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## Brussels News

### PRIORITY LANES FOR EU POLICY

The policy priorities of CLECAT – the European Association for Forwarding Transport Logistics and Customs Agents were issued this week. Today, the focus is on securing logistics supply chains. Our industry is eager to protect and secure global supply chains with standards, investments and robust policies.



**SECURE LOGISTICS SUPPLY CHAINS**

Protecting and securing global supply chains and reducing their vulnerability to disruption can be done while guaranteeing the promotion of a timely and efficient flow of legitimate trade. As such, we call for more investments in secure parking areas, a consistent application of security standards and support for cybersecurity measures within robust policies, which take business needs into account.

#prioritylanes4logistics

**CLECAT** European Association for Forwarding, Transport, Logistics and Customs Services

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CLECAT encourages policy makers to have a close look at the priority lanes in support of a call for a stronger Europe through further opening of markets and harmonisation, as well as removing barriers instead of creating new ones. CLECAT is of the view that creating a fully integrated transport sector will translate into improved logistics chains, greater

environmental sustainability, enhanced internal cohesion and increased competitiveness of the EU on the global stage.

You can download the brochure Priority Lanes for Logistics [here](#).

## REGISTRATION IS OPEN FOR ELP EVENT 'LOGISTICS IN TRANSITION'



**European  
Logistics  
Platform**

The European Logistics Platform (ELP) organises its first large event for the new European Parliament on the 25<sup>th</sup> September. The event entitled '**Logistics in Transition: how to handle growing freight transport and the challenges ahead**' will take place at the Residence Palace in Brussels.

The first ELP event under the new term of the European Parliament is organised to address the key challenges facing the logistics sector, from digital transformation to sustainability, infrastructure and access to skills. The event is designed to create an open debate between industry and policy makers to find solutions to common problems and challenges.

Confirmed speakers include Prof. Alan McKinnon, Professor of Logistics, Kuehne Logistics University, Sandro Santamato, DG MOVE, Helder Velho, Director EU Transportation Services, Amazon and Leigh Pomlett, CEO of CEVA Logistics. Policy makers from the Commission, the European Parliament and the Finnish Presidency of the EU will also take part in the debates.

You can register [here](#). The programme is available for download [here](#).

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## *Brexit*

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### COMMISSION BREXIT PREPAREDNESS COMMUNICATION

On 4 September, the European Commission published its [6<sup>th</sup> Brexit Preparedness Communication](#), reiterating its call on all stakeholders in the EU-27 to prepare for a 'no-deal' scenario. The Commission states that in light of the continued uncertainty in the UK regarding the ratification of the Withdrawal Agreement – as agreed with the UK government in November 2018 – and the overall domestic political situation, a 'no-deal' scenario on 1 November 2019, remains a possible, although undesirable, outcome.

The European Commission also published a [detailed Brexit preparedness checklist](#) to help businesses that trade with the UK with the necessary formalities in cross-border trade and make final preparations. The list builds on previous Communications and stakeholder notices, which cover a broad range of sectors. In view of the extension of Article 50 until 31 October 2019, the Commission has screened all the EU's preparedness and contingency measures to ensure that they are still fit for purpose. The Commission has concluded that these measures continue to meet their objectives and therefore there was no need to amend any of them on substance. The Commission has now proposed to adjust the duration of the EU's 'no-deal' contingency measures in the area of transport in order to take account of the new Article 50 timeline:

- the Regulation ensuring **basic road freight and road passenger connectivity** (Regulation (EU) 2019/501) - proposed to be extended until 31 July 2020.



- the Regulation ensuring **basic air connectivity** (Regulation (EU) 2019/502) - proposed to be extended until 24 October 2020.

The Communication also notes that the European Commission and Ireland continue working together, in the context of the unique situation on the island of Ireland and their twin objectives of protecting the integrity of the internal market while avoiding a hard border, to identify arrangements both for contingency solutions for the immediate aftermath of a withdrawal without an agreement and for a more stable solution for the period thereafter. The European Commission states that the backstop provided for by the Withdrawal Agreement is the only solution identified that safeguards the Good Friday Agreement, ensures compliance with international law obligations and preserves the integrity of the internal market.

The European Commission also proposed that the European Solidarity Fund and the European Globalisation Adjustment Fund are available to support businesses, workers and Member States most affected by a 'no-deal' scenario. These proposals need to be agreed by the European Parliament and the Council.

The Communication provides an overview of preparedness work in those areas where continued vigilance is needed. This includes citizens' rights, border formalities and trade, medicinal products, medical devices and chemical substances. The European Commission recalls that it is the responsibility of all stakeholders to prepare for all scenarios. Given that a 'no-deal' scenario remains a possible outcome, the Commission strongly encourages all stakeholders to use the extra time provided by the extension of the Article 50 period to ensure that they have taken all necessary measures to prepare for the UK's withdrawal from the EU.

Source: [European Commission](#)

## UK BOOSTS FUNDING FOR CUSTOMS EXPERTS

The UK government [announced](#) on 3 September that new additional funding of £16 million is available to fund employee training and IT improvements for customs intermediaries, traders and hauliers that make customs declarations. There are two types of grants which can be used to reimburse expenditures on relevant IT improvements and training since 31 July 2019, as well as in the future:

1. Training Grants. These grants are meant for training that helps employees to complete customs declarations and processes or companies which intend to complete customs declarations in the near future in the UK. Thus, service providers which are not established yet in the UK but are considering doing so, can also apply. The grant will give you up to 100% of the cost of training for your employees, up to a limit of £2,250 for each course. It will also cover the cost of training you run internally, up to a limit of £250 for each employee on the course. The training must give employees skills to complete customs declarations and processes, help other businesses with import and export processes. The training does not have to lead to a formal qualification.

2. IT improvements grant. For these grants, businesses must currently complete customs declarations for importers and exporters, have 250 employees or fewer and have an annual turnover of £50 million or less. The grant will give you up to €200,000 (the maximum amount of state aid available) to buy software that will help the business to complete customs declarations more efficiently. The software must be a ready-made solution – funding cannot be used to commission bespoke software. The funding can also be used to buy hardware that is needed for the software to run, install and configure the software and hardware, buy the first-year licence and train employees to use the software.



Businesses can apply for one or both of the grants. To be eligible, companies must be established in, or have a branch in the UK when the grant is paid and not have previously failed to meet their tax obligations.

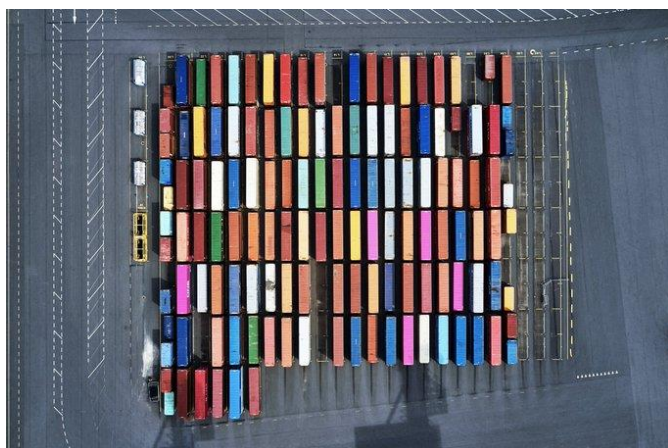
PricewaterhouseCoopers (PwC) is administering the grants and applications can be submitted via [PwC website](#) before 31 January 2020 (or earlier if funding is fully allocated). More information on the application process can be found in the [UK government guidance](#).

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## Maritime

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### DCSA RELEASES FIRST INDUSTRY BLUEPRINT STANDARDS



The Digital Container Shipping Association (DCSA), representing the majority of the box carrying industry through members such as Maersk, CMA-CGM, Hapag-Lloyd, MSC and ONE, has released its first Container Shipping Industry Blueprint, dubbed 'IBP 1.0'. The document contains recommended standards for the processes used in container shipping, mapping a variety of widely applied container shipping workflows – from Carrier Booking to Container Return – to create a common process blueprint that can be applied across the industry. DCSA aims to

encourage global carriers outside of its own membership to also begin using this standard to organise their own processes, to support the introduction of further digitalisation and standardisation initiatives in the industry in the future. IBP 1.0 contains process maps covering three types of journeys – Shipment, Equipment and Vessel – and also offers a standard method for dealing with Exception Handling.

“The Industry Blueprint is the result of an iterative and collaborative project, bringing key stakeholders and subject matter experts from the five founding members of DCSA together to share their non-commercial processes in container shipping,” DCSA says. “Common and conflicting processes across carriers could be identified and a baselined standard was built. This was validated, aligned and agreed to by all carriers. The IBP 1.0 is the first outcome of this effort presented to the public.”

The release of IBP 1.0 is supported by a Reading Guide, which explains some of the background of the project, its purpose and scope, as well as detailing the logic behind the creation of the blueprint. DCSA has also published a supporting Glossary of Industry Terms, to try and standardise the language used in container shipping, as well as a Process Catalogue that provides descriptions for some of the processes outlined in IBP 1.0. All of the documents can be freely downloaded from the [DCSA website](#), by members and non-members alike.





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# Air

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## JULY AIR FREIGHT VOLUMES REMAIN WEAK

On 5 September, IATA released its data for global airfreight markets, which indicates that the demand for air cargo in July, measured in freight tonne kilometres (FTKs), decreased by 3.2% year-on-year. This marks the ninth consecutive month of year-on-year decline in freight volumes.

Simultaneously, freight capacity, measured in available freight tonne kilometres (AFTKs), increased by 2.6% year-on-year. Thereby, capacity growth has outstripped demand growth for the ninth consecutive month.

Considering regional performance, the report indicates that European airlines posted a 2.0% decrease in freight demand in July 2019 year-on-year. The weakness in air freight volumes remained broad-based across all regions. All regions, except for the smallest regions of Latin America and Africa, posted a decline.

The full analysis is available [here](#).

## EU ETS FOR AVIATION SUBJECT TO NEW REVIEW

The EU Emission Trading Scheme (EU ETS) for aviation will be subject to a new review in the light of the international developments related to the operationalisation of the International Civil Aviation Organization's (ICAO) [Carbon Offsetting and Reduction Scheme for International Aviation \(CORSIA\)](#).



Under the EU ETS, all airlines operating in Europe (European and non-European), are required to monitor, report and verify their emissions, and to surrender allowances against those emissions. The legislation adopted in 2008 was designed to apply to emissions from flights from, to and within the European Economic Area (EEA). The EU, however, decided to limit the scope of the EU ETS to flights within the EEA until 2016 to support the development of a global measure by ICAO. In

light of the adoption in 2016 by ICAO of a global measure to address the growth in international aviation emissions globally from 2021 through an offsetting system (CORSIA), the EU has decided to maintain the geographic scope of the EU ETS limited to intra-EEA flights from 2017 onwards.

The implementation of CORSIA will be addressed at the next ICAO Assembly (24 September 2019 - 4 October 2019), at which ICAO intends to adopt a new resolution on the measure. The draft text refers to CORSIA as the “only global market-based measure on CO<sub>2</sub> emissions from international aviation”, therefore excluding any other scheme. The European Parliament has noted that this wording appears to threaten the EU prerogatives to decide on the application and any potential need to amend existing EU legislation.

In the EU, a second extension of the derogation for extra-EEA flights to be exempt from the EU ETS was granted until 2024 in order to facilitate the ICAO process for a global solution to aviation



emissions. The Parliament stressed that any further amendment of legislation should only be undertaken if “it is consistent with the Union’s economy-wide greenhouse gas emission reduction commitment, which does not envisage the use of offset credits after 2020.”

Source: [European Parliament](#)

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## Rail

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### TRAN EXCHANGE OF VIEWS WITH ERA

On 2 September, the European Parliament’s Transport and Tourism (TRAN) Committee held an exchange of views with the [European Union Agency for Railways \(ERA\)](#) to discuss the role of ERA, the extension of its competencies, current topics and challenges ahead.

ERA’s mandate, which has been enhanced through the 4<sup>th</sup> Railway Package, is to issue single safety certificates and vehicle (type) authorisations valid in multiple European countries and to ensure and interoperable European Rail Traffic Management System (ERTMS), in the development and implementation of the Single European Railway Area.

The 4<sup>th</sup> Railway Package, which aims to revitalise the rail sector and make it more efficient and more competitive vis-à-vis other modes of transport, was presented. Regarding its transposition, it was noted that the Safety and Interoperability Directives had been transposed by 8 Member States by June 2019, while 18 Member States were planning to transpose them by June 2020 and 2 Member States (Malta and Cyprus) were out of scope. The One-Stop-Shop, which is the IT tool through which the applications shall be submitted, became fully operational on 16 June 2019. This shall ensure a uniform implementation of the EU framework.

Regarding the main challenges, ERA noted connectivity (technical, operational barriers and missing links), frequency of service (repeated occurrence of large gaps), and timing. To increase the competitiveness of the rail sector in the future, the targets relate to cutting costs, increasing quality and fostering innovation.

Source: [European Parliament](#)

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## Customs and Trade

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### EU LEADING IN GLOBAL AGRI-FOOD TRADE

On 5 September, the European Commission published a [report](#) that confirms for yet another year EU’s position as largest global exporter of agri-food products, with EU exports reaching €138 billion in 2018. Agriculture products represent a solid share of 7% of the value of EU total goods exported in 2018, ranking fourth after machinery, other manufactured goods and chemicals. The top five destinations for EU’s agri-food products continues to be the US, China, Switzerland, Japan and Russia, accounting for 40% of EU exports. Wines and vermouth continue to dominate the basket of exported products



with spirits and liqueurs ranking second, followed by infant food and various food preparations, chocolate, pasta and pastry.

Regarding imports, the report concludes that the EU became the second biggest importer of agri-food products with €116 billion worth of imports. The EU mainly imports three types of products: products that are not, or only to a small extent, produced in the EU, such as tropical fruit, coffee and fresh or dried fruits; products that are destined for animal feed; and products used as ingredients in further processing (such as palm oil). Imports from the US were the fastest growing in 2018, with an increase of 10%, which makes it the EU's top supplier of agri-food products.

Source: [European Commission](#)

## OLAF REPORTS ON CUSTOMS FRAUD

On 3 September, the European Anti-Fraud Office (OLAF) [reported](#) on its investigative performance throughout 2018. The report presents *inter alia* an analysis of one of the most striking trends revealed by OLAF's investigations, namely the evasion of customs duties orchestrated through transnational criminal schemes.

In 2018, OLAF co-organised or provided support in five large-scale Joint Customs Operations (JCO) involving EU and international operational partners. JCOs are targeted actions of limited duration that aim to combat fraud and the smuggling of sensitive goods in specific areas at risk and/or on identified trade routes. Notably, OLAF launched a special project to support and facilitate the analytical work of customs services in Member States in order to effectively and efficiently use data and analytical approaches to address fraud in the customs area. The project activities in the first year focused on establishing a community of practice among Member States' customs and included a consultation on needs and priorities. The findings affirm that customs fraud, notably in the context of e-commerce, remains a priority for all EU customs administrations, some of whom address this priority by investing substantial resources in data analysis.

Source: [European Anti-Fraud Office](#)

## COMMISSION REPORTS ON VAT LOSS

On 5 September, the European Commission reported that EU countries lost €137 billion in VAT revenues in 2017, representing a loss of 11.2% of the total expected VAT revenue. The so-called 'VAT Gap' - or the overall difference between the expected VAT revenue and the amount actually collected - has reduced somewhat compared to previous years but remains very high.

During 2017, collected VAT revenues increased at a faster rate of 4.1% than the 2.8% increase of VAT Total Tax Liability (VTTL). As a result, the overall VAT Gap in the EU Member States saw a decrease in absolute values of about EUR 8 billion. Member States' estimated VAT Gaps ranged from around 1 percent in Cyprus (0.6%), Luxembourg (0.7%), and Sweden (1.5%) to over 30 percent in Romania (35.5%) and Greece (33.6%). Half of EU-28 Member States recorded a Gap above 10.1%.

Overall, the VAT Gap as percentage of the VTTL decreased in 25 Member States, with the largest improvements noted in Malta, Poland, and Cyprus and increased in three – namely Greece, Latvia, and Germany.

Source and full study: [European Commission](#)



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# Sustainable logistics

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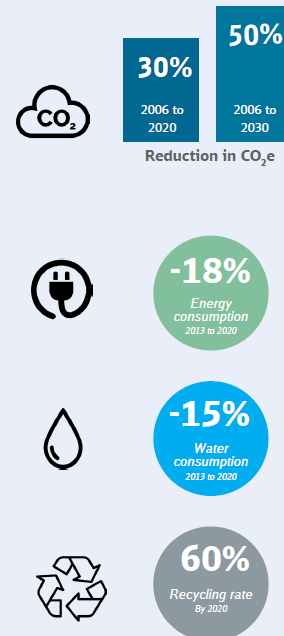
## DB SCHENKER FRANCE PUBLISHES ITS FIRST CSR REPORT

DB Schenker France has recently published its first voluntary corporate social responsibility (CSR) [report](#), which presents all the environmental, social and societal initiatives implemented within the organisation. 'We are acknowledging our social responsibility by reasserting our commitment to a drive for excellence in order to set an example in business, social and environmental areas,' explained Mr Frederic Vallet, President of Schenker France.

'We want to affirm our commitment to our employees, our customers, our suppliers and all other stakeholders,' explained Mr Tariel Chamerois, the Head of Sustainability at DB Schenker France. 'Our engine is innovation and our priority is to put it at the service of sustainable development,' he added.

Under the guidance of the French Ministry for the Ecological and Socially Inclusive Transition, Schenker France actively participated in the development of the "[référentiel RSE en logistique](#)". Officially published in September 2018, this reference material aims to support transport and logistics companies in their CSR approach and initiatives. Based on this reference material, Schenker France has mapped its challenges and implemented its own CSR policy.

### Our ambitious sustainable goals



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## Forthcoming events

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### CLECAT MEETINGS

CLECAT Supply Chain Security Institute

9 September, Brussels

CLECAT Air Freight Institute

9 September, Brussels

ICS2 Workshop

10 September, Brussels

CLECAT Customs and Indirect Taxation Institute

11 September, Brussels

CLECAT Sustainable Logistics Institute (web meeting)

13 September, online





CLECAT Road Logistics Institute (web meeting)

16 September, online

CLECAT/FIATA Rail Institute

25 September, Brussels

CLECAT Freight Forwarders Forum 2019

14 November, Brussels

CLECAT Board/GA

15 November, Brussels

## OTHER EVENTS WITH CLECAT PARTICIPATION

ELP Event 'Logistics in Transition'

25 September, Brussels

FIATA World Congress

1-9 October, Cape Town, South-Africa

Digital Transport Days

7-9 October, Helsinki

Maritime Economy Forum 2019

11 October, Gdynia

ELETA Project Final Conference

5 November 2019, Brussels

Smart Ports Smart City Expo World Congress

19-21 November 2019, Barcelona

## EP/COUNCIL MEETINGS

European Parliament Plenary

16-19 September, Strasbourg

European Parliament TRAN Committee

23-24 September, Brussels

EU Transport Council

2 December, Brussels



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