
CLECAT

european association for forwarding, transport, logistics and customs services

# NEWSLETTER

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# *Brussels News*

## FREIGHT FORWARDERS FORUM 2019 – REGISTRATION OPEN

CLECAT's annual Freight Forwarders Forum entitled **"Logistics for Europe"** will take place on the 14th of November at the Residence Palace in Brussels.

This year's Freight Forwarders Forum brings logistics industry representatives and European law makers together in a constructive dialogue on the future of freight transport.

The Forum will address new and outstanding questions:

- How to move forward in completing the internal market to ensure the EU remains a competitive place for logistics?
- What role should the EU play in the harmonisation of IT and data standards to encourage further digitalisation and exchange of data?
- How can the EU guarantee workable legislation in road transport whilst supporting increased efficiencies?
- How to handle growing freight transport needs whilst reducing emissions? How can smart solutions support the climate objectives in the era of the Green deal?

Confirmed speakers include:

- **Henrik Hololei**, Director General, DG MOVE
- **Maria Rautavirta**, Director of Data Business Unit, Finnish Ministry of Transport and Communications
- **Thomas Bagge**, Managing Director & CEO, Digital Container Shipping Association, DCSA
- **Roderick de la Houssaye**, CEO, Nedcargo
- **Edgar Uribe Casillas**, Global Head of Environment and Sustainability, Kuehne + Nagel
- **Erkki Valtonen**, Managing Director Finland, Blue Water Shipping
- **Sergio Barbarino**, Research Fellow, Procter & Gamble
- **Lia Potec**, Policy Officer, DG MOVE, European Commission
- **Matjaž Auflič**, TRINET informatika

More information is available at the CLECAT conference webpage. The outline of the programme is available here. The conference is free to register and attend.

# *Brexit*

## CLECAT WELCOMES BREXIT AGREEMENT BREAKTHROUGH

Yesterday, October 17, negotiators of the EU and UK reached a new Withdrawal Agreement, including a revised Protocol on Ireland / Northern Ireland, and a revised Political Declaration on the framework of the future EU-UK relationship. Later that day, the Council of the EU endorsed the new Brexit deal which now must be ratified by both the UK and European parliaments.

CLECAT is pleased that an agreement has been reached by the negotiators. Until very recently, the EU kept stating that the withdrawal agreement and especially the controversial Irish Backstop (protocol on Ireland/Northern Ireland, which is an annex to the withdrawal agreement) could not be changed. It seems the impossible was made possible, and in good spirit.

Dominique Willems, CLECAT's senior manager noted that CLECAT's members now have a far better prospect for the future arrangements. Mr Willems has contributed to the UK's proposals, as member of the UK's advisory group on the Alternative Arrangements (for the Irish backstop), which was co-chaired by the UK's State Secretary for exiting the EU, Steve Barclay, and the State Secretary for Treasury, Jesse Norman. Mr Willems noted 'The goal of my participation was to prevent a no-deal situation and ensure realism and practicality for a possible future relationship. Now that a no-deal seems to be largely diverted, because either the deal is accepted by the UK Parliament or there will be further delay until a deal is reached. It is good to see that the time and energy we have put into this has contributed to the success so far'.

CLECAT notes, however, that even though the chances of a no-deal Brexit have significantly decreased, nothing is certain yet. This continuing uncertainty, which has existed over the past two and a half years, puts a heavy burden on the freight forwarders, logistics service providers and customs brokers.

The industry has received some financial support for this, for example, through the 10 million pound funding which was granted by the UK Government earlier this month on top of the already granted 16 million pounds. Mr Willems noted that nonetheless, many of the companies CLECAT represents have expressed a certain "Brexit-fatigue" and simply want to continue their regular business. The almost certain prevention of the no-deal in October is a relief but there is still no guarantee we will not be in the same situation again in a few months or a few years once the negotiations on the future relationship come to an end after the transition period.


The revised Protocol provides a legally operational solution that avoids a hard border on the island of Ireland and secures the Good Friday (Belfast) Agreement. Northern Ireland will remain aligned to a limited set of rules related to the EU's Single Market: legislation on goods, sanitary rules for veterinary controls ("SPS rules"), rules on agricultural production/marketing, VAT and excise in respect of goods, and state aid rules. Under the revised rules, customs checks will be performed at the points of entry into Northern Ireland. This compromise will avoid border checks between Ireland and Northern Ireland and will ensure the integrity of the Single Market. All other elements of the Withdrawal Agreement remain unchanged in substance, as per the agreement reached on 14 November 2018.

The main change in the Political Declaration relates to the future EU-UK economic relationship, where the current UK government has opted for a model based on a Free Trade Agreement (FTA). The Political Declaration confirms the ambition to conclude an FTA with zero tariffs and quotas between the EU and the UK, and states that robust commitments on a level playing field should ensure open and fair competition.

# *Sustainable Logistics*

## FRANCE CALLS FOR TAXES ON BUNKER AND AVIATION FUEL

During the conference at the French Ministry of Finance on 15 October, the French Finance Minister, Bruno Le Maire, said that the French Government wants the EU to work on creating a tax on airplane and ship fuels as part of its strategy for reducing carbon emissions and achieving a sustainable environment.

Mr Le Maire commented that taxes for carbon emissions should be implemented also to aviation and ships, not only to cars. "It is incomprehensible that carbon emissions targets were set for cars and not for airplanes and ships. We propose that work is done on a European tax on airplane and ship fuel," said Mr Le Maire. He further added that the tax would complement plans supported by France and Germany for a carbon border tax that would shield European companies from competition from countries with lower emissions standards.

The French Government is also planning to review its public export guarantees in line with Paris Agreement commitment to stop financing projects that increase the growth of carbons emissions. To note, the 2020 budget bill bans the French state from providing any financing for projects involving coal.

## GREEN INLAND SHIPPING EVENT 2019

On 16 October, CLECAT participated at the Green Inland Shipping Event 2019, which demonstrated the most innovative solutions in inland navigation at the CO2-neutral Port of Brussels.

CLECAT, alongside EU policy-makers from the European Commission, European Parliament and the Council, as well as other industry stakeholders, had a chance to visit five innovative vessels, which called at the Port of Brussels to show technological solutions to cut CO2 and air emissions to a minimum. The vessels included zero-emission technologies such as battery-electric, gas-electric, ultra clean biofuel drivetrains and hydrogen. The participants took note of the modal shift potential of inland navigation and the sector's ongoing work to reach the sustainability goals of the EU.

In the context of the recently released Agenda for Europe by the new Commission President Ursula von der Leyen, which lays down the strategic long-term vision of the EU, inland waterway transport offers quality solutions to keep up with ambitious EU decarbonisation challenges. Moving forward to further improve its performance, the inland waterway transport sector aims to reach an emission reduction of more than 50% by 2030 and to sail zero-emission by 2050.

Besides the long-term goals, inland shipping plays an increasing role in urban mobility. An initiative of an electric ship for urban delivery of parcels was presented in combination with cargo bikes, completing the last mile. Other innovative solutions demonstrated during the event included unmanned shipping, remotely controlled from ashore, and a pilot with fuel cell/hydrogen technology for zero-emission container shipping.

# *Road*

## €1.4 BILLION CEF CALL TO SUPPORT SUSTAINABLE TRANSPORT

On 16 October, the European Commission launched a call for proposals worth €1.4 billion to support key transport projects through the Connecting Europe Facility (CEF), the EU's central funding instrument for strategic investment in transport, energy and digital infrastructure.

The call for proposals supports seven priorities of the CEF Transport multi-annual work programme for 2014-2020 under the General (€750 million) and Cohesion (€650 million) envelopes. The Cohesion envelope is reserved for the 15 EU Member States that are eligible for Cohesion Fund support.

The funding is available for a variety of projects, including pre-identified projects on the Corridors of the Core Network (railways, inland waterways, roads, maritime and inland ports), the deployment of European Rail Traffic Management System (ERTMS), safe and secure infrastructure, including safe and secure parking on the road Core Network, Intelligent Transport Services for road (ITS), the Single European Sky – SESAR, and the Motorways of the Sea.

The investment shall help build missing connections across the EU, while focusing on sustainable transport modes. Transport Commissioner Violeta Bulc said: "To accelerate decarbonisation and contribute to the completion of the Trans-European Transport Network (TEN-T), we are making full use of the resources available through the Connecting Europe Facility. These investments will support smart and sustainable mobility and better connect our citizens across Europe."

The deadline for applications is 26 February 2020. A virtual information day will take place on 7 November 2019. The submitted proposals will be evaluated by the European Commission with the assistance of external experts drawn from an independent expert database. Applicants will receive the evaluation results at the latest six months after the submission deadline, and grant agreements will be signed with the successful applicants within nine months after the submission deadline.

Source: European Commission

## UK REQUESTED TO COMPLY WITH THE EUROVIGNETTE DIRECTIVE

Following an initial letter of formal notice in April 2016, the European Commission addressed an additional letter of formal notice on 10 October, requesting the United Kingdom to fulfil all the requirements of the Eurovignette Directive (1999/62/EC) on road charging for heavy goods vehicles.

The Eurovignette Directive sets principles regarding when Member States apply annual taxes, tolls or vignettes to heavy goods vehicles. The Commission views the levy introduced for heavy goods vehicles by the United Kingdom in 2014 to be a tax that can be charged solely by the Member State of registration. The Commission also considers that the levy discriminates against foreign hauliers as compared to UK hauliers, which are compensated through a reduction on the annual tax paid of vehicles registered in the United Kingdom. The United Kingdom has until 31 October to notify the Commission of measures taken to remedy this situation.

To note, the legislative process to renew the Eurovignette Directive is currently ongoing.

Source: European Commission

## GERMANY REQUESTED TO UPGRADE NATIONAL E-REGISTERS ON ROAD HAULIERS

The European Commission has decided to send a letter of formal notice to Germany for failing to upgrade the connection between its respective national registers on road transport undertakings and the new version of European Registers of Road Transport Undertakings (ERRU), as required by the Commission Implementing Regulation (EU) 2016/480.

The ERRU allows the exchange of information on road transport undertakings established within the EU and between Member States. It is an essential instrument to ensure enforcement of EU legislation. The implementation of a new and enhanced version of ERRU requires Member States to adapt their systems at national level. The deadline for establishing an upgraded connection of national electronic registers expired on 30 January 2019. If the authorities from Germany fail to send a satisfactory response within two months, the Commission may decide to send a reasoned opinion.

Source: European Commission

# *Rail*

## EC CALLS ON GERMANY TO FULLY TRANSPOSE EU LAW ON SER

On 10 October, the European Commission decided to send a letter of formal notice to Germany for failing to transpose certain provisions of the EU rules on establishing a Single European Railway area (Directive 2012/34/EU).

The Directive aims to create a Single European Rail (SER) Area, notably on the power of national regulators, improved framework for investment in rail, and fair and non-discriminatory access to rail infrastructure and rail related services. In November 2012, Member States adopted the Directive and agreed to transpose these rules into national law by 16 June 2015. Germany now has two months to reply. Otherwise, the Commission may decide to send a reasoned opinion.

Source: European Commission

# *Maritime*

## GREECE SUPPORTS SETTING A LIMIT ON SHIPS' ENGINE POWER

In the context of the International Maritime Organisation's Initial Strategy for the decarbonisation of the shipping industry, Greece has submitted a proposal to the IMO to limit ship's power systems as a way to cut greenhouse gas (GHG) emissions in the short term.

Although Greece had previously strongly backed the French-led proposal to mandate ship speed reductions, the country has now come out in favour of a ship power limiting proposal, similar to what Japan suggested at the IMO's Marine Environmental Protection Committee (MEPC) meeting in April. Nevertheless, the sharp power cuts called for by Greece – with container ships, for example, being asked to cut their main engine power by two thirds – is basically equivalent to making slow steaming mandatory.

Greece's prescriptive submission, building on an existing proposal backed by the International Chamber of Shipping (ICS), supplements the strengthened Ship Energy Efficiency Management Plan (super SEEMP), making it mandatory for every ship of a particular sector to have power limitations.

The proposed measures concern the limit of the main engine power that ships over 5,000 gt can use under normal circumstances to maintain the level of $CO_2$ emissions from ships at a 2012 levels over a three-year phase-in period, commencing before 2023. The sectoral prescriptive approach it takes prescribes that bulk carriers and tankers reduce their main engine power by 50% and container ships by 66%. The measure includes a review clause to allow for rectifying action by the IMO, if necessary.

Measures to reduce GHG emissions from international shipping will be further discussed at the IMO's intersessional technical group on 11-15 November, to be held at the IMO HQ in London.

Source: UGS, IMO

# Air

## TRAN DRAFT RECOMMENDATION ON HORIZONTAL AVIATION AGREEMENTS WITH CHINA

The European Parliament's Transport and Tourism (TRAN) Committee recently published its draft recommendation on the draft Council decision regarding the conclusion of the horizontal aviation agreement between the European Union and China, which was agreed by the Commission on 20 May 2019.

The Agreement replaces the traditional designation clauses with an EU designation clause, permitting all EU carriers to benefit from the right of establishment. Thereby, it marks China's recognition of the principle of EU designation, whereby all EU airlines will be able to fly to China from any EU Member State with a bilateral air services agreement with China under which unused traffic rights are available. Up until now, only airlines owned and controlled by a given Member State or its nationals could fly between that Member State and China. The conclusion of a horizontal agreement will thereby bring bilateral air services agreements between China and EU Member States into conformity with EU law.

According to the Rapporteur in the TRAN Committee, "the Agreement is a direct consequence of European Court of Justice case law. It will serve a fundamental objective of the external aviation policy of the Union by bringing existing bilateral air services agreements in line with Union law with a key partner of the European Union." Therefore, the Rapporteur suggests that the TRAN Committee should give a favourable recommendation on the conclusion of the Agreement. Following this recommendation for approval by the TRAN Committee's Rapporteur, the European Parliament shall take a decision by means of a single vote, and no amendments to the agreement may be tabled.

The Commission is authorised by the Council to open negotiations with third countries on the replacement of certain provisions in existing bilateral air services agreements with an agreement at Union level (the "horizontal authorisation"). This results from the judgements of the Court of Justice in the so-called "Open Skies" cases in 2003. The objectives of such agreements are to give all EU air carriers non-discriminatory access to routes between the European Union and third countries, and hence to bring bilateral air services agreements between Member States and third countries in line with Union law.

Source: European Parliament

# Customs & Trade

## REPORT ON THE IMPLEMENTATION OF EU TRADE AGREEMENTS

On 14 October, the European Commission published its 2019 report on the implementation of EU Free Trade Agreements (FTAs). The report provides an annual overview of the EU's 35 largest FTAs.

In 2018, EU exports to and imports from trade agreement partners showed positive developments, with a continued growth of 2% and 4.6% respectively. In particular, EU agri-food exports to trade partners continued to grow with an overall increase of 2.2% compared to the previous year. Exports of agri-food products to South Korea also gained 4.8 %. Also noteworthy are agri-food exports to Georgia, Moldova and Ukraine, which grew by 11% compared to 2017. EU industrial goods exports also increased overall by 2%, with stronger growth among others for chemicals (2.5 %), mineral products (6 %) and base metals (4.4 %).

Among preferential partners, top destinations for EU goods' exports are Switzerland (24%), Turkey (12%) and Norway (8%). 19% of the EU's imports of goods come from Switzerland, followed by Norway (15%) and Turkey (13%). Switzerland is by far the EU's most important preferential trade partner for services, with a share of 40%, followed by Norway (9%), Canada (7%) and Turkey (6%).

Click here to read the full report.

## 2019 WORLD TRADE REPORT

The World Trade Organization (WTO) published the 2019 edition of the World Trade Report which highlights that services have become the most dynamic component of international trade and that its role will continue to expand in the coming decades. According to the report, services trade has grown 5.4% per year since 2005, while trade in goods has grown at 4.6% on average. Trade in computer services and research and development have recorded the most rapid annual growth over the past decade.

The report underlines that trade in services — ranging from distribution to financial services — can help countries boost economic growth, enhance domestic firms' competitiveness and promote inclusiveness. It illustrates how the share of services in international trade has continued to grow, and how technology, climate change, rising incomes and demographic changes will have an impact on services trade in the future. It also suggests ways to maximize the potential of services trade globally in the years to come.

Click here to read the full report.

# *General*

## 2019 GLOBAL COMPETITIVENESS REPORT

Last week, the World Economic Forum published its latest Global Competitiveness Report. Covering 141 countries, the report provides a comprehensive assessment of national competitiveness, defined as the set of institutions, policies and factors that determine the level of productivity.

With a score of 84.8 out of 100, Singapore is the country closest to the frontier of competitiveness, followed by the US, Hong Kong and the Netherlands. Among the G20, the US, Japan, Germany and the UK feature in the top 10, but they all have experienced erosion in their performance. Korea (13th, up 2), France (15th, up 2) and Italy (30th, up 1) are the only advanced economies to improve this year.

Drawing on these results, the report provides leads to unlock economic growth, which remains crucial for improving living standards. In addition, the report explores the relationship between competitiveness, shared prosperity and environmental sustainability, showing that there is no inherent trade-off between building competitiveness, creating more equitable societies that provide opportunity for all and transitioning to environmentally sustainable systems. The report further reviews emerging and promising 'win-win' policy options to achieve the three objectives of growth, inclusion and sustainability.

Click here to read the full report.

# *Forthcoming Events*

## CLECAT MEETINGS

### CLECAT Sustainable Logistics Institute
**13 November, Brussels**

### CLECAT Road Logistics Institute
**13 November, Brussels**

### CLECAT Customs and Indirect Taxation Institute
**13 November, Brussels**

### CLECAT Maritime Logistics Institute
**14 November, Brussels**

### CLECAT Freight Forwarders Forum 2019
**14 November, Brussels**

### CLECAT Board/GA
**15 November, Brussels**

## OTHER EVENTS WITH CLECAT PARTICIPATION

### ELETA Project Final Conference
**5 November 2019, Brussels**

### Roundtable on Safe and Secure Truck Parkings
**6 November 2019, Brussels**

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

## EP/COUNCIL MEETINGS

### European Parliament Plenary
**21-24 October, Strasbourg**

### European Parliament TRAN Committee
**6 November, Brussels**

## EU Transport Council

**2 December, Brussels**


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