CLECAT

european association for forwarding, transport, logistics and customs services

NEWSLETTER

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Table of content

COUNCIL RECOMMENDATION ON FREE MOVEMENT DURING COVID-19 PANDEMIC P 1

NEW REGISTRATION SYSTEM FOR TRANSPORT OPERATIONS IN HUNGARY P 2

EUROPEAN ROAD FREIGHT RATES MAY BE RECOVERING P 2

CONTAINERSHIP SCHEDULE RELIABILITY AT RECORD LOW P 3

REX TRADER PORTAL P 4

EU EXPORT CONTROLS ON COVID-19 VACCINES P 4

2020 EXPORT CONTROL REPORT P 5

ENVIRONMENT MEPS SUPPORT CARBON LEVY ON EU IMPORTS P 5

2020 WORST YEAR FOR AIR CARGO DEMAND P 5

DSLV WELCOMES NEW RAILWAY SIDING SUBSIDY P 6

CLECAT SUBMITS VIEWS ON EU ETS FOR ROAD & MARITIME TRANSPORT P 7

FORTHCOMING EVENTS P 7

News from Brussels

COUNCIL RECOMMENDATION ON FREE MOVEMENT DURING COVID-19 PANDEMIC

On 1 February 2021, the Council adopted a new recommendation, amending the Council Recommendation (EU) 2020/1475 of 13 October 2020 on a coordinated approach to the restrictions of free movement in response to the COVID-19 pandemic.

Under the updated recommendation, a new colour (dark red) is added to the existing categories of green, orange, red and grey in the weekly map published by the ECDC. This colour will apply to areas where the virus is circulating at very high levels, including because of more infectious variants of concern. These are defined as areas where the 14-day cumulative COVID-19 case notification rate is 500 per 100 000 people or more.

Member states should discourage all non-essential travel to red and dark red areas, while at the same time seeking to avoid disruptions to essential travel, in order to keep transport flows moving in line with the Green Lanes system, to avoid disruptions to supply chains and to the movement of workers and self-employed persons travelling for professional or business reasons.

Transport workers and transport service providers should in principle not be required to undergo a test for COVID-19 infection, according to the recommendation. Where a Member State requires them to undergo a test, rapid antigen tests should be used, and this should not lead to transport disruptions. Should transport or supply chain disruptions occur, Member States should lift or repeal any such systematic testing requirements immediately in order to preserve the functioning of the Green Lanes. Transport workers and transport service providers should not be required to undergo quarantine while exercising this essential function, the recommendation specifies.

Notably, the Council recommendation is not a legally binding instrument, and the authorities of the Member States remain responsible for implementing the content of the recommendation. CLECAT has therefore sent an open letter to the Ministers of EU Member States on 26 January 2021, reiterating the need to prevent any kind of barriers to the transportation of goods and the uninterrupted movement of transport and logistics personnel.

Road

NEW REGISTRATION SYSTEM FOR TRANSPORT OPERATIONS IN HUNGARY

Hungary has set up an electronic system (BIREG) in order to ensure traceability and control of the legal use of bilateral and multilateral permits necessary for the international road freight transport, the use of which is mandatory from 8 February 2021.

All goods transport operators carrying out services to, from, through and in Hungary should register the company and the operations in the BIREG system. However, those operating exclusively under EU community licence will not have to register, except when performing cabotage operations on the territory of Hungary.

The mandatory application of the BIREG system covers both foreign and Hungarian transport operations performed by a vehicle of over 3.5 tonnes:

- International road transport operations on own account with vehicles of over 3.5 tonnes, which are subject to a bilateral permit or an ECMT licence.
- Transport operations on hire or reward with vehicles of over 3.5 tonnes, which are subject to a bilateral permit or an ECMT licence.
- Cabotage operations, which are subject to a bilateral permit and a community licence in Hungary.

This is also applicable for empty runs in terms of the above-mentioned operations.

You can register your company and all transport operations on the BIREG website. The penalty is 800,000 HUF (approximately 2,500 EUR) for the company in case the registration has not been done for the transport operation.

An official document from the Hungarian Ministry for Innovation and Technology on the BIREG system can be found here.

EUROPEAN ROAD FREIGHT RATES MAY BE RECOVERING

European road freight rates registered their first annual decline last year, after the pandemic excoriated demand across the continent. According to new data from Transport Intelligence and digital road freight marketplace Upply, road freight rates across Europe fell on average by 1.6%, giving a benchmark rate of €1,060 or €1.55/km. “After four years of data collection, this is the first registered price fall,” said analysts, adding that “in 2019, a 1.5% increase in rates followed a 4.4% jump in 2018.”

The report says the decline was largely due to lower demand across Europe as the pandemic unfolded, a decline that would have been worse had it not been offset by reduced supply and border crossing issues. However, there were tentative signs of a recovery in the fourth quarter, and the analysts warn that shippers could be looking at severe price increases this year.

"We anticipate a steady recovery in 2021, driven by an expected increasing transport demand from Q221. Key factors to monitor are fuel price, EU economic growth and balance between transport offer and demand," said Thomas Larrieu, Upply's chief data & research officer. Upply road transport expert William Beguerie added that other factors that could spell rate increases were likely to come from problems at the Channel, as a result of Brexit; a resumption of driver shortages; structural changes in markets served by hauliers, such as the decline of traditional retail models and the transformation of automotive supply chains; and the application of the EU's Mobility Package, which continues to be fiercely resisted by many eastern and central European countries with significant numbers of drivers.

In the first full year of the Mobility Package, Maciej Wroński, president of the Association of Polish Employers in Transportation and Logistics, said productivity could drop by around 20%, leading to carriers collectively seeing costs rise by €1.3bn-€2bn. According to Mr Beguerie, higher prices might be needed to offset cost increases, but the most pressing issue will be the risk of insolvencies. "Many SME hauliers are at risk of going bust," he said.

"The consequences of Brexit are not fully clear yet," Mr Beguerie said. "As the UK implements border checks from the middle of the year, there continue to be questions over market access, cabotage, transport of live animals, phytosanitary checks, insurance, customs declarations and expected IT problems. Nothing is clear, but we expect reduced capacity and higher prices, regardless of demand," he added.

Source: The Loadstar

Maritime

CONTAINERSHIP SCHEDULE RELIABILITY AT RECORD LOW

Global container service scheduled reliability has declined to its lowest levels since records began, according to new data from Sea Intelligence Consulting.

The analyst's latest schedule reliability data for December shows just 44.6% of vessels arriving on time, "which means that for the fifth consecutive month, global schedule reliability has been the lowest across all months since Sea-Intelligence introduced the benchmark in 2011," said Sea Intelligence, adding that December's reliability index, which covers global shipping rather than a specific trade, had declined by 31.7 percentage points in December 2019.

At the same time, the average delay for late vessels arrivals has also grown to an unprecedented high – consecutive month-on-month increases have been recorded for the past four months, reaching 5.74 days in December, according to the Sea Intelligence analysis. Only HMM and ZIM recorded a month-on-month improvement in schedule reliability, whereas none of the carriers recorded a year-on-year improvement in schedule reliability, with Maersk Line recording the smallest decline of a still-staggering -27.5 percentage points.

“With continued widespread port congestion and with carriers still not letting off capacity-wise (especially on the major trades), not even for Chinese New Year, shippers might not see improving schedule reliability until the second quarter of 2021,” forecasted Sea Intelligence Consulting chief executive Alan Murphy.

Source: Sea Intelligence

Customs & Trade

REX TRADER PORTAL

As from Monday 25 January, economic operators established in the EU may apply electronically to become a registered exporter, using the REX Trader Portal. The REX Trader Portal is accessible from the EU Customs Trader Portal.

Economic operators will be authenticated and access the Trader Portal through UUM&DS. It will not be necessary anymore to send the signed paper application form to the customs authorities. Based on the electronic request received, the customs authorities in the EU Member States will perform the registration and assign the REX number.

Exporters who need a REX number to export under tariff preference to the UK under the EU-UK TCA may already use the REX Trader Portal to apply for their registration. Economic operators concerned may contact the customs authorities in the Member State in which they are established for further information.

Source: European Commission

EU EXPORT CONTROLS ON COVID-19 VACCINES

On 29 January, the European Commission adopted by urgency procedure measures requiring that exports of COVID-19 vaccines are subject to an early notification and authorisation by Member States before they are effectively shipped outside the EU. The measures will apply until the end of March 2021. The scheme only applies to exports from companies with whom the EU has concluded Advance Purchased Agreements (APA). The Commission will assist Member States in setting up the relevant mechanism to ensure a smooth and coordinated implementation.

The Commission explains that the objective of this measure is to ensure timely access to COVID-19 vaccines for all EU citizens and to tackle the current lack of transparency of vaccine exports outside the EU. The Commission is concerned by the lack of transparency around the ways some companies are operating and wants to have complete information in order to ensure they fulfil their contractual commitments. It is further noted that the European Union has supported the rapid development and production of several vaccines against COVID-19 with a total of €2.7 billion and it is important to protect the integrity of this substantial investment from the EU budget.

Source and more information: European Commission

2020 EXPORT CONTROL REPORT

On 2 February, the European Commission has adopted its [2020 Annual Export Control Report] on the implementation of Regulation (EC) No 428/2009 setting up a Community regime for the control of exports, transfer, brokering and transit of dual-use items. The report provides insight into the activities, examinations and consultations of the Dual Use Coordination Group (DUCG) that brings together experts from the Commission and Member States to examine any issue concerning the application of export controls with a view to practically improving their consistency and effectiveness throughout the EU. The report also provides information on the implementation of the Regulation in 2019 and includes aggregated export control data for 2018.

ENVIRONMENT MEPS SUPPORT CARBON LEVY ON EU IMPORTS

On 4 and 5 February, the European Parliament's ENVI Committee adopted its own-initiative report entitled 'Towards a WTO-compatible EU carbon border adjustment mechanism'. The report addresses the creation of a carbon border adjustment mechanism (CBAM) as proposed by the European Commission in its Communication on the European Green Deal.

The resolution underlines that the EU's increased ambition on climate change must not lead to 'carbon leakage' as global climate efforts will not benefit if EU production is just moved to non-EU countries that have less ambitious emissions rules. MEPs therefore support the introduction of a WTO-compatible CBAM to place a carbon price on imports of certain goods from outside the EU, if these countries are not ambitious enough about climate change. This would create an incentive for EU and non-EU trade industries to decarbonize in line with the Paris Agreement objectives. MEPs underline that the mechanism should be designed with the sole aim of pursuing climate objectives and a global level playing field, and not be misused as a tool to enhance protectionism. The resolution also provides that the CBAM should be part of a broader EU industrial strategy and cover all imports of products and commodities under the EU ETS. MEPs add that by 2023, and following an impact assessment, it should cover the power sector and energy-intensive industrial sectors like cement, steel, aluminium, oil refinery, glass and chemicals.

Plenary is set to vote on the resolution in its session 8-11 March. The Commission is expected to present a proposal in the second quarter of 2021.

Source: European Parliament

Air

2020 WORST YEAR FOR AIR CARGO DEMAND

The International Air Transport Association (IATA) released data for global air freight markets showing that demand for air cargo decreased by 10.6% in 2020, compared to 2019. According to IATA, this was the largest drop in year-on-year demand since IATA started to monitor cargo performance in 1990, outpacing the 6% fall in global trade in goods. Simultaneously, global capacity measured in available cargo tonne-kilometres (ACTKs), shrank by 23.3% in 2020. This was more than double the contraction in demand. Due to the lack of available capacity, cargo load factors rose 7.7% in 2020.

Improvements towards yearend became apparent in December when global demand was 0.5% below previous-year levels. Global capacity was 17.7% below previous-year levels, which is much deeper than the contraction in demand, indicating the continuing and severe capacity crunch. According to the analysis, with the stalling of the recovery in passenger markets, there is no end in sight for the capacity crunch.

Strong variations were evident in the regional performance of air cargo in 2020. North American and African carriers reported an annual gain in demand in 2020 (+1.1% and +1.0%, respectively), while all other regions remained in negative territory compared to 2019. International demand fell in all regions with the exception of Africa which posted a 1.9% increase in 2020 year-on-year. European carriers reported a 16.0% drop in demand in 2020 year-on-year and a fall in capacity of 27.1%. In December airlines posted a decrease in international demand of 5.6% year-on-year.

Rail

DSLV WELCOMES NEW RAILWAY SIDING SUBSIDY

CLECAT's German member DSLV (German Federal Association for Freight Forwarding and Logistics) has welcomed the investment initiative for better rail access announced by the German Federal Ministry for Transport and Digital Infrastructure (BMVI). A part of the package is the new railway siding funding guideline, which will replace the existing funding legislation on 1 March 2021. The new funding guideline, which has already been approved by the European Commission, supports railways, shippers and freight forwarders in the expansion and new construction of railway sidings.

DLSV has highlighted the importance of improved connections to industrial and commercial areas, increased funding rates of up to 80 percent, the cumulation of federal and state funds, and reducing red tape by simplifying and simultaneously accelerating the application process. Such measures are seen as decisive levers for rail to become more attractive in terms of price and quality on the freight transport market for customers from the shipping industry and the logistics sector. The newly created possibility of promoting investments in logistics infrastructure and interim storage also creates the necessary flexibility to cope with traffic peaks. In conjunction with the increase in the subsidy rates per ton of transported goods shifted, the competitiveness of rail transport will be increased.

Sustainable Logistics

CLECAT SUBMITS VIEWS ON EU ETS FOR ROAD & MARITIME TRANSPORT

Having recognised the ambition of the European Commission to extend the EU Emissions Trading System (EU ETS) to the emissions from maritime transport and potentially to the emissions from fossil fuel combustion in road transport, CLECAT has today submitted a response to the Commission's public consultation on this initiative.

CLECAT has also provided the Commission with an accompanying position paper, encompassing the initial views of EU freight forwarders and logistics service providers on a number of points. In its paper, CLECAT has expressed support to the market-based measures to incentivise emissions reductions in the transport sector but emphasised that a number of pre-conditions would need to be met for the EU ETS to function as a fair and efficient tool, in view of incentivising real emissions reductions and helping road transport and shipping decarbonise.

CLECAT has also noted that bringing maritime and road transport into the EU ETS would need to be combined with other European policies and measures seeking to incentivise emission reduction and the deployment of zero-emission vehicles and vessels. However, the ETS system would need to be designed very carefully to avoid any possible double- or even triple-charging burden for forwarding, transport and logistics companies.

Furthermore, CLECAT has stressed that the carbon price resulting from ETS auctioning should be paid by the entity that has most control of all influencing factors. The situation must be prevented in which carriers simply pass on the additional costs to the freight transport buyers, without making investments in cleaner and more efficient solutions.

CLECAT has also emphasised the importance of a harmonised emissions monitoring, reporting and verification (MRV) system at European level for the EU ETS to work. CLECAT has therefore urged the legislators to finalise the revision of the EU MRV Regulation as soon as possible and encouraged the Commission to base the envisaged European framework to measure transport and logistics emissions on the upcoming global ISO standard, respecting the full-cycle 'well-to-wheel' approach.

Ultimately, CLECAT has argued that the ETS revenues generated from the auctioning of road and maritime transport emission allowances should be ringfenced; they could be used to support the research and development of low-carbon and zero-emissions mobility technologies and innovative shipping solutions.

To note, the Commission is expected to present a proposal for the revised directive in the second quarter of 2021.

Forthcoming Events

CLECAT MEETINGS

CLECAT Road Logistics Institute

9 February 2021, Online

CLECAT Board

11 February 2021, Online

CLECAT Sustainable Logistics Institute

17 March 2021, Online

CLECAT Air Logistics Institute
8 June 2021, Online

CLECAT Security Institute
8 June 2021, Online

EU MEETINGS

Council of the European Union

Transport Council
3 June 2021, Luxembourg

Environment Council
18 March 2021, Brussels
21 June 2021, Luxembourg

European Parliament

European Parliament Transport Committee
24-25 February 2021, Brussels

European Parliament Plenary
8-11 February 2021, Brussels

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