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

NEWSLETTER

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Brussels News

CLECAT BRENNER PASS ROUND TABLE

CLECAT is organising a roundtable webinar on 21 April entitled ‘**Solutions for freight transport at the Brenner Pass - a (n)ever ending story?’** The event will discuss short-and longer-term solutions for freight transport crossing the Brenner Pass. European freight forwarders and logistics service providers continue to face difficulties in transporting freight in the most efficient and sustainable way through the heavily restricted Brenner Pass in Austria.

The wide spectrum of restrictions, introduced by the Tyrolean government, have been extended at the beginning of this year leading to further congestion during the daytime and with this more emissions.

According to CLECAT, preventing the most environmentally friendly heavy-goods vehicles of today, without the appropriate alternatives in place, has disproportionate economic consequences and creates trade barriers for the countries neighbouring Austria. Notably, CLECAT sent an open letter to the Commission President von der Leyen recently, elaborating on our concerns and calling for a proportionate solution.

CLECAT has therefore gathered a roundtable of experts to discuss short, medium, and long-term intermodal solutions for crossing the Brenner pass in a sustainable and efficient way. Confirmed speakers include MEP Barbara Thaler (EPP, Austria), Herald Ruijters (Director, Investment, Innovative & Sustainable Transport, DG MOVE) and Armin Riedl (CEO, Lokomotion).

Registration is open via this link.

Maritime

SUEZ CRISIS PUTS FORWARDER-CARRIER RELATIONS ON THE EDGE

CLECAT issued a blog earlier today commenting on the impact of the Suez blockage and the root-cause of the ongoing disruption in the maritime supply chain. It notes that the Suez crisis is now only worsening the current disruption in the maritime supply chain adding 2 to 3 weeks to the round-trip time per ship, effectively cutting the carrying capacity of the existing fleet dedicated to the Asia-Europe market substantially overnight.

CLECAT is concerned about carrier behaviour in response to the situation. In the middle of this crisis MSC Belgium announced that it will no longer allow merchant haulage to pick up empty containers in the hinterland. Carriers have been trying for some time to find ways to approach shippers directly, but they are now exploiting the shortage of containers exacerbated by the Suez crisis to attract more flows. They do the same through the demurrage and detention costs which are higher for merchant haulage due to delays and waiting times at the terminals. We note again that vertically integrated shipping lines take advantage of their dominant position, discriminating against merchant haulage, which in turn threatens the level playing field and a healthy competitive environment.

Also writing about the deeper causes of the disruption Olaf Merk from the International Transport Forum wrote an article. He noted that the mega-ship incident in the Suez Canal has shown the vulnerabilities of the global maritime supply chain also concluding that the main vulnerability is the mega-ship and the world of integrated mega-carriers that it has created.

Adding some numbers the article notes that 'the backlog of hundreds of other ships waiting to transit through the Canal is creating enormous challenges in ports and throughout the whole supply chain. Some observers calculated the costs of the Suez Canal blockage to be between USD 6 to 10 billion per week. Just remember: the reliability of ship schedules has been in freefall since June 2020. Two out of three container ships are delayed; in the beginning of 2021 the average was five days. If a few days of Suez Canal blockage leads to billions of dollars economic costs, imagine the extent of the loss due to delayed vessels just prior to the incident.'

He concludes: 'Thus, the current disruption of the maritime supply chain is not about a mega-ship stuck in the Suez Canal, and it not about lack of adequate infrastructure in ports – ultimately, it is about a lack of effective competition policy for global liner shipping. In Europe, regulators are now urging ports to free up capacity to deal with the after-effects of the Suez incident. There have not been reports that they also urged carriers to reinstate more capacity to Asia-Europe trade routes when trade picked up again in Q3 and Q4/2020, but carriers deployed 4% less capacity than over the same period in 2019.'

SHIPPERS PREPARE FOR DISRUPTION FOLLOWING SUEZ REOPENING

James Baker from Lloyds' List wrote an article yesterday noting that customers call for clear communication from carriers as container chaos continues, including some lines suspending short-term bookings and contracts ex-Asia and on Europe-Asia services. As container ships resume their passages through the Suez Canal and the backlog of ships awaiting transit begins to abate, the focus is now moving towards the deluge of volumes about to hit Europe's already disrupted supply chain. Since the canal reopened 163 vessels have passed through the canal. However, data from Lloyd's List Intelligence shows that there are still 74 containerships waiting to transit the canal, 43 of them waiting at the southern entrance and heading to Europe.

Carriers will be searching for berths in ports around Europe to offload their cargoes. But shippers are already expressing concerns over what will happen to cargoes and asking that carriers communicate clearly over delays and diversions. The containerised freight supply chain was already struggling with high levels of demand and pandemic-related constraints before the Suez Canal closure, and the latest blow threatens to further disrupt supplies of goods.

"The champagne cork has suddenly popped open, and I think we're going to see similar pressure brought to bear on northwest European and US east coast ports," said James Hookham, secretary-general of the Global Shippers' Forum. "I think the lines have learned from last year that there needs to be greater interaction with ports to try to manage this, rather than just turn up and queue.

Freight rates have not yet shown any appreciable rise due to the Suez closure, but there are fears that the reduction in capacity caused by many ships taking the longer route around the Cape of Good Hope, along with equipment shortages, could soon lead to rate hikes as shippers struggle to book space. Some carriers are already predicting a rise in spot rates and surcharges due the disruption. "GSF is warning shippers to be wary of this signalling of future prices and of demands for new surcharges," said Mr Hookham. "This incident was not our fault and the reasons why customers should be expected to pay extra, on top of record shipping rates for goods delivered late and for reasons ultimately of the industry's own making, should be challenged.

Source: [Lloyd's loading list]

Road

NEW COVID TEST RULES FOR UK-BOUND DRIVERS

On 28 March, the UK government [announced] that from 6 April onwards, hauliers arriving in England from outside the UK would need to take a COVID-19 test if they are staying for more than two days, as the UK bids to limit the numbers of infections of potentially vaccine-resistant variations of the virus. It would concern drivers and crews of heavy goods vehicles and vans and other light goods vehicles – both UK-based and non-UK hauliers. Drivers will need to take the first test within the first two days, then further tests every three days.

The British International Freight Association (BIFA) said freight forwarders were hoping that the introduction of the regime “doesn’t throw another spoke into the wheels of cross-channel trade” following months of other disruptions already. It said its members, which manage a significant proportion of the visible trade between the UK and the EU, have seen major disruptions to their operations for many months because of Covid, the changes to how import and export trade is conducted following the UK’s departure from the EU, as well macroeconomic issues affecting all modes of international freight transport.

The UK government warned drivers that do not have proof of a negative COVID-19 test could be fined £2,000. It said drivers do not need to take a test if they will be in England for two days or less, nor if they arrive in England from Ireland, the Channel Islands, or the Isle of Man – known as the Common Travel Area (CTA), if they have only been in the CTA or the UK in the 10 days before arrival. However, UK Border Force staff have been told not to enforce fines for the first two weeks of the new testing regime. It is understood that the delay in imposing fines is to prevent penalising foreign lorry drivers that may need more time to adapt to the new testing requirements – which was only announced a few days ago – for example, because of language barriers.

Source: Lloyd’s Loading List

Brexit

ONE IN FOUR SMALL UK EXPORTERS HALT EU SALES

New research by the UK national Federation of Small Businesses (FSB) found that one in five (23%) exporters have temporarily halted sales to EU customers and a further 4% have already decided to stop selling into the bloc permanently after new trading rules took affect at the start of this year.

The FSB survey of more than 1.400 small firms found that one in ten (11%) exporters are considering halting sales to Europe permanently, according to the analysis. The same proportion have established, or are considering establishing, a presence within an EU country to ease their exporting processes. A similar number (9%) are thinking about securing, or are already using, warehousing space in the EU or Northern Ireland (NI) for the same purpose. Small importers are also hard hit by new paperwork, though fewer than one in five have temporarily suspended purchases from the EU (17%), and a smaller proportion are using EU or NI warehousing space (6%).

The majority (70%) of importers and/or exporters have suffered shipment delays when moving goods around the EU in recent weeks. One in three (32%) have lost goods in transit, and an even greater proportion (34%) have had goods held indefinitely at EU border crossings. Of those that have experienced delays, a third (36%) have suffered hold-ups that lasted more than two weeks. More than half (55%) of importers and/or exporters have sought professional advice to help them with new paperwork pertaining to EU business activity, often to assist management of customs declarations, rules of origin paperwork and altered value added tax (VAT) obligations.

Source: Federation of Small Businesses

Customs and Trade

NEW EU CUSTOMS DATA MODEL VERSION 6.0

Earlier this month, a new, 6.0 version of the European Union Customs Data Model (EUCDM) web-publication went live and now accessible. The EU Customs Data Model (EUCDM) is the model for Customs trans-European systems such as NCTS, AES, ICS, EOS and for Member States national customs clearance systems. Its overall objective is to provide a technical instrument that models the data requirements laid down in EU Customs legislation and present a single and genuine source of information for the technical developments of the different IT systems that are used for data processing by customs in the EU.

The new version contains the full update of Annex B to the UCC Delegated Act and the UCC Implementing Act in accordance with the latest amendment to the legislation. It also improves the usability and representation of customs data requirements. One of these improvements is the possibility to download EUCDM data either in full data (in html or in GEFEG.FX proprietary format) or a specific data dictionary of an EUCDM dataset in XML format.

UNHARMONISED CUSTOMS CONTROLS HAMPER EU INTERESTS

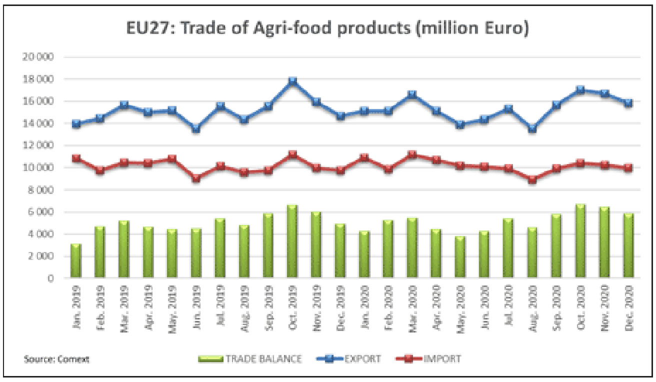
On 30 March, the European Court of Auditors (ECA) published the report Customs controls: insufficient harmonisation hampers EU financial interests, which finds that the EU customs financial risk framework is not designed well enough to ensure that Member States select controls in a harmonised way and that national implementation differs. The report recommends to the Commission to enhance the uniform application of customs controls and develop and implement a fully-fledged analysis and coordination capacity at EU level.

The UCC requires the Commission to take the necessary action to ensure Member States apply customs controls uniformly. To that end, the Commission has adopted the Financial Risks Criteria and Standards Implementing decision and an accompanying guidance, which together form the customs financial risk framework. The ECA report finds that the framework is not designed well enough to ensure that Member States select controls to make on import declarations in a harmonised way. The FRC decision does not define the concept of risk well and is insufficiently detailed. Furthermore, the framework lacks important features, such as: an EU-wide analysis, based on data from all EU imports; appropriate data-mining techniques; and appropriate methods to address financial risks for imports resulting from e-commerce.

The ECA reports that Member States do not interpret risk signals in the same way, resulting in different criteria for selecting imports for control and share only very limited information with one another on importers assessed as risky. This hampers effective and harmonised control selection procedures. It is further noted that Member States do not apply similar procedures for reducing the number of controls, leading to different national practices to address similar risks and that some Member States do not subject all declarations to an automated risk analysis as required by the FRC decision.

Source: European Court of Auditors

STABLE EU AGRI-FOOD TRADE IN 2020



On 31 March, the European Commission published the 2020 EU agri-food trade report. The report finds that over the course of last year, the value of EU agri-food exports increased to €184.3 billion (a growth of 1.4% compared to 2019), while the value of imports rose to €122.2 billion (a growth of 0.5%). The resulting balance of trade for 2020 stood at a surplus of €62 billion, an increase of 3% compared to 2019.

China, Switzerland and the Middle East and North Africa (MENA) region were the major growth destinations for EU agri-food exports in 2020. The value of EU exports fell in relation to the USA, Turkey and Singapore. Despite the impact of Brexit, EU exports to the UK increased by €467 million compared to 2019, with wheat, pasta and pastry amongst the leading products. However, the value of EU imports from the UK dropped by €1.2 billion, with spirits and liqueurs hit in particular.

Canada grew significantly as a source of EU agri-food imports in 2020, with rapeseed and durum wheat propelling a rise of €1.05 billion in import values compared to 2019. Imports from Brazil and Indonesia both increased by €580 million, driven by soya beans and palm oil respectively, while import values fell in relation to Ukraine, the USA and India.

Source: European Commission

UNCTAD REVIEWS COVID-19 IMPACT ON E-COMMERCE

The UN Conference on Trade and Development (UNCTAD) released a global review of the impact of the COVID-19 pandemic on e-commerce and digital trade, which finds that greater efforts are critical to reduce inequalities in e-trade readiness among countries. The report calls on governments, businesses, consumers, and international development partners ‘to ensure that e-commerce plays a positive and powerful role in national and international recovery efforts.’

In particular, the report finds that governments and their international development partners need to work together to address concerns regarding national digital readiness in order to enable local businesses to participate effectively in the evolving economic landscape. Businesses in developing countries need to become better equipped to participate in the digital economy, a transition that requires more rapid digitalization of MSMEs, more attention to digital entrepreneurship (including reskilling), improved capabilities to harness data and platforms; and stronger regulatory frameworks to promote the creation and capture of value in the digital economy. The report further highlights the importance of international cooperation to leverage opportunities and maximize the potential that can be derived from digitalization in a resilient, inclusive and sustainable manner.

Source: UNCTAD

Air

EC APPROVES €24.7 MILLION FUNDING FOR ALITALIA

On 26 March, the European Commission approved €24.7 million of Italian support in favour of Alitalia to be in line with EU State aid rules. This measure aims at compensating the airline for the damages suffered on certain routes due to the COVID-19 outbreak between 1 November and 31 December 2020. At the same time, the Commission's investigations into past support measures to Alitalia are ongoing.

The Commission assessed the measure under Article 107(2)(b) of the Treaty on the Functioning of the European Union (TFEU) and considers that the exceptional interventions by the Member State to compensate for the damages linked to the outbreak are justified. The Commission found that the Italian measure will compensate for damages suffered by Alitalia which are directly linked to the COVID-19 outbreak, as the loss of profitability on the eligible routes as a result of the containment measures during the relevant period can be considered as damage directly linked to the exceptional occurrence. It also found that the measure is proportionate. On this basis, the Commission concluded that the additional Italian damage compensation measure is in line with EU State aid rules.

Source: European Commission

Rail

INFORMAL VIDEO-CONFERENCE OF TRANSPORT MINISTERS

On 30 March, the Portuguese Presidency of the Council organised an informal videoconference of transport ministers. The aim of the informal conference was to debate the advancement and modernisation of rail transport across the European Union, in view of promoting the use of rail both by EU citizens and enterprises and contributing to the goal of climate neutrality by the year 2050 in line with the European Green Deal.

After the informal video conference with Transport Ministers, the Portuguese Minister for Infrastructure and Housing, Pedro Nuno Santos, stressed that "to attain the great ambition of duplicating rail freight transport and high-speed passenger transport, and achieve climate goals, we shall have to invest more than what is planned for at the moment". He noted that there has been stagnation in the increase of rail freight transport over the last three decades. In that regard, he emphasised the importance of understanding the reasons for this development, noting that a lack of investment would represent one of the main reasons.

Mr Nuno Santos further stated that, among the EU Member States, there is "broad European unity on investment in rail, and a commitment to it, as the main means of transport that will help us to make the climate transition and build a better future, with better mobility and a better environment". He further noted that it is also important "to be able to mobilise the resources necessary for the investment that is necessary", recalling that not all countries have the resources to achieve that on their own.

EU YEAR OF RAIL KICK-OFF EVENT

On 29 March, the European Commission and the Portuguese Presidency of the Council of the European Union held a joint conference to officially kick-off the European Year of Rail, which was webstreamed. The programme included contributions from the European Commission, MEPs, EU Transport Ministers, as well as representatives from the European rail sector, who discussed key topics for the future of rail transport.

Mr Pedro Nuno Santos, Minister for Infrastructure and Housing of Portugal, opened the event highlighting that large-scale public investment in rail transport, infrastructure, rolling stock and services would be necessary for a successful modal shift. EU Commissioner for Transport, Ms Adina Vălean presented the Connecting Europe Express, as a central initiative of the European Year of Rail 2021.

In a panel on rail Infrastructure, interoperability, connectivity and territorial cohesion, speakers stressed the importance of innovation to increase efficiency. Furthermore, Europe's Rail partnership, the successor to the current Shift2Rail Joint Undertaking, was presented. It will build on the results of Shift2Rail and focus on digital innovation and automation to achieve the transformation of the rail system needed to deliver on the European Green Deal objectives.

The second panel on modern services, smart mobility and integration across modes highlighted that the COVID-19 recovery should be used to accelerate decarbonisation amongst all modes of transport. An increase of capacity, also of existing infrastructure, was thought to be important to improve the modal share of rail freight. However, the speakers noted that whilst shippers were becoming more interested in multimodality and accepted the complexity thereof, the pricing continued to be a dominant factor guiding their decision. Therefore, it was thought important for prices to reflect the modes' externalities on a harmonised basis across the EU.

During the closing session of the event, EU Commissioner for Cohesion and Reform, Ms Elisa Ferreira, expressed her support for expanding railways in the EU, calling for investment in modernisation and regional connections.

COMMISSION LAUNCHES CONNECTING EUROPE EXPRESS

During the European Year of Rail kick-off conference on 29 March, the European Commission presented the Connecting Europe Express, as part of the European Year of Rail 2021's initiatives.

As of September 2021, the Connecting Europe Express will travel across the EU and stop in most European capitals to promote the benefits of rail – for freight, passengers and the environment. The project will also raise awareness of the importance of financing sustainable infrastructure such as rail, and EU support for such investment, including through the recently agreed new Connecting Europe Facility (CEF), worth €33.7 billion, as part of the next long-term EU budget 2021-2027.

Commissioner for Transport, Adina Vălean, said: "The Connecting Europe Express will be a real, tangible example of the power of rail to connect. At each of the almost 40 stops, events will bring together the rail sector at large, as well as civil society organisations, local and regional authorities, and the wider public, to discuss the benefits of rail, as well as what still has to be done so that rail can become the number one option for passengers and business."

Strong efforts to further integrate and modernise the European railway network are key to rail playing its decisive role in driving a modal shift – that is to say, to encourage more people and businesses to use rail as one way in which to decarbonise transport. This would help the EU meet its ambitious carbon-neutrality objectives, as set out in the EU Green Deal and the European Commission's Sustainable and Smart Mobility Strategy. This potential is also why rail has a central place within the EU's Trans-European Transport Network (TEN-T) policy.

Source: European Commission

Sustainable Logistics

EU URGED TO KEEP 'LOW-CARBON FOSSILE FUELS' OUT OF RENEWABLE ENERGY DIRECTIVE

A group of 88 lawmakers in the European Parliament have joined environmental NGOs and the renewable energy industry to demand the exclusion of low-carbon fossil fuels from the upcoming revision of the EU's Renewable Energy Directive.

The European Commission's intention to broaden the scope of the directive beyond renewables "is counter-productive and risks promoting the very fossil fuels that renewables should be displacing in Europe's energy system," says a letter sent to the European Commission on Wednesday 31 March. Low-carbon fossil fuels include hydrogen made from natural gas steam reforming, coupled with carbon storage technology to bury the emissions underground. The move came after European Commissioner for Energy Kadri Simson announced a new certification scheme for renewable and low-carbon fuels and gases as part of the upcoming revision of the Renewable Energy Directive, which is expected in June.

However, the signatories say this would "generate significant public confusion and undermine trust in the EU's renewable energy policy, which is key to leveraging one of the fastest growing sectors in the economy." "While the Renewable Energy Directive will be an important vehicle to develop the basis of a sound traceability and certification mechanism for renewable hydrogen, inserting any type of supporting measures for low-carbon hydrogen as part of the Directive would be counterproductive in terms of achieving decarbonisation," said Walburga Hemetsberger, CEO of SolarPower Europe.

Source: Euractiv

IMO SHIP-PORT INTERFACE GUIDE

On 26 March, the International Maritime Organisation (IMO) published a guide focusing on eight practical measures which can support GHG emission reduction at the ship-port interface. Developed by the Global Industry Alliance to Support Low Carbon Shipping (Low Carbon GIA) under the IMO-Norway GreenVoyage2050 Project, the guide aims to support the maritime industry in achieving IMO's emission reduction goals and contribute to greener shipping.

The list of presented measures aims to raise awareness of potential ideas which the maritime community could explore further. Each measure presented in the guide can be individually implemented or implemented collectively – which would maximize the emission reduction benefit.

While particularly useful for stakeholders within the port community (e.g. port authorities, terminals, nautical service providers), the guide is also relevant for ship owners, operators, charterers, ship agents, shipbrokers, and other relevant stakeholders. These play a key role in implementing the necessary changes and facilitating the uptake of emission reduction measures in the ship-port interface.

General

LAUNCH OF CINEA, THE NEW NAME OF THE TEN-T AGENCY

On 1 April, the Innovation and Network Executive Agency (INEA), responsible for managing the technical and financial implementations of the TEN-T programme has been officially replaced by the European Climate, Infrastructure and Environment Executive Agency (CINEA). The new Agency will have a key role in supporting the European Green Deal, with a focus on creating synergies to support a sustainable, connected, and decarbonised Europe. CINEA will continue to manage existing projects and start implementing new 2021-2027 programmes delivering on the necessary actions to achieve climate neutrality in Europe by 2050.

For the Connecting Europe Facility (CEF), which supports the deployment of infrastructure across Europe, CINEA will continue to manage CEF Transport and Energy. Under the Horizon Europe programme, the new Agency will implement the Climate, Energy and Mobility cluster, thus adding Climate to its existing Horizon 2020 Energy and Transport portfolio. CINEA will run between 2021 and 2027 with over 500 staff, and a budget of around €52 billion.

Source: CINEA

Forthcoming Events

CLECAT MEETINGS

CLECAT Road Logistics Institute
13 April 2021, Online

CLECAT Board Meeting
15 April 2021, Online

CLECAT Webinar: Solutions for freight transport at the Brenner Pass – a (n)ever ending story?
21 April 2021, Online

CLECAT Air Logistics Institute
8 June 2021, Online

CLECAT Security Institute
8 June 2021, Online

CLECAT Rail Logistics Institute
23 June 2021, Online

EU MEETINGS

Council of the European Union

Transport Council
3 June 2021, Luxembourg

Environment Council
21 June 2021, Luxembourg

European Parliament

European Parliament Transport Committee
14-15 April 2021, Brussels

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