The growth of export to Canada was probably caused by the CETA agreement. It is remarkable though, that imports from Canada decreased by 1.4%. The biggest growth of imported goods came from Russia (16.9%), Norway (15.1%) and China (5.2%). The large increases of imports for Norway and Russia were probably for energy, although EU export of energy also increased substantially. Intra-euro area trade rose to €1 797.3 bn in 2018, up by 5.7% compared with 2017.

The Commission reported earlier this week that EU agri-food exports values for October 2018 were the highest ever recorded. Valued at €13.1 bn, total exports were 2.9% above the previous record set in March 2017. Import figures were also impressive, increasing by 5.0% (when compared to October 2017) and setting a record for the month of October. The monthly agri-food trade surplus stood at €3.0 bn – a 13% increase from October 2017, and the second biggest surplus on record.

Sources: EUROSTAT and the Commission's monthly trade report

Forthcoming events

CLECAT MEETINGS

Customs and Indirect Taxation Institute meeting

31 January - 1 February, Brussels, Belgium



Sustainable Logistics Institute meeting

6 February, Brussels, Belgium

Air/Security Institute meeting

17 April, Schiphol Airport, The Netherlands

Board/General Assembly

26 June, Paris, France

OTHER EVENTS WITH CLECAT PARTICIPATION

Belgian Ports and Operators Industry Day

22 January, Zeebrugge

Eurocommerce International Trade Committee

24 January, Brussels

ELP Dinner Debate: Brexit – How Business Gets Ready

29 January, Brussels

LEARN International Workshop

6-7 February, Brussels

IRU/UNTRR Event on Decarbonisation of EU Road Transport

19 February, Bucharest

EC Conference on the Future of Multimodal Transport

26 February, Brussels

SITL Conference

26 March, Paris

Zolltag Spedlogswiss

28 March, Switzerland

FIATA HQ meeting

27 – 29 March, Zurich

EP/COUNCIL MEETINGS

European Parliament TRAN Committee

21-22 January, Brussels 29 January, Brussels

European Parliament Plenary

30 January, Strasbourg

European Transport Council

7 March, Brussels



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

y @CLECAT_EU www.clecat.org



european association for forwarding, transport, logistics and customs services

