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

NEWSLETTER

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News from Brussels

TRANSPORT SECTOR CALLS FOR BOLD AND REALISTIC GREEN DEAL

Earlier this week 15 European transport associations, including CLECAT, issued a press statement in response to the Communication on the European Green Deal which sets very ambitious objectives for the EU and sends a strong message to the rest of the world regarding Europe's ambition to reduce emissions by at least 50% by 2030 and to transform its economy to become carbon-neutral by 2050.

The associations welcome the Green Deal and believe that it can be an opportunity for Europe, particularly if it enables EU industries to benefit from a "new growth strategy" that will boost their competitiveness while becoming more sustainable. Such an ambition should be achieved while preserving a level playing field with other regions of the world.

The EU transport sector must continue to be a key enabler of sustainable trade and economic growth. It should therefore be supported in its effort to face the energy transition and remain a key priority for policy makers and Member States.

The success of the Green Deal will depend on the regulatory framework and financial instruments that will be mobilized to support innovation and the implementation of the proposed actions. Legal certainty for private investments as well as a financial stimulation of "first movers" will be an important cornerstone for the ultimate success of the Green Deal. Equally important for becoming successful is the mindset that will lead all stakeholders to focus on a better integrated transport system rather than on stand-alone transport modes and other logistic services.

Another factor determining the Green Deal's success will be the EU's ability to play a leadership role in convincing non-EU countries to engage in the same direction. The associations therefore welcome the Commission's efforts to enhance its "green deal diplomacy" and to convince other governments to set bold climate targets thus guaranteeing a level playing field.

The full statement is available here.

JOINT STATEMENT ON THE CBER EXEMPTION

On 10 February, CLECAT, ESC, FEPORT and ETA published a joint press release objecting to the inclusion in the Commission's 2020 Work Programme of the decision of the Commission to extend the Consortia Block Exemption (CBER) for another four years with the justification that it *'will continue to simplify the analysis of consortia's compliance with competition rules, limit the dependency on external advice and reduce legal costs.'*

Nicolette van der Jagt, Director General of CLECAT, noted: *'This decision is based on the assessment that the CBER saves money for the shipping lines and cuts down on the red tape in the Commission, fully dismissing the views of the other parties in the maritime supply chain who are not benefiting from a similar exemption, but in many cases are competing with carriers on services.'*

Lamia Kerdjoudj-Belkaid, Secretary General of FEPORT, added: *'We express strong disagreement with the procedure of the European Commission, which has led to the publication of the decision to prolong the CBER in the Work Programme. We find the Commission's recognition that data is missing (as outlined in the Staff Working Document from December 2019) unacceptable in view of the recommendation to extend the BER without a single modification of the text.'*

Denis Choumert, the ESC's Chairman, continued: *'The Commission has fully dismissed the views of the customers that a block exemption is a massive loss for the protection of shippers and customers, under European competition law, who declare that the Commission needs a more robust assessment on the impact of the CBER on the entire supply chain.'*

Not only has DG Competition largely dismissed the views of the users, operators and service providers in the supply chain, who all responded to the original consultation in 2018, the associations all share the view that there are many legal flaws in the arguments put forward by the Commission. These flaws relate to many issues – missing data, one-sided assumptions on efficiency gains disregarding non-rate related parameters, lack of a proper definition of relevant geographic markets to assess market shares and a complete failure to identify remaining benefits to users, if the CBER would be continued.

The associations call on the Commission to provide answers to the questions raised in the framework of the last consultation which are of primary importance for their respective members.

The press release is available here.

Road

TRUCK DRIVER SALARIES ON THE RISE

According to the latest calculations by the Polish Road Transport Institute, truck drivers in Poland continue to experience increases in their wages and salaries. For instance, the long-haul truckers in Poland earned on average 6300 Polish zloty gross per month in 2019, which constitutes a strong increase of 26% compared to the same period in the previous year. For comparison, the average salary of all sectors was about 5000 zloty gross and the increase was just under 8% compared to 2018.

The reasons for the remarkable growth in Polish drivers' earnings are primarily the increase in the minimum wage per hour as well as the shortage of drivers. In reality, the income is significantly higher, because the driver's fully taxable base salary only makes up about a third of the earnings, while the rest is paid in bonuses and other special remunerations.

However, the cost of personnel is increasingly becoming problematic for carriers and freight forwarders, because the turnover is far from growing at the same rate.

Source: VerkehrsRundschau

EC CALLS ON THE UK TO COMPLY WITH EUROVIGNETTE DIRECTIVE

The European Commission is requesting the United Kingdom to fulfil all the requirements of the Eurovignette Directive (1999/62/EC) on road charging for heavy goods vehicles.

The 1999 Eurovignette Directive, currently under review, 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 which can be charged solely by the Member State of registration. The Commission also considers that this levy discriminates foreign hauliers against UK hauliers which are compensated through a reduction on the annual tax paid of vehicles registered in the United Kingdom.

The United Kingdom now has two months to notify the Commission of implementing measures; otherwise, the Commission could escalate the case to the Court of Justice of the European Union, having already warned London over the issue in October 2019.

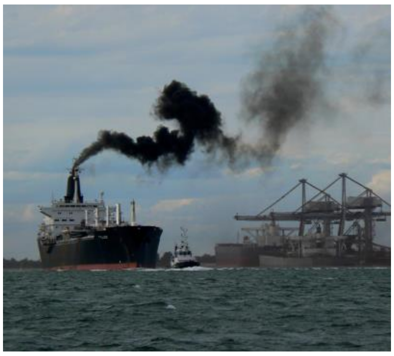
As set out in the Withdrawal Agreement, EU law continues to apply in full to the UK for the duration of the transition period. In particular, the UK remains subject to the EU's enforcement mechanisms, such as infringement procedures.

Source: European Commission

Maritime

ICCT STUDY ON SHIPS' ENGINE POWER LIMITATION

This week, the International Council on Clean Transportation (ICCT), an independent transport research group, has published a study on limiting ships' engine power to reduce CO2 emissions from the existing ships, concluding that the installation of engine power limitation devices on ships would not deliver meaningful emissions reduction.



This ICCT study assessed the effectiveness of engine power limitation as a means to reduce fuel use and CO2 emissions from existing ships under the International Maritime Organisation's (IMO) initial GHG reduction strategy, which aims to reduce the CO2 intensity of international shipping by at least 40% from 2008 levels by 2030. The report suggested that, when the IMO strategy was agreed upon, an estimated 30% reduction had already been achieved due to widespread slow steaming by ship operators. "This suggests that the 2030 goal may be tightened when the IMO revises the strategy in 2023," the report noted.

The researchers have modelled the fleet-wide fuel and CO2 savings of 10% to 60% engine power limitation strategies in 2018 and 2030 for container ships, bulk carriers and oil tankers. Collectively, these ships accounted for more than half of the CO2 emissions from international shipping in 2015. The report found that, due to the ongoing prevalence of slow steaming, engine power limitation measures would need to be aggressive in order to contribute to IMO's climate goals.

Modelling using 2018 real-world ship operations highlighted that CO2 reductions will not be proportional to engine power limitation because ship engines are already operating far below their maximum power. Moreover, only 50%+ of engine power limitation would be expected to meaningfully reduce CO2 from all ships in 2018. Eventually, benefits diminish over time if engine power limitation is not required for newer ships, with expected CO2 emission reductions falling about 60% through 2030 due to fleet turnover and growth. Additionally, 30%+ of engine power limitation policies could help avoid a bounce back in future emissions should market conditions spur a return to faster speeds.

The ICCT findings were submitted to the IMO ahead of a round of talks at the end of March at the Marine Environment Protection Committee (MEPC 75).

Brexit

UK CONFIRMS PLANS TO INTRODUCE IMPORT CONTROLS

On 10 February, the UK Government confirmed its plans to introduce import controls on EU goods at the border after the transition period ends on 31 December 2020. All UK exports and imports will be treated equally, meaning that traders in the EU and Great Britain will have to submit customs declarations and be liable to goods' checks. It was also confirmed that the policy easements put in place for a potential no deal exit will not be reintroduced as businesses have time to prepare.

The UK Government explained that the reasons for implementing import controls are to keep their borders safe and secure; to ensure equal treatment for all partners; to collect the right customs, VAT and excise duties and to reciprocate the checks which will be enforced by the EU on UK goods entering the Eurozone.

The UK Government also reminded that business could prepare for border controls by making sure they have an Economic Operator Registration and Identification (EORI) number, and also looking into how they want to make declarations such as using a customs agent. The Government assured that facilitations currently available to rest of the world traders will also be open to those trading between Great Britain and EU.

On 10 February, the UK Government also announced the extension of the deadline for businesses to apply for customs support funding to 31 January 2021. To date, applications have been made for around £18.5 million out of a possible £26 million – meaning there is at least £7.5 million left to distribute to EU and UK traders. This approach does not apply to the flow of trade between Northern Ireland and Ireland, or between Northern Ireland and Great Britain.

More information on the available funding and respective requirements you will find here.

Source: UK Government

Customs & Trade

EP ADOPTS EU-VIETNAM TRADE DEAL

On 12 February, the European Parliament approved the EU-Vietnam trade and investment agreements. The trade agreement is expected to enter into force this year and will eliminate virtually all tariffs on goods traded between the two sides. It will guarantee the respect of labour rights, environmental protection and the Paris Agreement on climate change.

The EU-Vietnam trade agreement is the most comprehensive trade agreement between the EU and a developing country. Vietnam will eliminate its duties gradually over a longer, 10-year period, to consider its development needs. However, many important EU export items such as pharmaceuticals, chemicals or machinery will already enjoy duty-free import conditions as of entry into force. The trade agreement also contains specific provisions to address non-tariff barriers in the automotive sector.

With the Parliament's adoption, the Council can now conclude the trade agreement. Once the Vietnam also ratifies the trade agreement, it can enter into force, most likely in early summer 2020. The investment protection agreement with Vietnam will still need to be ratified by all Member States according to their respective internal procedures.

Source: European Commission

WITHDRAWAL OF CAMBODIA'S PREFERENTIAL ACCESS TO THE EU

The European Commission has decided to withdraw part of the tariff preferences granted to Cambodia under the European Union's Everything But Arms (EBA) trade scheme due to the serious and systematic violations of the human rights principles enshrined in the International Covenant on Civil and Political Rights. Unless the European Parliament and the Council object, this will take effect on 12 August 2020.

The withdrawal amounts to around one-fifth or €1 billion of Cambodia's yearly exports to the EU. The withdrawal of tariff preferences – and their replacement with the EU's standard tariffs (most favoured nation MFN) – will affect selected garment and footwear products, and all travel goods and sugar. High value-added garments and certain types of footwear will continue to enjoy duty-free, quota-free access to the EU market. All emerging industries in Cambodia will also continue to enjoy duty-free, quota-free access to the EU market.

The Commission and the European External Action Service will continue their engagement with the Cambodian authorities and monitor the human rights and labour rights situation in the country closely. In case Cambodia shows significant progress, notably on civil and political rights, the Commission may review its decision and reinstate tariff preferences under the EBA arrangement.

Source: European Commission

Forthcoming Events

CLECAT MEETINGS

CLECAT Customs and Indirect Taxation Institute
17-18 February 2020, Brussels

CLECAT Air / Security Institutes
3 March 2020, Brussels

CLECAT Rail Institute
16 March 2020, Brussels

CLECAT Board Meeting
17 March 2020, Brussels

CLECAT General Assembly
17 March 2020, Brussels

CLECAT-FIATA Joint Road Institute
25 March 2020, Zurich

CLECAT Maritime Logistics Institute
23 April 2020, Porto

EVENTS WITH CLECAT PARTICIPATION

Getting Zero-Emission Trucks on the Road
19 February 2020, Brussels

Smart Maritime Network
19 February, Rotterdam

From Targets to Transition: Developing Pathways to Zero-Emission Vessels
19 February 2020, Brussels

Future of Transport Conference
3 March 2020, Brussels

TEN-T days
13-15 May, Sibenik

EP/COUNCIL MEETINGS

European Parliament TRAN Committee

19-20 February 2020, Brussels
16-17 March 2020, Brussels

European Parliament Plenary

9-12 March 2020, Strasbourg

EU Transport Council

4 June 2020, Brussels

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