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

NEWSLETTER

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Brussels News

NEW MEMBERSHIP OF EP COMMITTEES

Earlier this week, the European Parliament set up its committees' membership. You can find information on the new TRAN members here, new IMCO members here, and new ITRE members here. The formal election of committee governing boards (including chairs and vice-chairs) will take place during the constituent Committee meetings on 10 July. The newly set up committees will then start holding their regular meetings during the week of 22 July.

On the unfinished dossiers remaining from the previous legislature, the committees will have to re-confirm their reports as basis for further work. This includes the appointment of new rapporteurs where necessary, or the decision to restart the work from scratch on a given dossier, based on the political discontinuity principle. This should further formally be endorsed by the Plenary in September.

On 4 July, a debate took place during the first (constituent) plenary of the European Parliament's 9th legislature period on the outcome of the European Council summit held earlier this week, during which many MEPs expressed their strong reservations on how the candidates for the EU top posts have been chosen disregarding the 'Spitzenkandidat'-process. Simultaneously, the leaders of the political groups in the European Parliament used the occasion to highlight their groups' political priorities for the year ahead.

SIMPLIFICATION FOR ECOMMERCE

On 5 July, the EU published the amendment to the UCC Delegated Act which relates to the possibility to declare certain low-value consignments for customs clearance (ecommerce) with a super-reduced dataset. The possibility to use the super-reduced dataset should be available as of 1 January 2021, the date of application of the measures for levying VAT on goods imported in consignments with an intrinsic value not exceeding EUR 150 set out in Directive (EU) 2017/2455.

The abolition of the VAT exemptions means that for every single package an electronic declaration has to be submitted and VAT has to be paid. This will mean that the number of customs declarations is likely to increase by many millions. In order to ensure that customs and trade can still cope with this increase, a simplification was created for consignments of an intrinsic value not exceeding EUR 150 or consignments not of a commercial nature sent by a private individual to another private individual. The simplification will be a declaration with a so-called super reduced dataset.

The simplification will become available to any economic operator, any VAT scheme and any type of transaction (B2B, B2C and C2C). For goods with prohibitions and restrictions and customs procedures 42 and 63, the simplification will not be available, and a 'normal' declaration has to be submitted. This means that, finally, a level playing field is created in ecommerce and simplifications will become available for freight forwarders and customs brokers too.

CLECAT took an active role in the discussions on the abolition of VAT exemptions and the creation of the new simplifications. Even though it is still to be seen how the new procedures will work in practice and whether Members States will be able to implement it on time, CLECAT is very pleased with the result so far.

WEBINAR ON THE UPDATED GLEC FRAMEWORK

CLECAT has long supported the Global Logistics Emissions Council's work on logistics emissions footprinting and welcomes the updated GLEC Framework will be released on 9 July.

Interested parties can still sign up to join a live webinar featuring industry experts on 9 July at 3:00pm CET on how to calculate, report and reduce logistics emissions using the updated GLEC Framework. In the one-hour webinar experts will explain:

- Why is there a need to calculate emissions from freight transport?
- How can you apply the GLEC Framework to calculate, report, and reduce emissions?
- What is the link between the GHG Protocol and the GLEC Framework?
- How does the adoption of the GLEC Framework support DP DHL's commitment to zero emissions by 2050? [presentation by DP DHL].
- What is the relation between CDP and the GLEC Framework? [presentation by CDP].

The GLEC Framework is the only globally recognised methodology for the harmonised calculation and reporting of logistics carbon emissions across the multi-modal supply chain. Since releasing the first version of the Framework in 2015, the method has been refined to make it easier to apply, which is

culminating in the 2019 update of the GLEC Framework. The GLEC Framework can be implemented by shippers, carriers, and logistics service providers for scope 1, 2 and 3 emissions. It is designed to inform business decisions and steer efforts to reduce emissions. It is in alignment with the Greenhouse Gas Protocol, UN-led Global Green Freight Action Plan, CDP reporting and multiple industry standards.

Over 30 companies have now formally adopted the GLEC Framework, including the largest European freight forwarders and logistics service providers such as DB Schenker, DP-DHL, Geodis, Kuehne+Nagel and SNCF Logistics.

6TH PHYSICAL INTERNET CONFERENCE LONDON

CLECAT will join the 6th Physical internet Conference in London next week which the ETP ALICE organises in close collaboration with UK Department for Transport and the Connected Places Catapult.

The 6th Annual International Physical Internet Conference (IPIC) aims to provide an open forum for researchers, industry representatives and government officials to explore leading edge freight transport and logistics concepts, methodologies, projects, technological advancements and start-up initiatives.

The Physical Internet concept takes freight and logistics services and aims to make them as accessible and connected as information and services are over internet. This represents a huge opportunity for the sector to improve efficiency and sustainability through connected, interoperable and shared use of resources and assets on a massive scale, whilst supporting the massive challenge of decarbonisation.

Conference topics include inter-connected logistics, cross-chain control, synchromodal transportation, open logistics networks, systems and technologies for interconnected logistics, supply chain coordination and collaboration, as well as urban freight transport and logistics. Through these areas IPIC will touch on exciting new areas such as automated transport, robotics, artificial intelligence, internet of things and blockchain. The SELIS project of which CLECAT is a member will organise a session on the 10 July to demonstrate its results.

Rail

NORTH RHINE-WESTPHALIA (GERMANY) INVESTS IN LAST MILE

The Ministry of Transport of North Rhine-Westphalia (Germany) is investing in the last mile for rail freight traffic, which should result in shifting 210,000 truck journeys per year to rail. On 1 July, North Rhine-Westphalia's Minister of Transport, Hendrik Wüst, handed over funding notices totalling almost €1.9 million to five not federal-owned railways. The funds will be used for investments to upgrade the

infrastructure of those railways, such as the replacement of tracks and switches. This form of funding was reintroduced by the State last year.

Priority will be given to investments in the maintenance and renewal of rail lines mainly used for freight transport as well as dispatch and loading facilities for not federal-owned railways. A prerequisite for support is, for example, that the infrastructure is accessible to all railways - i.e. public infrastructure.

Source: Ministry of Transport of the State of North Rhine-Westphalia

Road

EUROPEAN TRUCKLOAD CAPACITY RISES

Available capacity on the European spot market for full truckloads rose again in May to a new decade-high level after reaching its highest level in a decade in the first quarter of the year, according to the latest monthly analysis published by TIM Consult, an offshoot of German cloud-based logistics software provider, Transporeon.

Having increased by 31.4% in the first quarter of 2019 over the previous three-month period in the fourth quarter (Q4) of 2018, the logistics consultancy's capacity index, rose by a further 12% in May compared to the preceding month, managing director Oliver Kahrs revealed. He noted that capacity had risen month on month since June 2018, with the trend accelerating since the start of the year. This could be a first indicator of a downturn or a cooling down in the European full load spot market.

Full article available here.

Air

MAY AIR FREIGHT VOLUMES REMAIN WEAK

IATA's recent report on air freight stated that data for global airfreight markets indicates that the demand for air cargo in May, measured in freight tonne kilometres (FTKs), decreased by 3.41% year-on-year. This was a slight improvement on the 5.6% contraction in April. In seasonally adjusted terms, the level of FTKs increased modestly for the third consecutive month, suggesting that the low point of this cycle may be passed, however the market remains weak.

Simultaneously, available capacity, measured in available freight tonne kilometres (AFTKs), increased by 1.3% year-on-year. Thereby, capacity growth has now outstripped demand growth for the 13th consecutive month.

Considering regional performance, the report indicates that European airlines posted a 0.2% decrease in freight demand in May 2019 year-on-year. This is a significant improvement on the 6.9% contraction in April.

The full analysis is available here.

Customs and Trade

EU EXTENDS TRADE DEFENCE RULES

On 3 July, the EU published new rules allowing the EU to impose anti-dumping and anti-subsidy measures in case of unfair trade in goods brought to the continental shelf or the exclusive economic zones of EU Member States.

This new customs tool is part of the modernisation package of trade defence policy measures adopted in 2018 and aligns EU policy with that of other trading partners such as the US, India and Brazil. It will further strengthen the EU's ability to protect its industry against unfair trade. It will only become applicable 4 months from 3 July, the date of its publication in the Official Journal of the EU, to give national customs authorities time to put in place the necessary administrative procedures. Only new investigations or interim reviews of existing activities initiated after 3 November 2019 will be concerned by the change, where the conditions laid down in the legislation are met.

Until now, EU customs rules only allowed trade defence measures to be applied to goods imported into the customs territory of the Union. The rules did not apply to goods brought to the continental shelf or exclusive economic zones of EU Member States, for instance for the exploitation of natural resources such as extraction of oil and gas and offshore windmills.

Source: European Commission

EU AND MERCOSUR AGREE TRADE DEAL

On 28 June, the EU and Mercosur, a bloc comprising Argentina, Brazil, Paraguay and Uruguay, reached a political agreement on a landmark trade agreement. The new trade framework - part of a wider Association Agreement between the two regions – will consolidate a strategic political and economic partnership.

Among the key features of the agreement is the gradual removal of duties on 91% of goods that EU companies export to Mercosur. For example, Mercosur countries will remove high duties on industrial products including cars, machinery, pharmaceuticals and textiles. The agreement will also progressively eliminate duties on EU food and drink exports, such as wine, chocolate and soft drinks. The agreement will also eliminate import duties on 92% of Mercosur goods exported to the EU. The agreed text also contains general rules regarding e-commerce that aim to remove unjustified barriers to trade made by electronic means, bring legal certainty for companies and ensure a secure online environment for consumers, with their data being appropriately protected.

Both sides will now perform a legal revision of the agreed in principle text. The Commission will then translate it into all EU official languages and submit the Association Agreement for approval by the Council and the European Parliament.

Source: European Commission

NEW EU RULES FOR RESOLUTION OF TAX DISPUTES

On 1 July, new EU rules came into force to ensure quicker and more effective resolution of tax disputes between EU Member States, offering more tax certainty for businesses and individuals experiencing double taxation issues. The new Directive was adopted on 10 October 2017 and aims to ensure that businesses and citizens can resolve disputes related to the interpretation of tax treaties more swiftly and effectively. The new rules also cover issues related to double taxation which occurs when two or more countries claim the right to tax the same income or profits of a company or person.

The new rules have some of the following key aspects: recourse for tax payers to national courts to unblock procedures; clearly defined and enforceable timelines with a standard period of 6 months for the arbitration phase; extended scope to all tax disputes between Member States that derive from tax treaties and other international agreements, that provide for the elimination of double taxation for businesses and citizens.

The new directive applies to complaints submitted from 1 July 2019 onwards, relating to questions of dispute in matters of income or capital earned in a tax year commencing on or after 1 January 2018. The competent authorities can also agree to apply the directive to any complaint submitted prior to that day or to earlier tax years.

Source and further information: European Commission

WCO COUNCIL ANNUAL SESSIONS

The WCO Council, the Organization's supreme decision-making body comprising Directors General of the 183 WCO Member Customs administrations, met in Brussels from 27 to 29 June to take stock of recent developments and to map the road ahead for the next financial year.

The WCO Council discussed issues relating to the WCO's different areas of work: the Harmonized System, rules of origin, Customs valuation, enforcement, facilitation and capacity building. Notably, the Council adopted the 2022 version of the Harmonized System and endorsed an E-Commerce package and agreed to continue the work on some parts of the technical specifications to the E-Commerce Framework of Standards.

The WCO Council adopted the new WCO Strategic Plan for 2019/2022 with its nine priority areas, namely coordinated border management, security and safety, the review of the Revised Kyoto Convention, e-commerce, the Harmonized System, the Capacity Building Strategy, performance measurement, integrity and digital Customs and data analysis.

The Heads of Delegations elected Mr. Pranab Kumar Das of India as Director of the Compliance and Facilitation Directorate and Mr. Taeil Kang of Korea was elected Director of the Capacity Building Directorate - both will join the Secretariat in January 2020. Additionally, Mr. Dicksons Collins Kateshumbwa, Commissioner of Uganda Customs, was elected as the next Chairperson of the Council.

Source: World Customs Organization

Sustainability

COMMISSION ASSESSMENT OF EU COUNTRIES' DRAFT NECPS

Last month, the European Commission published its assessment of the EU Member States' draft plans to implement the EU's Energy Union objectives, warning countries that their draft national plans for the coming decade are insufficient to achieve the EU's 2030 energy and climate targets.

The Commission's assessment of the draft National Energy and Climate Plans (NECPs), which Member States had to submit to the Commission by the end of 2018, acknowledged that the national plans represent significant efforts but pointed out to several areas where there is room for improvement, notably as concerns targeted and individualised policies to ensure the delivery of the 2030 targets and to stay on the path towards climate neutrality in the longer term.

Based on the Commission's analysis, the draft NECPs fall short both in terms of renewables and energy efficiency contributions. For renewables, the gap could be as big as 1.6% against the new EU's 32% target for 2030. For energy efficiency, the gap could be as big as 6% versus a 32.5% benchmark. The assessment also warned that the Member States could come up 2% short in sectors not covered by the EU's Emissions Trading System such as land transport. While recognising that "[transport] needs to be at the centre of the NECPs," the Commission gave no concrete recommendations regarding each country's transport sector. However, the aggregated assessment emphasised that in their final NEPCs Member States should be more concrete on measures relating to electromobility, planning and investing in the alternative fuel infrastructure and the rollout of intelligent transport systems.

Overall, the Commission estimated that the NECPs in their current state would be enough to achieve the EU's official 40% target for greenhouse gas reduction as compared to 1990 levels. Nevertheless, that target has now been largely considered outdated since it was agreed in 2014, before the Paris Agreement was signed. The European Parliament, as well as the UN Secretary General, have called for that goal to be stepped up to 55%, arguing that would bring the EU in line with its Paris commitments.

Regarding the next steps, the EU law requires the Member States to take due account of the Commission's recommendations or make public their reasons not to do so. The final NECPs for the period 2021-2030 must be submitted to the Commission by the end of 2019.

EU DATA ON CO2 EMISSIONS FROM MARITIME TRANSPORT

On 30 June, the European Commission published for the first time the fuel consumption and CO2 emissions data of all vessels above 5,000 gross tonnage that performed maritime transport activities related to the European Economic Area (EEA) in 2018.

The EU Regulation on the monitoring, reporting and verification (MRV) of CO2 emissions from maritime transport entered into force last year, making it mandatory for ships calling at European ports to report their emissions and energy efficiency. The Commission has now released this information, covering 10,880 vessels of various types, services and cargo carried, ranging from ro-ro passenger ships to bulk carriers, tankers and container ships. The CO2 emissions reported by these ships landed at 130 million tonnes of CO2 in 2018. However, 569 ships did not report any emissions.

The detailed information is accessible on the European Maritime Safety Agency's web-based application THETIS-MRV. The European Commission will now carefully analyse the detailed emissions data and publish a report towards the end of 2019 to inform the public and allow for an assessment of the CO2 emissions and energy efficiency of maritime transport.

A revision of the MRV system is currently underway. One point of discussion relates to whether a ship's CO2 emissions should to be measured including cargo or compared to the registered tonnage, i.e. the vessel's own weight. According to the Commission's proposal, measurements of GHG emissions should be based on the vessel's gross tonnage, meaning that it would only be voluntary to report based on the ship's weight including cargo.

Forthcoming events

CLECAT MEETINGS

ICS2 Workshop
10 September, Brussels

CLECAT Customs and Indirect Taxation Institute
11 September, Brussels

CLECAT Sustainable Logistics Institute (web meeting)
13 September, online

CLECAT Rail Institute
25 September, Brussels

CLECAT Freight Forwarders Forum 2019
14 November, Brussels

CLECAT Board/GA
15 November, Brussels

OTHER EVENTS WITH CLECAT PARTICIPATION

Webinar on the Updated GLEC Framework
9 July, online

6th International Physical Internet Conference
9-11 July, London

SELIS General Assembly
12 July, Brussels

ELP Event on Logistics
25 September, Brussels

Digital Transport Days
7-9 October, Helsinki

Maritime Economy Forum 2019
11 October, Gdynia

Smart Ports Smart City Expo World Congress
19-21 November 2019, Barcelona

EP/COUNCIL MEETINGS

Constituent meeting of the European Parliament committees
10 July, Brussels

European Parliament Plenary
15-18 July, Strasbourg

European Parliament TRAN Committee
24-25 July, Brussels

EU Transport Council
2 December, Brussels

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