

NEWSLETTER

european association for forwarding, transport, logistics and customs services 16 April 2021

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Brussels News

E-COMMERCE STAKEHOLDERS CALL FOR DELAY OF NEW RULES

On 9 April, CLECAT, together with the Express Delivery Sector, the American Businesses active in Europe, cargo owners and Public Postal Operators, issued a <u>joint letter</u> calling for a postponement of the implementation of the new VAT e-commerce package. The letter calls on the EU Commission and Member States to delay the entry into application of the new e-commerce rules with 6 months until January 2022, instead of proceeding with the implementation on 1 July this year.

The request for postponement was deemed necessary by the private sector in view of the overall lack of readiness of Member States to implement the new rules and associated systems and processes properly and in a uniform manner before 1 July. As a consequence, the private sector witnesses a growing unharmonized implementation across the EU, creating a patchwork of country-specific solutions, some of which go against the key objectives of the e-commerce package. CLECAT and the other signatories to the joint letter consider that



Member States should be provided with more time to ensure proper and uniform implementation and enable the private sector to prepare for the changes as well. They argue that proceeding with full implementation of the VAT e-commerce package on 1 July 2021 will result in significant disruption and unequal and unfair treatment of economic parties within the different EU Member States.

In the absence of preparedness of Member States and a harmonised approach at the EU level, the signatories to the letter expect wide-spread failure of the implementation, which would be magnified



by the sharp rise of e-commerce transactions due to the Covid-19 pandemic and the increase in volumes brought about by the recent withdrawal of the UK from the EU.

LAST CALL - CLECAT BRENNER PASS ROUND TABLE



CLECAT is organising a roundtable webinar on 21 April at 16:00 CET 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.

MEP Barbara Thaler (EPP, Austria) will certainly address solutions which will be supported by the European Parliament, such as the pilot project "Single European Railway Area – Prototype Corridor Munich Verona", aimed at complementing the Scan-Med corridor and the North-South corridors for rail freight. Ultimately, rail freight will need to become a competitive alternative to road in the future.

CLECAT has gathered a roundtable of high-level experts and industry participants to discuss short-, medium-, and long-term intermodal solutions for crossing the Brenner pass in a sustainable and efficient way. Speakers include MEP Barbara Thaler (EPP, Austria), Herald Ruijters (Director, Investment, Innovative & Sustainable Transport, DG MOVE) and Armin Riedl (CEO, Lokomotion). A freight forwarder and a shipper will exchange on their daily experiences in the panel debate.

Registration is still open.

WEBINAR ON SMART AND SUSTAINABLE MOBILITY STRATEGY

Earlier this week joined an event of the FMS - Forum for Mobility & Society, during which the European Commission's Smart and Sustainable Mobility Strategy took center stage. Stakeholders and decisionmakers discussed the challenges and opportunities to making mobility more sustainable, smart, and resilient.

Maja Brakan, Deputy Director-General at DG MOVE, in her keynote presentation addressed the three pillars of the Strategy - sustainable, smart, and resilient -, along with the flagship areas. When asked about the potential inclusion of road transport in the EU Emissions Trading System (ETS), she admitted that if the interinstitutional negotiations around the revision of the "Eurovignette" Directive don't succeed, the European Commission will have to look at other ways to decarbonize transport. Stefan Back, Vice-president of TEN section at the European Economic and Social Committee, questioned whether the focus of the action plan on mainly technical measures is adequate to achieving the goals of the Strategy. Mr Back also regretted the strong focus on electrification and hydrogen, as he believes that a technological neutral approach is needed.

In the panel debate MEP Ismail Ertug recalled the headlines of the Draft TRAN Report on the Strategy, highlighting that the inclusion of road transport in the ETS is not socially fair; instead, he would favour tackling decarbonization via direct legislation (e.g. CO2 emission targets). Sigrid de Vries, Secretary General of CLEPA, highlighted that the COVID pandemic showed that personal mobility makes people



feel safer, and keeping mobility accessible and affordable is key. She also called for technologyneutrality to be kept, as different technologies should be chosen depending on the mobility needs. Valerie Bouillon-Delporte, Hydrogen Ecosystem Director at Michelin, noted that hydrogen will be one of the essential components of clean mobility, and called for a roadmap that favors low carbon hydrogen.

In her closing remarks, MEP Henna Virkkunen, drew the attention of the audience to the need for legislators to keep a technological neutral approach to decarbonization. Likewise, MEP Virkkunen stressed the importance of using all the opportunities offered by digitalization, also noting the need for sustainable biofuels.

Rail

DB AND ÖBB PRESENT ROUTE TO BRENNER BASE TUNNEL

This week, Deutsche Bahn (DB) and the Austrian Federal Railways (ÖBB) announced their decision on the Brenner North Access, i.e. the path for the new railway line to the Brenner Pass in the Inn Valley.

The 54-kilometre-long route, which is intended to expand the capacities to the future Brenner base tunnel and allow more goods to be transported by rail as of 2030, is to be 60% underground in order to protect the environment. Whilst this forms part of the long-term alternatives for rail transport at the Brenner pass, it has also been met with opposition from citizens in the region relating to the high costs involved, as well as questioning the path's necessity.

Source: Railfreight

Maritime

MARITIME FREIGHT RATES SET TO STAY ELEVATED UNTIL 2023

Ocean freight rates look set to stay elevated for another two years, as disruption continues to restrict capacity and with new vessel orders remaining relatively low until at least 2023, according to container shipping analyst Drewry. But it believes things may not be so easy for carriers after 2022, as a flurry of new orders in the last few months is set to change container shipping's supply-demand dynamic. Drewry's latest Container Forecaster report argues that carriers "are set up nicely for at least another two very profitable years", with investors "piling in as carrier profits take off to new heights."

Reflecting on "how we got here", the container shipping analyst said that the huge freight rate inflation from the second half of 2020 onwards was the consequence of temporary factors: a demand surge caused by a pandemic-driven shift in consumption habits towards goods; and supply chain disruption that reduced port productivity and restricted capacity from the market. Drewry's working position is that port congestion and container equipment shortages "will remain an unwanted feature throughout most of 2021, albeit lessening in degree as the months pass. This will further restrict the availability of capacity and lead to substantially higher average spot and contract freight rates." Indeed, carriers have successfully locked in substantial annual contract increases with shippers on the



major trade lanes, with several reports to The Loadstar of "very one-sided negotiations" and "take it or leave" offers made by the shipping lines. Moreover, carriers are also reducing the MQC (minimum quantity commitment) on contracts in order to allocate more space for even higher-paying spot and premium business.

For 2022, although Drewry expects to see some erosion in freight rates, it still believes that carriers would manage to stay "highly profitable" due to "favourable supply and demand growth trends alongside skilful capacity management". Thereafter, the picture appears to be less certain, given the recent rush to order new tonnage that will start hitting the water in the next two to three years.

Source: Lloyd's Loading List and The Loadstar

CARRIERS SUSPEND BOOKINGS, LEADING TO VERY LOW CAPACITY

The Suez Canal blockage is likely to affect global container traffic for several weeks: in an update on 14 April, German container company Hapag-Lloyd warns customers that export bookings, even if confirmed, could get cancelled. The planned import via container ships to Northern Europe has been delayed due to the canal blockage, which ended on March 29, causing shortage of containers and equipment in the ports used for export bookings.



Earlier this month, Maersk announced to temporarily suspend spot and short-term contract bookings from Asia. Maersk's booking stop on its spot and short-term contracts will force shippers into the arms of carriers that have less commitment to annual contracts and will likely be able to command higher spot rates. Freightos research lead Judah Levine said: "The reduction in capacity and the resulting shortage of containers back in Asian origin ports could put renewed pressure on ocean rates."

Source: ShippingWatch and The Loadstar

Air

WISE PERSONS GROUP ON FUTURE OF SINGLE EUROPEAN SKY

On 14 April, the Wise Persons Group (WPG) on the future of the Single European Sky met to exchange views about the main challenges for the new Single European Sky framework, in particular with regards to the progress of negotiations of the SES2+ recast file.

The Wise Persons Group raised concerns on the lack of progress by European Air Traffic Management (ATM) stakeholders in implementing the recommendations of the WPG. It was noted that the COVID-19 crisis should be seen as an opportunity to improve the system and structure of the European ATM, and an emphasis was put on the fact that the European airspace/airspace users would not be able bear another network operational crisis. Therefore, any regression from the current Single European Sky provisions were deemed to represent a step back in achieving a fully functional, sustainable and resilient European Sky.



As a result, the WPG has called on the European institutions, Member States, all ATM stakeholders and the staff engaged in this process to, inter alia, support the measures, constructively engage in negotiations on the SES2+ recast proposal, support effective social dialogue towards the Digital European Sky, and collaborate to ensure that the European ATM network becomes more efficient, green and fit for the future.

Source: European Commission

Brexit

MEPS APPROVE POST-BREXIT TRADE DEAL

On 15 April, the European Parliament's Foreign Affairs and International Trade Committees gave their consent to the conclusion of the Trade and Cooperation Agreement (TCA) between the EU and the UK. The full House is to take the final decision, as well as adopt a separate resolution, at a future plenary session. On 13 April, the Parliament's Conference of Presidents decided not to set a plenary date in order to emphasise that the UK side needs to fully implement the Withdrawal Agreement before doing so.

"Brexit is a historic mistake, but now we need to establish a strong fundament for future relations. However, all progress could be lost, if the UK continues to unilaterally breach the Withdrawal Agreement and the Protocol on Northern Ireland. We look forward to a workable plan on the implementation of the protocol and to being involved in the implementation and scrutiny of the agreement", said Andreas Schieder, rapporteur for the Foreign Affairs Committee.

Source: European Parliament

Customs and Trade

EU COMMISSION LAUNCHES E-COMMERCE CAMPAIGN



The European Commission has launched its one-fit-all communication campaign on the upcoming VAT and customs changes in the e-commerce environment. The campaign aims to raise awareness and ascertain that businesses and other relevant stakeholders are informed about the new rules, set to enter into force on 1

July this year. The campaign foresees dissemination of information through communication channels, including social media, and campaign tools such as factsheets, infographics, posters and videos. All relevant materials, some of which are already available in different EU languages, can be found on the Commission's dedicated webpage.



CLECAT was identified by the European Commission's DG TAXUD as one of the key stakeholders in the VAT and customs field, and therefore selected to assist with the dissemination of the newly launched e-commerce campaign. CLECAT encourages its members to further communicate the upcoming changes in e-commerce to the extent possible and appropriate for them, to help increase preparedness of businesses across the EU.

Sustainable Logistics

SHIPOWNERS CALL FOR A FAR-REACHING EU ETS



On 12 April, an alliance of Greek and Swedish shipowners with the NGO Transport and Environment sent a <u>letter</u> to the European Commission calling on the Commission to put the 'polluter pays principle' at the core of its emissions trading system (ETS) proposal. The coalition demands that the maritime ETS be both ambitious and tailor-made to the industry. This comes as EU regulators outline the details and the scope of the scheme, which will define

how shipping emissions are regulated in the coming years.

The alliance sets out strong objectives: firstly, the EU ETS for the shipping industry should not contain free allowances of CO2 quotas. Then, the system must apply not only to maritime transport within the EU, but also to sailings between the EU and third countries, in order to reduce emissions globally. Revenues generated from the system should be reinvested in the sector to carry out research and development and contribute to bridging the gap between fossil fuels and green alternatives not yet competitive. The alliance also supports the European Parliament proposal to establish an "Ocean Fund" that would fund research and development of alternative fuels. Finally, maritime ETS should ensure that the commercial operators of the vessels also bear responsibility for carbon pollution charges to incentivise them to operate the vessels in the most environmentally efficient way.

DEPLOYMENT OF CHARGING STATIONS TOO SLOW, ECA REPORTS

The European Court of Auditors (ECA) published a <u>report</u> on 13 April on the deployment of electric charging infrastructure in the European Union. It looked at how the European Commission supports Member States in expanding electrical charging infrastructure as well as how it manages EU funding. The ECA found that availability of public charging stations varies significantly between Member States and that payment systems are not harmonised. The report is additionally critical of the lack of clear and coherent targets for charging point roll-out, and the absence of consistent minimum infrastructure requirements at EU level. There is a significant risk that the target of 1 million public charging points by 2025 will be missed if deployment continues to follow current trends, the auditors said.

ACEA AND T&E CALL FOR AMBITIOUS CHARGING INFRASTRUCTURE

On 13 April, the automotive industry association ACEA and the NGO Transport and Environment sent a <u>letter</u> to the European Commission to support the roll-out of re-charging infrastructure necessary



for zero-emission trucks. They ask the EU commissioners for climate, transport, industry and energy to address this in the upcoming review of the Alternative Fuels Infrastructure Directive (AFID): it must be compatible with the ambition level of the Green Deal, with a focus on zero-emission technologies. The targets for the infrastructure roll-out must be binding at European and Member State level, with possibly a proposal for a Regulation rather than a Directive for a swift implementation. Specifically, they request a target for the deployment of 11,000 charging points for electric trucks across the EU by 2025, rising to 42,000 by 2030. In addition, the revised AFID should set a target of around 300 hydrogen re-fuelling stations suitable for heavy-duty vehicles by 2025 and of around 1,000 hydrogen re-fuelling stations no later than 2030.

The authors of the letter propose to extend the scope of the legislation to areas operated by private players, like logistic hubs or distribution centres. The EU should also provide an effective financial framework with meaningful incentives to accelerate the infrastructure roll-out for zero-emission vehicles. Finally, the revision should address all re-charging and hydrogen re-fuelling needs of heavyduty vehicles: at the depot, at destination when loading and unloading, at public sites in urban areas and along highway corridors.

Forthcoming Events

CLECAT MEETINGS

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

CLECAT Road Logistics Institute 29 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

10 May 2021, Brussels

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