CLECAT
european association for forwarding, transport, logistics and customs services

NEWSLETTER

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Brussels News

THE FINAL LEARN INTERNATIONAL WORKSHOP

CLECAT engaged in a two-day closing workshop of the Logistics Emissions Accounting and Reduction Network (LEARN) project, held in Brussels on 7-8 February. Over the past 3 years the project continued to mobilise businesses to calculate and report their carbon footprint across global logistics supply chains. At the workshop the LEARN project partners presented results and practical examples, demonstrating that logistics and freight emissions accounting works for business and is instrumental for improved efficiency and emissions reduction.

Freight and logistics generate around 7% of global greenhouse gas (GHG) emissions. Companies are increasingly being asked to report and systematically reduce emissions, giving companies with a smaller carbon footprint a competitive advantage. Ms Magda Kopczynska, representing the European Commission's Directorate-General for Mobility and Transport, reminded delegates that the EU's ambition is to reduce transport emissions by 60% by 2050 compared to 1990, emphasising that freight transportation cannot be ignored and collaboration between governments and the private sector is essential to achieve this target. She also specified that, to have a credible system for logistics emissions accounting, it needs to be recognised by everyone.

As such, a key focus for the LEARN project has been to mobilise businesses to calculate and report logistics emissions through the use of the Global Logistics Emissions Council (GLEC) framework – a universal methodology that allows the calculation of GHG emissions across the global multi-modal supply chain. The industry-backed GLEC Framework was successfully tested in practice by 30 companies as part of the LEARN project, representing both customers (shippers) and providers (carriers, operators) of freight and logistics services across modes. Feedback on how it can be improved will be reflected in the updated GLEC Framework due to be released mid-2019.

To underscore the importance of business leadership, the companies that participated in the LEARN project shared their experiences and benefits from logistics emissions accounting. The Smart Freight Centre also recognised 10 companies, including DB Schenker, Deutsche Post DHL Group (*see picture*) DOW, GEODIS, HEINEKEN, HP, Maersk, Trafigura, Volkswagen and Konzernlogistik who are demonstrating leadership in moving beyond reporting to implement solutions that reduce emissions, as well as collaborating and advocating for sector-wide action.

Other important topics for discussion included future research needs to advance emissions accounting, training and education of companies, integrating fuel and emissions into business management systems and an update on policy recommendations to stimulate business action. Discussing the latter during an interactive session moderated by CLECAT Director-General Nicolette van der Jagt, participants expressed their support for the development of an ISO standard. Furthermore, the roles of the different levels of government need to be clarified to identify which initiatives work best at which level, be it local, national, EU or international. Eventually, ensuring professional competence by training and educating the public and private sectors is of crucial importance to make sure that future policies work at the advantage rather than the detriment of the industry.

Looking ahead, stakeholders were encouraged to continue working together beyond the project to not only maximize the business uptake of carbon accounting, but also to take practical steps to reduce emissions and campaign for critical government policy development.

ITF STAKEHOLDER MEETING ON CONTAINER SHIPPING

CLECAT participated at the Stakeholder Meeting on Alliances in Container Shipping, hosted by the International Transport Forum with the participation of the European Commission on Friday 8th February at the OECD Conference Centre in Paris. The aim of this meeting was to identify and exchange perspectives that might be relevant for the ongoing Review of the EU Consortia Block Exemption Regulation.

Maintaining competition and choice based on price and service differentiation remain the key measures of what will be acceptable to freight forwarders. CLECAT maintains that consortia represent a legitimate business mechanism for otherwise competing liner shipping companies to improve their offer. Liner shipping companies can co-operate in consortia if they believe this gives them greater scope for providing a range of services. CLECAT reiterates that the block exemption itself is not necessary and reduces competition by giving carriers a free pass to reduce service offerings. We would therefore urge that it is not renewed and that consortia are treated under the same general competition legislation as other business interests. General guidelines exist for regulating horizontal industry agreements, and further guidelines could clarify to what extent consortia could provide benefits to users and outline restrictions on practices related to data exchange and the purchase of port services. CLECAT maintains that an effective oversight and monitoring of consortia and strategic alliances may be needed to ensure effective implementation of these guidelines. This should ensure enforcement of competition rules in the changed landscape of the liner shipping industry to enhance the accountability of the shipping lines.

PROGRESS ON MARITIME SINGLE WINDOW IN TRILOGUE

On 7 February, a provisional agreement was reached in Trilogue on the European Maritime Single Window under the Romanian Presidency. CLECAT welcomes the progress made on European Maritime Single Window aimed at streamlining ship reporting systems. The agreement is now pending endorsement by the Council.

Brexit

UPDATE ON REALIGNMENT OF TEN-T CORRIDORS FOR BREXIT

On 7 February, the Romanian Council Presidency reached a provisional agreement with the European Parliament on the realignment of the Trans-European Transport Network (TEN-T) corridors in light of Brexit, which shall ensure new maritime connections between Ireland and the other EU-27 Member States.

Trilogue meetings started following the adoption of the report in the European Parliament's Transport (TRAN) Committee on 10 January. At the end of last week, the Romanian Council Presidency reached a provisional agreement with the European Parliament on the proposal. The negotiations revolved around the reformulation of the corridor and a limited number of other targeted amendments to the Connecting Europe Facility (CEF) to ensure continuity for infrastructure investments and provide legal clarity and certainty for infrastructure planning.

The agreed text links the ports of Shannon Foynes, Dublin and Cork with Le Havre, Calais and Dunkirk in France, Zeebrugge, Ghent and Antwerp in Belgium, as well as Terneuzen, Rotterdam and Amsterdam in the Netherlands on the corridor to ensure the link between Ireland and the other EU-27 Member States.

The (provisional) agreement also relates to the 2013 CEF Regulation, which provides funding for key projects in transport until the end of the current EU long-term budget in 2020 and will be replaced by CEF 2.0. Furthermore, the agreement includes the addition of investments for security and border check purposes to those investments that will be eligible for support in the remaining programming cycle of CEF. The agreement will be submitted by the Presidency to the Member States' representatives in the Council's Permanent Representative Committee for endorsement. A formal vote in Parliament and the Council will follow at a later stage. The draft amending Regulation will enter into force 20 days after its publication and will become applicable the day after the 2013 CEF Regulation ceases to apply to the UK.

Source: Council of the European Union

Customs and Trade

THE NEW EU CUSTOMS DATA MODEL GOES LIVE

As of 5 February, a new version of the European Union Customs Data Model (EUCDM) web-publication went live and accessible for the whole world. The new version (EUCDM 3.0) reflects all the recent changes in the customs legislation which affects the data requirements. By using the web-publication of the EUCDM all interested parties can see the legal provisions of the UCC DA and UCC IA in a reader-friendly, structured way, thus facilitating the use of information.

The EUCDM is the data model for Customs trans-European systems (such as NCTS, AES and ICS) and for Member States national systems (such as import, including Centralised Clearance). A major goal of the UCC is the shift to a complete use of electronic systems and the end of paper-based procedures. The objective of the EUCDM is therefore to provide a technical instrument that models the data requirements laid down in EU Customs legislation and present a single and genuine source of information for the technical developments of the different IT systems that are used for data processing by customs in the EU. The EUCDM also contains the mapping of the data requirements against the WCO Data Model.

According to the EU Commission, the backbone of the EUCDM is the data provided by the private sector to customs authorities by means of the different declarations and notifications. The members of CLECAT (freight forwarders, customs brokers and other logistic service providers) provide more than 80% of all those customs declarations and notifications.

Source: European Commission

GENERALISED SYSTEM OF PREFERENCES

On 1 February, the Agreement under the form of an exchange of letters between the EU, Switzerland and Norway on cumulation of origin in the framework of the Generalized System of Preferences (GSP) entered into force. This Agreement allows goods from the beneficiary countries of the GSP to be considered as originating in these countries after materials originating in the EU, Switzerland, Norway or Turkey have been included in their complete manufacturing. The new text replaces the previous Agreement in the form of an exchange of letters, which was applicable since 2001. The replacement is justified by the introduction of new rules of origin and in particular the new Registered Exporter (REX) system.

Source and Texts of the Agreement: European Commission

Maritime

SHIPPING COMPANIES TURNING THEIR FOCUS TO LOGISTICS

Shipping companies have recently been turning their focus towards logistics services, intending to handle more of the supply chain by themselves. However, this is where some of their biggest customers are already operating.

DSV Chief Executive Jens Bjørn Andersen notes that the world's largest shipping lines, of whom DSV is a customer, are indeed starting to show an interest in making acquisitions in the logistics sector – where DSV itself has been looking for acquisition candidates for some time now. "It is a paradigm shift in which we are seeing acquisition attempts and integration of logistics among the shipping lines," said Mr Andersen after the Danish transport and logistics group published its annual report last week.

DSV is in close dialog with the shipping lines, he explained, as the company, as a freight forwarder, is among the carriers' biggest customers. However, with acquisitions in logistics, the companies could end up competing with their own customers. "The shipping companies are telling us that they of course have no intentions to compete with their own customers. We are pleased with that, and we are pleased that they say this. It would also be surreal if that was the case," said Mr Andersen.

Recently, there have in particular been a lot of acquisition talks in the industry, cantered around DSV as well as shipping lines such as CMA CGM. However, the trend is not new. In 2016, Maersk Group announced the new strategy for its business units, the focus of which was to concentrate more on logistics and transport. Maersk has also recently integrated its logistics unit Damco into Maersk Line, meaning that the logistics side has become a more integral part of the container business. In France, one of Maersk's top competitors, CMA CGM, has also become eager to perform logistics. With an ownership stake of 33% in Swiss-based Ceva Logistics, CMA CGM saw its opportunity in late 2018 to seize the remaining shares in the company, which this year resulted in a concrete offer.

According to Casper Blom, stock market analyst at ABG Sundal Collier, competition with their own customers is one of the issues that has spurred criticism in the industry when talking about the shipping lines' entry into logistics. "If I was Kuehne+Nagel and was a major customer of CMA CGM, I would keep a close eye on making sure I do not get pushed to the back of the line to make way for some Ceva transports," said Mr Blom, in reference to DSV's major German competitor.

Source: ShippingWatch

Rail

EC ADOPTS REPORT ON RAIL MARKET

On 6 February, the European Commission has published the sixth report on monitoring development of the rail market, which provides an overview of the main developments in rail markets in the context of EU rail market policy objectives.

The report covers a broad range of topics, including the evolution of the internal market in rail services, the infrastructure and services available to railway undertakings, the framework conditions, the state of network, the utilisation of access rights and barriers to more effective rail services.

The report shows that while rail passenger traffic has continued to grow by 1.7% annually from 2009 to 2016, rail freight traffic has struggled to recover from the significant drop in volumes that was experienced in 2009.

European rail transports approximately 1.6 billion tonnes of freight each year. It is critical to the EU Strategy for a more sustainable transport sector, economic and social cohesion. In 2016, EU freight traffic volumes reached 419 billion tonne-kilometres out of 2.5 trillion of land transport overall. Considering that cross-border rail freight accounts for around half of total rail freight, the report highlights the strong European dimension, which makes rail even more sensitive to a lack of interoperability and cooperation between national rail networks that can affect its competitiveness.
Regarding the modal share, it appears that the rail share in EU land freight has deceased since its peak in 2011 (19%), however, it remained at around 17% in 2016.

EC PROHIBITS ALSTOM-SIEMENS MERGER

On 6 February, the European Commission prohibited the proposed merger of Siemens and Alstom under the EU Merger Regulation, as it deemed that it would have harmed competition and the remedies of the parties were not sufficient to address the serious competition concerns that were identified by the Commission. The Commission has argued that the merger would have harmed competition in markets for railway signalling systems and very high-speed trains. It was noted that if combined, the lack of competition would lead to higher prices, less choice and less innovation for rail operators.

In explaining the Commission’s reasoning for the decision, Commissioner Margrethe Vestager commented: ‘Siemens and Alstom are both champions in the rail industry. Without sufficient remedies, this merger would have resulted in higher prices for the signalling systems that keep passengers safe and for the next generations of very high-speed trains.’

The transaction was notified to the Commission on 8 June 2018, upon which the Commission opened investigations in July 2018. The proposed acquisition of Alstom by Siemens would have combined the companies’ transport equipment and service activities in a new company that would have been fully controlled by Siemens, thereby bringing together the two largest suppliers of various types of railway and metro signalling systems, as well as of rolling stock in Europe.

The Commission came to the conclusion that this would have significantly reduced competition in both areas. Furthermore, several complaints from customers, competitors, industry associations and trade unions were submitted to the Commission during its in-depth investigation. The case file can be found here.

Source: European Commission

Forthcoming events

CLECAT MEETINGS

Brexit Preparedness meeting
26 February, Brussels, Belgium

Maritime Institute meeting
11 April, Antwerp, Belgium

Air/Security Institute meeting
17 April, Schiphol Airport, The Netherlands

Board/General Assembly
26 June, Paris, France

OTHER EVENTS WITH CLECAT PARTICIPATION

IRU/UNTRR Event on Decarbonisation of EU Road Transport
19 February, Bucharest

Stakeholder Workshop on Urban Vehicle Access Regulations
22 February, Brussels

EC Conference on the Future of Multimodal Transport
26 February, Brussels

SITL Conference – LEARN workshop for freight forwarders and shippers
26 March, Paris

Zolltag Spedlogswiss
28 March, Switzerland

FIATA HQ meeting
27-29 March, Zurich

EP/COUNCIL MEETINGS

European Parliament TRAN Committee
20-21 February, Brussels

European Parliament Plenary
11-14 February, Strasbourg

European Transport Council

4 March, Brussels
7 March, Brussels

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