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## Brussels News

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### SAVE THE DATE: FREIGHT FORWARDERS FORUM 12 NOVEMBER

This year's CLECAT Freight Forwarders Forum will be a full day online event on the 12<sup>th</sup> of November with 4 different thematic sessions following an opening session to set the scene. This will allow CLECAT members and other interested parties to join all or a selection of the sessions on the following topics:



- Liner shipping put to test: serving global trade at times of crisis
- Future EU-UK relationship: implications for transport and customs
- Mobilising European freight forwarders to take action to reduce emissions
- Air cargo logistics supply chains put to test at times of COVID-19

The event entitled 'Logistics put to test at times of crisis' will focus on the current challenges to logistics operations and the response from authorities and the European Commission to the COVID-19 crisis, in an effort to combine the EU Green Deal objectives and the recovery towards green and digital solutions, to ensure that the transport sector comes out of the crisis reinforced.

Save the date, as we will make a meaningful event for those serving European and global supply chains. The programme and further details will be available on the CLECAT website as of next week.

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# Maritime

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## ROUNDTABLE ON REFUEL EU MARITIME

On 18 September, CLECAT joined the roundtable discussion on the ReFuel EU Maritime initiative, hosted by DG MOVE. Members of the European Port Forum and the European Sustainable Shipping forum participated in the online event, as well as the organisations that responded to the public consultation on ReFuel EU Maritime.

In her opening address, DG MOVE Waterborne Transport Director Magda Kopczynska noted that it is crucial to include all sectors in the upcoming EU Strategy on Sustainable and Smart Mobility and that a clear place has been reserved for the waterborne sector in the 2030 EU Climate Target Plan. She explained that the Commission approaches the decarbonisation of maritime transport from various angles looking at pricing (through the EU Emissions Trading System), taxation (by revising the Energy Taxation Directive), by establishing definitions of sustainable activities (by means of the EU Taxonomy Regulation) and by stimulating R&D (via the Horizon Europe Fund). Ms Kopczynska found it particularly important to address the gaps in supply and demand for clean alternative fuels and argued that, therefore, discussions on the AFI Directive and the Renewable Energy Directive should be stimulated.

Following the opening speech, the presentation on the impact assessment support study was made by a representative from CE Delft. It was explained that the maritime transport is currently responsible for around 4 percent of total EU emissions, although over the last years shipping emissions have stayed the same in spite of the growth of seaborne trade. CE Delft listed a number of root causes concerning the low uptake of low-carbon fuels, which related to the long lifetime of ships (between 20 and 40 years), the technical readiness of fuels, the high costs of low carbon alternatives as compared to fossil fuels, as well as a complex interdependency between supply and demand. According to the support study, neither voluntary industry nor IMO initiatives have brought about a large-scale uptake of low-carbon fuels, while national policy initiatives have so far only addressed problems regarding infrastructure. Therefore, the Commission is currently assessing three policy approaches for ReFuel EU Maritime:

- Prescriptive: ships will be mandated to use a minimum amount of clean fuels and OPS.
- Goal-based: adopt an obligation to limit GHG emissions in navigation and at berth.
- Mixed approach: a combination of the two above approaches.

The presentation regarding the impact assessment was followed by a panel discussion on the role of FuelEU Maritime in the sector's decarbonization strategy, whereas the second panel focused on how to ramp up the uptake of sustainable alternative fuels through the new initiative. In this panel, the importance of transitional fuels was underlined, as well as a notion that new regulations should not privilege specific technologies.

## LINER SCHEDULE RELIABILITY TO NEW LOW IN AUGUST

Container ships have reached a new low in terms of their on-time arrivals, shows a survey published by Sea-Intelligence, which has since 2011 been measuring container lines' schedule reliability.

In August, a little over one in three container ships arrived late, as the container sector's overall schedule reliability came to 63.7 percent. This is 15 percentage points lower compared to August last



year, said Lars Jensen, CEO of Sea-Intelligence Consulting. While the downward trend is likely caused by several operational challenges for the container lines, including the COVID-19 pandemic, the current schedule reliability performance could be a source of aggravation among customers, notes the analyst. “[...] This is likely to cause additional friction between carriers and shippers, as shippers will have experienced a sharp decline in service quality at a time where freight rates are setting new record highs,” said Mr Jensen.

According to the Sea-Intelligence review, Maersk-owned shipping line Hamburg Süd is still the most reliable operator in the container sector. In August, a little over one fourth, or 76.5 percent, of Hamburg Süd’s ships arrived on time. This was followed by Maersk, APL and MSC. Of 60 shipping lines, however, only seven improved their schedule reliability performance in August compared to July, according to Jensen. And all seven were what the analyst describes as “smaller niche carriers.”

Source: [LinkedIn](#)

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## Rail

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### COVID-19 RAIL TRANSPORT MEASURES ADOPTED BY COUNCIL

On 2 October, the Council adopted the emergency measures to help the rail sector in the current difficult situation caused by the coronavirus pandemic. The measures will give Member States the possibility to provide relief from certain infrastructure charges for rail companies while ensuring a timely refund for infrastructure providers.

This temporary derogation from existing rules on levying charges for the use of railway infrastructure will apply retroactively from 1 March 2020 until 31 December 2020 and can be extended if necessary. Member States will inform the Commission of any measures they take, and the Commission will make this information publicly available.

The Council adopted the emergency measures by written procedure. The final text is the result of coordinating the positions at first reading between the European Parliament and the Council. The Parliament voted on the measures on 17 September. The legal act is expected to be signed by both institutions in the margins of the Parliament’s plenary session next week and to be published in the EU Official Journal on 12 October. It will enter into force the day after it is published in the Official Journal.

Source: [Council of the European Union](#)

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## Air

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### INSUFFICIENT CAPACITY DAMPENS AIR CARGO IN AUGUST

The International Air Transport Association (IATA) released [data](#) for global air freight markets in August showing that improvement remains slow amid insufficient capacity. Demand moved slightly in a positive direction month-on-month; however, levels remain depressed compared to 2019. Improvement continues at a slower pace than some of the traditional leading indicators would



suggest. This is due to the capacity constraint from the loss of available belly cargo space as passenger aircraft remain parked.

The data shows that global demand in August, measured in cargo tonne kilometres (CTKs), dropped 12.6% year-on-year. This represents a modest improvement from the 14.4% year-on-year drop recorded in July. Simultaneously, global capacity, measured in available cargo tonne kilometres (ACTKs), decreased by 29.4% in August year-on-year, which is almost identical to the change in July.

Belly capacity for international air cargo in August shrank by 67% year-on-year owing to the withdrawal of passenger services amid the COVID-19 pandemic. This was partially offset by a 28.1% increase in dedicated freighter capacity. IATA further notes that daily widebody freighter utilization is close to 11 hours per day, the highest levels since these figures have been tracked in 2012.

In terms of regional performance, European carriers reported a decrease in demand of 19.3% compared to the previous year. Improvements have been slight but consistent since April's performance of -33%. Demand on most key trade lanes to / from the region remained weak. The large Europe-Asia market was down 18.6% year-on-year in August. International capacity decreased 33.5%.

"Air cargo demand improved by 1.8 percentage points in August compared to July. Improvement is being stalled by capacity constraints as large parts of the passenger fleet, which normally carries 50% of all cargo, remain grounded. The peak season for air cargo will start in the coming weeks, but with severe capacity constraints shippers may look to alternatives such as ocean and rail to keep the global economy moving," said Alexandre de Juniac, IATA's Director General and CEO.

Source: [IATA](#)

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## *Sustainable Logistics*

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### **EP TRAN DEBATES SUSTAINABLE AND SMART URBAN TRANSPORT**

At the meeting of the European Parliament's Transport Committee (TRAN) last week, the members of TRAN received a presentation of the study on "Sustainable and Smart Urban Transport", conducted by researchers from the Polis Network, Panteia and the University of Roma Tre.



The study showed that the freight sector is currently facing challenges in urban areas, including fragmentation, expansion of e-commerce, instant deliveries and the lack of space. In terms of opportunities for the freight transport sector, the researchers emphasised digitalisation, new generation of vehicles, organisational innovations and integration.

In the exchange of views that followed, MEPs urged for green logistics in urban centres. The authors of the study replied that researchers are looking into the integration of freight and private transport and analysing car commuters' willingness to transport goods from e-commerce as a part of their personal daily commute. MEPs also inquired about the untapped potential of modal shift between different transport modes, the increase on e-commerce and its approach to the last-mile distribution.



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# Brexit

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## UPDATE ON EU-UK RELATIONS

On 28 September, the EU and the UK held the third meeting of the Joint Committee on the implementation and application of the Withdrawal Agreement. Concerning the Protocol on Ireland/Northern Ireland, the Commission reported that much work remains to be done on the implementation to prepare for the 1<sup>st</sup> January 2021, stressing that the window of opportunity to put in place the operational measures needed for the Protocol to function is rapidly closing. The Commission noted that it has reiterated the urgent need for the UK to accelerate its work on all aspects of the Protocol and in particular with regard to sanitary and phytosanitary controls; customs-related IT systems; and the registration of Northern Irish traders for Value Added Tax (VAT) purposes. The Commission welcomed that the UK is now engaging on some of the Joint Committee decisions that need to be adopted before the end of the year to fully implement the Protocol but added that many difficult issues remain and the UK's positions are far apart from what the EU can accept.

The Commission further reiterated the EU's request to the UK to withdraw the contentious parts of the draft UK Internal Market Bill by the end of September. As the UK confirmed its intention to go ahead with the draft legislation, on 1 October, the European Commission sent the UK a letter of formal notice for breaching its obligations under the Withdrawal Agreement. That marked the beginning of a formal infringement process against the UK. The UK has one month to reply to the letter.

More information on infringement proceedings you can find [here](#).

Source: [European Commission](#)

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# Customs and Trade

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## NEW EU CUSTOMS UNION ACTION PLAN

On 28 September, the European Commission launched a new [Customs Union Action Plan](#) setting out initiatives in the areas of risk management, managing e-commerce, the promotion of compliance and customs authorities acting as one. The Commission has drawn up a plan for work with 17 actions for the period up to 2025. Notable actions under the four headings include:



**Risk management:** The Action Plan focuses in particular on ensuring greater availability and use of data and data analysis for customs purposes. The Commission proposes to launch an EU “Joint Analytics Capabilities” initiative within the Commission for collecting, analysing and sharing customs data that can inform critical decisions, help customs authorities identify weak points at the EU's external borders and manage future crises.

**Managing e-commerce:** In order to tackle the new challenges of e-commerce, obligations on payment service providers and online sales platforms will be strengthened to help fight customs duty and tax





fraud. In this context, the Commission will explore the imposition of customs reporting obligations on platforms in order to address the challenges of e-commerce. Additionally, the Commission is planning to launch in 2021 an analysis of the impact of e-commerce on customs duty collection and on the level playing field for EU operators.

**Promotion of compliance:** The Commission will consider introducing legislation that will impose more precise obligations on Member States to monitor AEOs. The Commission will also update the AEO guidelines that are designed to provide assistance to Member States and economic operators in the application of the AEO programme. Additionally, the Commission will finalise the legal proposal for EU Single Window environment for Customs. Businesses would benefit by being able to complete all border formalities, for customs and for other purposes such as health, environment, product and food safety and security, in one electronic action and enjoy speedier border clearance of goods at import and export.

The Commission will also, by the end of 2021, complete an interim evaluation to establish whether the Union Customs Code and the electronic systems completed by that date are still fit for purpose. The evaluation will support decisions on whether the Code and its implementing and delegated acts should be revised. It will in particular consider whether the Code is sufficiently flexible to deal with the management of customs formalities during crises such as COVID-19 and new business models such as e-commerce. The Commission also plans to carry out work towards more harmonisation in the systems for infringements and sanctions in Member States.

**Customs authorities acting as one:** The Action Plan details the roll-out of modern and reliable customs equipment under the next EU budget. A new reflection group formed of Member States and business representatives will be set up to help prepare for future crises and challenges such as unanticipated global developments and future business models.

The Action Plan benefited from an innovative foresight project on “The Future of Customs in the EU 2040”, in which CLECAT took an active role. The project worked to create a shared and strategic understanding among key stakeholders of ways to deal with current and future challenges for customs and to generate a vision for how EU Customs should look in 2040.

Source: [European Commission](#)

## EXPLANATORY NOTES TO NEW EU VAT E-COMMERCE RULES

On 30 September, the Commission published the [Explanatory Notes on the new VAT e-commerce rules](#). The notes contain extensive explanations and clarifications on the new rules which include, *inter alia*, the VAT exemption at importation of small consignments up to EUR 22 as well as the creation of a new special scheme for distance sales of goods imported from third territories/countries of an intrinsic value not exceeding EUR 150 (the Import One Stop Shop (IOSS)). The new rules also provide for simplification measures for distance sales of imported goods in consignments not exceeding EUR 150, in case the IOSS is not used, the so-called special arrangements. The explanatory notes provide for practical and more detailed information on the application of these new VAT rules relating to the import of low value consignments.

Notably, regardless of the application of the import scheme or the special arrangements, customs formalities must be completed for low value goods imported into the EU. More information on customs procedures will be provided in a customs guidance, which is still under preparation.



Due to the practical difficulties created by the measures taken to contain the coronavirus pandemic, the application of the new VAT e-commerce rules was postponed by six months. Thus, the rules will apply as of 1 July 2021 instead of 1 January 2021, giving Member States and businesses additional time to prepare.

Source: [European Commission](#)

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## Forthcoming Events

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### EVENTS AND MEETINGS

CLECAT Rail Logistics Institute

20 October 2020, **Online Meeting**

CLECAT Road Logistics Institute

5 November 2020, **Online Meeting**

CLECAT Maritime Logistics Institute

10 November 2020, **Online Meeting**

CLECAT Freight Forwarders Forum

12 November 2020, **Online Event**

CLECAT Board/General Assembly

13 November 2020, **Location TBC**

### EVENTS WITH CLECAT PARTICIPATION

Global Liner Shipping Conference

4-5 November 2020, **Online Event**

European Environmental Ports Conference

4-5 November 2020, **Rotterdam**

Digital Transport Days

1 December 2020, **Online Event**

Competition Law in Transport

1 December 2020, **Brussels**

### EU MEETINGS

**Council of the European Union**

Transport Council

28 September 2020, Brussels (postponed)



Environment Council  
23 October 2020, Luxembourg

## European Parliament

European Parliament Transport Committee  
12 October 2020, Brussels

European Parliament Plenary  
5-8 October 2020, Strasbourg


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