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Brussels news

CLECAT'S BREXIT WORKING GROUP MEETS

On 17 and 18 September, thirty high level customs experts and representatives of the freight forwarding and customs service industry from throughout Europe gathered at the WCO in Brussels to discuss the implications of Brexit at CLECAT's Brexit Working Group (BWG). On the first day, the group was joined by a large team of different government departments from the UK (mainly HMRC) and the French customs administration. On the second day, CLECAT members met with the customs expert of the EU negotiation team and other Commission experts regarding Brexit preparedness.

During the meeting, the various parties discussed the practical preparedness issues, such as ensuring confirmations of exit, the need for human and IT capacity and acquiring necessary authorisations. The group also discussed various best practices from various Member States which can be helpful to ensure a smooth border process for industry and compliance and duty collection for customs. Another important topic for debate was the communication strategy in order to ensure that companies can start preparing for Brexit in the best possible manner as soon as possible.



Throughout the two days, and the rest of this week, it became clear that the chances of the UK entering into a no-deal Brexit are becoming increasingly likely. A no-deal departure of the UK from the EU will mean that as of 30 March 2019 the UK will be a third country to the EU and that, simply said, trade between the EU and UK will be the same as for example trade between the EU and China. The freight forwarding and customs brokerage industry, which accounts for approximately 80% of all customs clearance activities and 65% of transport in goods in Europe, will have to be able to manage

a situation whereby the UK is a third country. A no-deal scenario could be manageable, as it resembles a regular international trade environment. However, it would still require tremendous efforts from the sector to be fully prepared for this situation given the short timeframe of a half year. It would also require close cooperation between the stakeholders involved, like customs and other border services, (air)ports, terminals, carriers and of course freight forwarders and customs brokers. The difficulty with these preparations is that it is not clear yet at this moment in time whether these efforts will actually be needed and huge investments in recruitment, education, IT and infrastructure will not be wasted. As an example, it will be difficult to companies to hire new staff, train and educate them and following this make them redundant in case they are not needed.

Therefore, CLECAT continues to urge the negotiation parties, and especially the UK, to find pragmatic and realistic solutions. CLECAT will soon publish its position paper, based on the conclusions of the Brexit working group and will continue to closely cooperate with its Members and other relevant stakeholders to ensure that whatever the outcome of the negotiations will be, trade is affected in the least possible manner.

COUNCIL HEADS OF STATE MEETING ON BREXIT

EU heads of state or government gathered at an informal meeting in Salzburg on 19 and 20 September to discuss Brexit, next to internal security and migration. The meeting provided an opportunity to review progress in the talks with the UK and to discuss the way forward. The 27 leaders reconfirmed their full unity and agreed that there will be no Withdrawal Agreement without a solid, operational and legally binding Irish backstop, to have a joint political declaration that provides as much clarity as possible on the future relations and on the timetable for further negotiations, which will be extended from October to November. Council president Donald Tusk said: *"The moment of truth for Brexit negotiations will be the October European Council. In October we expect maximum progress and results in the Brexit talks. Then we will decide whether conditions are there to call an extraordinary summit in November to finalise and formalise the deal."*

In the meantime, the UK also sticks to its binary approach to the negotiations; the facilitated customs arrangement (FCA) or no deal. The FCA practically means that for trade in goods there will still be a customs union and a single market. This is however, quite conflicting with the principles of Brexit as whole as chapter 1, first sentence of the UK paper on the future relationship states: "Following the decision of the people of the UK in the referendum, the UK is leaving the EU, and as a result will leave the Single Market and the Customs Union".

FFF2018: "CUSTOMS, TRADE AND SKILLS – WHAT'S THE DEAL?"

Interested parties are invited to join CLECAT's annual Freight Forwarders' Forum entitled **"Customs, Trade and Skills - What's the deal"** taking place on the 15th November at the World Customs Organisation in Brussels. The Forum will highlight the importance of connecting trade, customs and skills across the EU and address challenges freight forwarders, customs agents and others in the logistics supply chain are facing in view of Brexit, increased protectionism and new customs legislation and systems entering into force. The event is organised in 2 distinct parts:



Morning: Future Proofing the Customs Profession

- Factors changing the customs profession
- Education in customs and trade compliance – are we prepared for the future?
- How to measure and provide proof of customs competence?

Afternoon: A Changing Customs and Trade Landscape

- Politics and populism influencing trade and customs
- How to deal with the increase of non-fiscal customs controls?
- E-Commerce and Low-Value Consignments – only for the express sector?

The Forum will discuss these questions and give first hand insights from the European Commission, WCO and industry experts. Capitalise on this unique opportunity to learn about changes in trade and customs and the impact they will have on your sector. More information is available at the [CLECAT conference webpage](#).

40 YEARS FETEIA-OLTRA



CLECAT joined the commemorative dinner event of the Spanish Federation of Freight Forwarders Organization for Logistics (FETEIA-OLTRA), this week in Barcelona, celebrating the 40th anniversary of its foundation. CLECAT was happy to take part in the event and to congratulate the association in its ongoing efforts over the last 4 decades to defend the interests of the logistics industry.

Rail

EU APPROACH ON OBOR INITIATIVE

The European Commission has published a fact sheet explaining the European Union's approach to connecting Europe and Asia, which focuses on joint efforts for achieving connectivity while simultaneously keeping in mind the risks which are involved in the partnership.

The EU had recognised in its 2016 Global Strategy that it needed to strengthen its engagement in connectivity, in view of the link between the EU's security and prosperity, as well as the increasing importance of a connected Asia. In the engagement with its partners, the EU lays out its expectations and the conditions of its cooperation, following a unified, cross-sectoral and integrated approach. Most importantly, the Euro-Asian connectivity must be sustainable, comprehensive and rules-based, as this is the only way to provide direct benefits, including decarbonisation, digitalisation, fair competition, investment and innovation.

The Commission highlighted that the EU and China share an interest in ensuring that the respective initiatives work well together, as connectivity is impossible if systems and networks are not interoperable. The EU will continue to engage with China to create synergies and find commonalities, especially through the EU-China Connectivity Platform, which is one of the pillars of cooperation with China. This provides an opportunity to recall the EU rules applicable to the financing of an infrastructure project, such as public procurement, competition law and environmental law.



In a [recent interview](#) with the Deputy Director-General of DG MOVE, Mrs Maja Bakran Marcich, she noted held that while the Belt and Road Initiative (BRI) is a Chinese project in which the EU does not participate in, the Commission pays attention to the project itself, as well as to its development in order to ensure that it is not in contradiction with the interests and values of the European Union. The main goal of the EU is to promote the implementation of the TEN-T Policy in the EU, but also in the neighbouring partner countries. Regarding the influence of the BRI on TEN-T corridors, Ms Bakran Marcich stated: “I think that we indeed need to assess the possible impact of increased trade volumes over long-distance railroad connections between Europe and Asia, or through our ports as gateways. It is not excluded that we foresee adjustments to the TEN-T network priorities (the revision is scheduled for 2023) to cope with a potential increase of traffic flow, impacting the capacity of our network or terminals.”

There have also been concerns raised by MEPs on China’s investments in the EU during this week’s Plenary Session of the European Parliament in Strasbourg. MEPs have highlighted the need for China to improve transparency and adhere to environmental and social standards. Furthermore, they urged EU Member States to share data with EU institutions on Chinese Infrastructure investments.

Sources: [European Commission](#), [European Parliament](#), [Railfreight](#)

WORLD’S RAIL SUPPLY MARKET GROWS TO 163.2 BILLION EUROS

According to the 7th edition of UNIFE’s [World Rail Market Study](#), which was presented at InnoTrans in Berlin on 18th September, the rail supply market volume amounts to an annual average of €163.2 billion. The study provides an analysis of the current market situation and gives an outlook until 2023, where the value is expected to raise to €192 billion. It is subdivided across the five product segments: rolling stock, infrastructure, rail control, services and integrated products, and covers data of 60 focus countries, which virtually represent the entire global market.

The research team expects the market to grow by an annual rate of 2.7% until 2023, which would lead to an annual volume of €192 billion. In that regard, UNIFE stated: “Among the key drivers for this positive market development is a growing foundation from mature rail markets, where operators consistently invest in upkeep and extension of their infrastructure and rolling stock bases. Furthermore, upgrades and modernisations of signalling systems will further drive the market in established rail regions.”

Maritime

BUNKER FUEL SURCHARGES

In a [press release](#) the British International Freight Association (BIFA) has criticised the proposed introduction of a new fuel surcharge by shipping lines in advance of the 2020 global sulphur cap, describing it as “unjustified” and arguably “blatant profiteering”.

This week Maersk Line announced plans to introduce a new bunker adjustment factor (BAF) surcharge for 1 January 2019, a year ahead of the new laws reducing the sulphur content of shipping fuel. Depending on the fuel price at the time, this could see the cost of shipping a 40ft container on the Asia -North Europe trade rising by \$480-\$840, and on the transpacific by up to \$683. BIFA director



general Robert Keen said: “By any measure, these are very major increases and they will be received negatively by BIFA members’ customers.

IMPROVING INLAND WATERWAY TRANSPORT

The European Commission has published a mid-term progress report on the EU inland waterway action programme (NAIADES II) and a report on digital inland navigation (DINA). [NAIADES II](#) is an action programme which was announced in 2013 and aims at creating the conditions for inland navigation transport to become a quality mode of transport. Its mid-term report presents the progress achieved up to 2017 and the on-going actions for implementing it until 2020. The report focuses on:

- Quality infrastructure
- Quality through innovation
- Smooth functioning of the market
- Environmental quality through low emissions
- Skilled workforce and quality jobs
- Integration of inland navigation into the multimodal logistics chain

The report on DINA focuses on the discussion of digitalisation in the inland waterways transport sector and aims at improving the interoperability in logistics and freight transport across Europe. More specifically, it describes the existing initiatives and tools in an integrated way.

Source: [European Commission](#)

Digitalisation

EU INITIATIVE TO MAKE CROSS-BORDER PARCEL DELIVERY MORE AFFORDABLE

On 20 September, the Commission issued updated guidance for ending unjustified geo-blocking to help Member States and businesses active in e-commerce to adapt to the new rules which will apply in the EU as of 3 December 2018. The rules against unjustified geo-blocking complement some other measures put forward by the Commission in 2016 to boost e-commerce in Europe.

[A new Regulation on cross-border parcel delivery services](#) entered into force earlier this year and the Commission now helps to ensure the proper roll-out of these new rules in the Member States. An implementing act adopted on 20 September, specifies the information that parcel delivery service providers will have to hand in to national regulators. This should lead to increased transparency and improved regulatory oversight on the EU parcel market. Both documents are issued ahead of the meeting of European competitiveness ministers on 27 September, as they will also discuss the state of play of the Digital Single Market e-commerce initiatives.

With these measures, the Commission wants to allow consumers and companies, to buy and sell products and services online more easily and confidently across the EU. Vice-President Ansip in charge of the Digital Single Market said: *"Our initiatives will make it easier for people to shop online and for companies to reach new markets. To make the new rules work properly, all parties involved need to be fully informed and committed to applying them in their daily work. This guidance is part of the Commission's broader efforts to boost e-commerce, through its proposals to simplify VAT rules, facilitate cross-border parcel delivery and payments, and strengthen consumer protection"*.

Source: [EU Digital Single Market](#)



Customs

EU-CANADA TRADE AGREEMENT DELIVERS POSITIVE RESULT

Friday 21 September marks the first anniversary of the provisional entry into force of the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada. Early signs show that the agreement is already starting to deliver for EU exporters.

In addition to removing virtually all customs duties, CETA has given a boost to the business climate between the EU and Canada, offering legal certainty for EU companies looking to export. Although it is too early to draw any firm conclusions, the initial trade results are pointing in the right direction. Across the EU, the latest statistics available, covering the October 2017 to June 2018 period, suggest that exports are up by over 7% year on year.

Of these, certain sectors are doing especially well. Machinery and mechanical appliances, which make up one fifth of EU exports to Canada, are up by over 8%. Pharmaceuticals, which account for 10% of the EU exports to Canada and are up by 10%. Other important EU exports are also on the rise: furniture by 10%, perfumes/cosmetics by 11%, footwear by 8% and clothing by 11%. In terms of agricultural products, there are also some encouraging figures: exports of fruit and nuts increased by 29%, chocolate by 34%, sparkling wine by 11% and whisky by 5%.

Company examples from Belgium, Estonia, Finland, France, Ireland, Italy, The Netherlands, Spain, and Sweden are available [here](#).

Commissioner Malmström will visit Canada on 26 and 27 September to take stock of progress.

Source: [EU Commission, DG Trade](#)

EC APPROACH TO MODERNISE THE WTO

On 18 September, the European Commission has put forward a first set of ideas to modernise the WTO and to make international trade rules fit for the challenges of the global economy. The EU remains a staunch supporter of the multilateral trading system. For that reason, the European Council of 28-29 June 2018 gave the European Commission a mandate to pursue WTO modernisation to adapt it to a changing world, and to strengthen its effectiveness.

[The EU's concept paper](#) sets out the direction of this modernisation effort. Without prejudice to the EU's final position on these matters, these ideas relate to three key areas: updating the rule book on international trade to capture today's global economy, strengthening the monitoring role of the WTO and overcoming the imminent deadlock on the WTO dispute settlement system.

The EU already started to engage with other WTO partners such as the US, Japan, China and other partners, most recently at the G20 Trade Ministerial. The EU will continue discussing these first ideas with various WTO partners in the coming weeks with a view to preparing concrete proposals to the WTO. The European Parliament and the Council will be kept informed of those discussions.

Source: [EU Commission, DG Trade](#)



Forthcoming events

CLECAT MEETINGS

FIATA WORLD CONGRESS

26-29 September, New Delhi, India

CLECAT SECURITY/AIR Institute Meeting

24 October, Brussels, Belgium

CLECAT Board/GA Meeting

14 November, Brussels, Belgium

CLECAT Rail Institute Meeting

14 November, Brussels, Belgium

FFF2018 – CUSTOMS, TRADE and SKILLS – What's the Deal?

15 November, Brussels, Belgium

CITI Customs Indirect Taxation Institute meeting

15 November, Brussels, Belgium

OTHER EVENTS WITH CLECAT PARTICIPATION

EUROPEAN TRANSPORT FORUM: POTENTIAL FOR DECARBONISING EUROPE

25 September, Brussels, Belgium

EUROPE'S RESPONSE TO CHINA'S SILK ROAD INITIATIVE?

26 September, Brussels, Belgium

ENERGY VISIONS SERIES: CLEANER, CONNECTED AND COMPETITIVE

26 September, Brussels, Belgium

EU CUSTOMS SINGLE WINDOW PROJECT

25-27 September, Gdansk, Poland

IRG Rail Forum

27 September, The Hague, The Netherlands

XVI Foro Aduanero / Customs Forum – CGAA

4-7 October, Cadiz, Spain

IMCO WORKSHOP – STRENGTHENING THE COMPETITIVENESS OF THE INTERNAL MARKET BY DEVELOPING THE EU CUSTOMS UNION AND ITS GOVERNANCE

10 October, EP, Brussels

FEDESPEDI AEO EVENT

11 October, Milan, Italy



SELIS Workshop: Digital Logistics
25 October, Brussels, Belgium

EP MEETINGS

European Parliament TRAN Committee
24 September, Brussels
8-9 October, Brussels

European Parliament IMCO Committee, Workshop on UCC Transitional Period
10 October, Brussels

European Parliament Plenary Session
1-4 October, Strasbourg

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