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Brussels news

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 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](#).

SOLUTIONS FOR ENHANCING RELIABILITY IN INLAND CHAINS

CLECAT organises a panel session at the Intermodal Conference in Rotterdam on the 7th November entitled 'solutions for enhancing reliability in inland chains'. The session will focus on concrete and practical ways to effectively enhance reliability in inland chains. The starting point is that reliability is important and can bring benefits to the supply chain but good IT insights are lacking. With new technical possibilities for data collection and processing this may be created, and this is currently

undertaken by the SELIS project. CLECAT is part of the strong [consortium](#) of logistics stakeholders and ICT providers that work in the project the SELIS project supported by the European Commission's Horizon2020 programme.



The Erasmus University of Rotterdam has developed a standard for measuring reliability and creating a dashboard for providing users good information. In another case – equally developed by the University of Rotterdam – a dashboard is created with the aim to provide insight in where barges are in the Rotterdam port area at any time and to give predictions on their arrival time in the hinterland. This is done based on AIS data and by developing a platform. The panel will give practical insights with speakers including Donald Baan, Business Manager Logistics at Port of Rotterdam, Frans Swarttouw, Managing Director, TEUbooker and Mark Jansen, Director operations, Hupac.

More information on the event is available [here](#).

EU INVESTS €700 MILLION IN SUSTAINABLE TRANSPORT

The European Commission has proposed to invest €695.1 million through CEF in 49 key projects to develop a sustainable and innovative transport infrastructure in Europe across all modes of transport.

Violeta Bulc, EU Commissioner for Transport, said "Our investment plan for Europe is delivering: today we are proposing to invest €700 million in 49 key transport projects through the Connecting Europe Facility (CEF). These projects are concentrated on the strategic sections of Europe's transport network to ensure the highest EU added-value and impact. This will allow us to further accelerate our transition to low-emission mobility across Europe, and firmly deliver on the EU's agenda for jobs and growth. We expect it to unlock a total of €2.4 billion of public and private co-financing."

The largest part of the funding will be devoted to modernising European air traffic management, developing innovative projects and new technologies for transport, as well as upgrading the railway network, maritime connection, ports and inland waterways.

Source: [European Commission](#)

Maritime

EC OPENS CONSORTIA BER PUBLIC CONSULTATION

On 27th September, the European Commission launched the [public consultation](#) in the evaluation of the [Consortia Block Exemption Regulation](#), which will be open for a period of 12 weeks, until 20 December 2018.

The Block Exemption Regulation (BER) provides an exception to the prohibition of any agreements between companies that restrict competition according to Article 101(1) TFEU. Under the BER, certain agreements can be declared compatible with the Single Market if they contribute to improving the production or distribution of goods, or to promote technical or economic progress, while allowing consumers a fair share of the resulting benefits.



According to the current Consortia BER, under certain conditions, liner shipping services which require significant levels of investment can be provided by several companies as joint cargo transport services, called consortia agreements. This shall lead to economies of scale and better use of the vessels' space. To qualify for this exemption and provide joint cargo transport services, the shipping lines must have a combined market share of below 30%. In theory, where such consortia have sufficient competition, are not used to fix prices nor share the market, their users may benefit from improvements in productivity and service quality.

As the current Consortia BER expires on 25 April 2020, the Commission is seeking the views of the stakeholders to assess whether the Consortia BER is still effective in facilitating economically efficient cooperation that benefits consumers, as well as its effect on costs, its relevance on modern industry and coherence with competition rules. This will finally serve as an input for the Commission's decision to prolong, amend or abolish the Consortia BER.

CLECAT is very interested in the evaluation process of the Consortia Block Exemption Regulation (Commission Regulation 906/2009) as the review has been launched during a period of time during which consolidation and the establishment of new alliances are still ongoing and need to be assessed.

The Consortia Block Exemption Regulation is a generous exemption from competition rules and has an impact on actors of the logistics supply chain which needs to be properly assessed. CLECAT will in general maintain that Consortia represent a legitimate business mechanism for otherwise competing liner shipping companies to use to improve their offer to their customers. However, we will continue to question whether a block exemption itself is necessary as it will, by its nature, reduce competition. A detailed position paper is currently being developed.

The roadmap can be found [here](#). You can access the public consultation [here](#).

DEMURRAGE AND DETENTION IN CONTAINER SHIPPING

CLECAT's Director General Nicolette van der Jagt had the opportunity to join the FIATA Multimodal Transport Institute Working Group Sea which took place in Delhi, India, last week before the opening of the FIATA World Congress. CLECAT briefed the members on the review of the Consortia Block Exemption Regulation and members discussed more general competition issues in liner shipping affecting the freight forwarding industry. During the meeting the issues and concerns relating to charging and detention were equally discussed.

During the Congress, the Chair of the Working Group Sea, Jens Roemer, announced the release of its first "Best Practice Guide" focusing on the charging of demurrage and detention. The guide provides best practices that may help reduce unnecessary supply chain costs and inefficient operations leading to unnecessary detention and demurrage charges.

FIATA acknowledges that demurrage and detention charges are a valid and important tool for shipping lines to ensure that their equipment is being returned as fast as possible and users exceeding the contractual duration of use should be charged accordingly.

However, merchants should not be subjected to unjust and unreasonable charges. In this context, there are strong indications that shipping lines abuse the charging of demurrage and detention to maximise profits. It is understood that shipping lines have been suffering in a very tough business environment and do everything they can to develop revenue streams that are not necessarily derived



from freight. FIATA does not believe that forwarders and shippers should be subjected to predatory pricing of this nature, especially as delays often occur through no fault of the forwarder / shipper.

FIATA hopes the guide can provide orientation to its members and all stakeholders as to which conditions are adequate. We also look forward to closer collaboration with shipping lines and the various stakeholders throughout the port supply chain.

The guide is available [here](#)

Brexit Update

UK DFT PUBLISHES NO-DEAL PLANNING INFORMATION

On 24 September 2018, the UK Department for Transport has published a series of technical notices which set out plans to be put into place in the situation the UK leaves the EU without a deal.

The information provided demonstrates the potential impact a no deal scenario will have on areas of transport policy, including the haulage industry and those driving in and flying to and from Europe. The UK government remains confident of a deep and special partnership with the EU following exit and a mutually advantageous deal with the EU continues to be the most likely outcome. But the DfT is making the preventive step of putting in place contingency measures to ensure holidaymakers and businesses can continue to travel and export after Brexit.

For business, the UK government advises a proactive approach, which will be necessary to ensure new procedures are in place for March 2019. Two main measures recommended by the UK government are: hauliers may want to take steps now to prepare for future permitting and trailer registration requirements, and to ensure drivers have the right documentation; and the aviation industry should review potential implications for supply chains and staff with specialist qualifications. The notices are in addition to the ongoing active engagement of the UK government with stakeholders across transport to discuss impacts and opportunities from EU Exit. The UK government will set out additional practical measures for other transport sectors in due course.

The technical notices issued on 24 September include the following:

1. [Driving in the EU if there's no Brexit deal](#)
2. [Vehicle insurance if there's no Brexit deal](#)
3. [Commercial road haulage in the EU if there's no Brexit deal](#)
4. [Reporting CO2 emissions for new cars and vans if there's no Brexit deal](#)
5. [Aviation security if there's no Brexit deal](#)
6. [Aviation safety if there's no Brexit deal](#)
7. [Flights to and from the UK if there's no Brexit deal](#)
8. [Getting an exemption from maritime security notifications if there's no Brexit deal](#)
9. [Recognition of seafarer certificates of competency if there's no Brexit deal](#)
10. [Vehicle type approval if there's no Brexit deal](#)

Source: [UK Department for Transport](#)



Road

HDV CO2 EMISSION PERFORMANCE STANDARDS

CLECAT attended the European Transport Forum and POLITICO's Energy Vision's event which focused on the potential of the HDV CO2 Emission Standards proposal for decarbonising EU transport.

The Commission's proposal on CO2 emission performance standards for new heavy-duty vehicles is according to CLECAT the right step in enabling access to transparent, accurate emissions data. Standards will enable the widespread adoption of standardised technologies which will improve vehicles' fuel and emissions performance, driving down costs in the industry and contributing to an efficient, low-carbon logistics system.

During the ETF, the representatives of the transport operators highlighted that as the customers choose the mode of transport, they usually opt for the cheapest option. Choosing a climate-friendly transport mode becomes attractive if the benefits that arise outweigh the cost which has to be incurred. Therefore, it is of utmost importance that the right policies are adopted to make emission-free transport cheaper and more attractive from an economical perspective.

It was noted that while electrification works very well for passenger cars, it is not seen as being necessarily the best solution for freight transport on long-distances, which require energy-dense fuels, such as hydrogen, LNG or CNG. Considering the challenges which the sector faces, MEP Adina-Ioana Vakean (EPP), Chair of the ENVI Committee, warned that the legislation should not be rushed.

At Energy Visions, Henrik Hololei, Director General of DG MOVE, highlighted the importance of considering the topic in a holistic manner and pursuing a technology-neutral approach. He noted that next to technological development and effective rollout, the development of the infrastructure is required.

During a panel session at the ETF, proposals were made to change from tank-to-wheel (TTW) to well-to-wheel (WTW) calculations. CLECAT emphasises that manufacturers cannot control the eventual WTW emissions of a transport operation, which are determined by the fuel being used and other choices in the user's/operator's domain. The objective of the proposed legislation on HDV CO2 emissions is to regulate the emissions performance of the vehicle, and therefore can only feasibly focus on tank-to-wheel (TTW) emissions. Therefore, any Commission initiative on WTW calculation methodologies should be separate and be based on existing activity including the GLEC Framework, which should be supported as the single harmonised and comparable methodology for such a calculation.

CLECAT calls for the Commission proposal to be supported and strengthened by increasing the emissions reduction targets for 2025 and 2030 and taking measures to ensure that production of low- and zero-emission vehicles is boosted while also reducing emissions of traditionally-fuelled vehicles. This should be achieved through decreasing the cap on reductions by means of the zero- and low-emission factor to 2% and decreasing the maximum 'value' of a low-emission vehicle to 1.5 vehicles.

CLECAT looks forward to the development of a Regulation which is ambitious, balanced and respectful of actual technological capabilities and investment cycles.



Rail

IRG RAIL FORUM

On 27 September CLECAT attended IRG-Rail's second annual forum which took place in The Hague. The forum gathered industry stakeholders, including Regulatory Bodies, Infrastructure Managers, Rail Undertakings and associations who primarily discussed disruption management and the current developments regarding quality on Rail Freight Corridors (RFCs).

The morning session focused on disruption management which has attracted significant importance following the Rastatt incident in 2017. Guus de Mol, President of the Management Board of the Rhine-Alpine Corridor, stressed that the harmonisation of operational rules, overcoming language barriers and improving the existing infrastructure are of particular importance.

The [Handbook for International Contingency Management](#) provides standards that enable the continuation of freight transport at the highest level in case of an international disruption. The attendees of the forum highlighted the importance of ensuring effective communication with the neighbouring countries when incidents occur.

In the afternoon session, Ms Karen Davies from the European Rail Agency (ERA) argued that more flexibility and customer-orientation is needed to increase the attractiveness of the rail sector. Moreover, as the 2017 Key Performance Indicators (KPIs) showed a correlation between the number of national rules and punctuality of trains, she stressed that the breakdown of technical rules and barriers is of utmost importance to lead to a Framework based on safety, quality and sustainability.

Following the customer needs regarding language requirements, Track Access Charges, Infrastructure Management, Efficiency and Interoperability were defined as the key areas which need to be addressed, generally following the approach "Think European, act national!". It was emphasised that the rail regulators should not hide between rules and regulations if that would mean losing sight of the ultimate goal, i.e. increasing the quality of rail freight. Moreover, the panellists stressed that the regulators use all tools which are at their disposal to ensure a level playing field.

EUROPE'S RESPONSE TO BRI

On 26 September, CLECAT attended "Globalisation with Chinese Characteristics – Europe's Response to China's Silk Road Initiative?", an event organised by MEP Bütikofer (Greens/EFA, DE), which focused on the implications of China's Belt and Road initiative (BRI) on Europe, as well as on the trade policy of the EU.

During the first panel, the EU response to China's BRI were discussed. While the opinions on whether the recently published EU Connectivity Communication is a direct response to the China BRI initiative were diverging, the panel welcomed the Communication because it is based on European values, principles and experience. According to the Connectivity Strategy, contributions are possible by supporting the networks and building partnerships. This connectivity shall be based on the principles of transparency, fair market practices, level playing field and sustainability.

The doubts of the EU regarding the BRI are based especially on the lacking transparency in the Chinese standards, investment processes in the 16+1, project allocations and loans. Especially the lack of



transparency in the Asian Infrastructure Investment Bank (AIIB) coupled with the significant influence of China in it, was classified as a major area of concern which needs to be addressed.

In addressing the implications for the EU's trade policy, it was emphasised that the EU should take a more proactive role to ensure a high level of trade. It was suggested that the EU should focus on the improvement of infrastructure and ensure transparent public procurement. The differences between the open market competition in the EU in contrast to state-driven companies in China was highlighted as representing one of the major differences. Therefore, the need to establish a level playing field was regarded as essential for the future cooperation.

LESSONS LEARNT ONE YEAR AFTER RASTATT

One year after the reopening of the Rastatt line, ERFA, NEE and UIRR published a [press release](#) on the lessons learnt and the positive steps that have been taken since.

Following the accident that occurred during the tunnel works in Rastatt in August 2017, the double-track railway line on the Rhine valley was fully interrupted from 12 August until 2 October 2017, which led to total losses of approximately €2 billion. In response to that, the rail sector and the European Commission committed to address the main challenges which rail freight is facing, including the strengthening of rail freight's competitiveness and rebuilding customer confidence.

The improvements which were developed as a result in the [European Handbook for International Contingency Management \(ICM\)](#) shall be adopted by Infrastructure Managers from the start of the 2019 Timetable. One of the main achievements can be found in simplified communications, where English has been adopted as the main language of communication between Infrastructure Managers (IM) and Railway Undertakings during international disruptions. Rerouting alternatives are being prepared to minimise disruptions and keep trains running. Moreover, in case of a disruption, one IM should take the lead in coordinating the international cooperation. Most importantly, fast reaction times shall ensure that decisions are taken within the first 24 hours after the accident while an indicative timetable should be provided within 36 hours. Transparency rules shall avoid ambiguities and discrimination when allocating capacity.

While welcoming the achievements, ERFA, NEE and UIRR highlighted that there is still need for further action, especially regarding contingency planning for smaller incidents, capacity guarantees for the rerouting options, international coordination of infrastructure works, increased transparency and clarity for liability. Moreover, the need for railway undertakings to establish own contingency management plans was highlighted, as well as the need to lower the current B1-level language requirements.

GENOA RAILWAY OPERATIONAL AS OF 4 OCTOBER

According to Edoardo Rixi, Italy's Undersecretary Minister of Infrastructure and Transport, the railway lines "linea Bastioni" and "linea sommergibile", which together have four tracks, will be in use again on 4th October after having been blocked due to the collapse of the Morandi-bridge in mid-August.

Thereby, the northbound transport of goods from the port of Genoa will be reinstated. As a result the port would become fully functional again, allowing the shift back to rail, which will lead to a reduction of traffic on the motorways. However, the "linea Succursale", which runs directly underneath the bridge, will remain closed as the continuing fall of bridge parts renders operations impossible.

Source: [Verkehrsrundschau](#)



Customs

VAT GAP REPORT 2018

The European Commission issued at the end of last month its annual [VAT GAP Report 2018](#) which presents and discusses the findings of the “Study to quantify the VAT Gap in the EU Member States”. The VAT Gap, which is addressed in detail by this Report, refers to the difference between expected and actual VAT revenues and represents more than just fraud and evasion and their associated policy measures. The VAT Gap also covers VAT lost due to, for example, insolvencies, bankruptcies, administrative errors, and legal tax optimisation. It is defined as the difference between the amount of VAT collected and the VAT Total Tax Liability (VTTL)—namely, the tax liability according to tax law.

In nominal terms, the VAT Gap decreased by €10.5 billion to €147.1 billion in 2016, a drop to 12.3% of total VAT revenues compared to 13.2% the year before. The individual performance of the Member States still varies significantly. The VAT Gap decreased in 22 Member States with Bulgaria, Latvia, Cyprus, and the Netherlands displaying strong performances, with a decrease in each case of more than 5 percentage points in VAT losses. However, the VAT Gap did increase in six Member States: Romania, Finland, the UK, Ireland, Estonia, and France.

Source: [DG TAXUD](#)

EU AGRI-FOOD EXPERTS CONTINUE TO PERFORM WELL

The monthly value of EU agri-food trade in July 2018 held firm at €11.5 billion in exports and €9.3 billion in imports. The value of exports was 2% higher than in July 2017. Monthly import value, on the other hand, was 0.6% lower compared to July 2017. Therefore, the agri-food trade surplus increased to €2.2 billion – a 15% rise when compared to the previous year.

These are the main findings from the [latest monthly trade report](#) published by the European Commission. The highest increases in monthly export values (July 2018 compared to July 2017) were recorded for Libya (up €54 million), Singapore (an increase of €45 million) and Japan (a gain of €41 million) while exports to China fell by the largest amount (€72 million). Europe also exported less to Iran in July 2018, with exports dropping by €40 million.

The wine and spirits sectors have performed well with exports rising respectively by €82 million and €48 million. Wheat and other cereals have also seen a steady rise (up €49 million and €47 million). By contrast, rawhide exports have dropped the furthest in value terms (€98 million). Vegetables and milk powder have also experienced a significant decrease, down €45 million and €43 million respectively. Imports of agri-food from the USA have increased by €183 million compared to May 2017, sustaining the strong increase of recent months. The values of imports from Ghana and Chile also rose, respectively up €46 million and €37 million. The largest decrease in import values were from Ukraine (down €128 million), Indonesia (dropping by €87 million) and Paraguay (down €64 million). By sector, significant increases were recorded in import values of soya beans (up €57 million) and cocoa beans (a gain of €56 million), while imports of vegetable oils and palm oil decreased.

Source: [DG Agri](#)



General

WTO DOWNGRADES OUTLOOK FOR GLOBAL TRADE

Escalating trade tensions and tighter credit market conditions in important markets will slow trade growth for the rest of this year and in 2019, WTO economists expect.

Trade will continue to expand but at a more moderate pace than previously forecast. The WTO anticipates growth in merchandise trade volume of 3.9% in 2018, with trade expansion slowing further to 3.7% in 2019. The new forecast for 2018 is below the WTO's 12 April estimate of 4.4% but falls within the 3.1% to 5.5% growth range indicated at that time. Trade growth in 2018 is now most likely to fall within a range from 3.4% to 4.4%. The updated trade forecast is based on expectations of world real GDP growth at market exchange rates of 3.1% in 2018 and 2.9% in 2019. This implies a ratio of trade growth to GDP growth of 1.3 in both years.

Some of the downside risks identified in the April press release have since materialized, most notably a rise in actual and proposed trade measures targeting a variety of exports from large economies. The direct economic effects of these measures have been modest to date but the uncertainty they generate may already be having an impact through reduced investment spending. Monetary policy tightening in developed economies has also contributed to volatility in exchange rates and may continue to do so in the coming months.

Trade policy measures are far from the only risk to the forecast. Developing and emerging economies could experience capital outflows and financial contagion as developed countries raise interest rates, with negative consequences for trade. Geopolitical tensions could threaten resource supplies and upset production networks in certain regions. Finally, structural factors such as the rebalancing of the Chinese economy away from investment and toward consumption are still present and could weigh on import demand due to the high import content of investment. Overall, risks to the forecast are considerable and heavily weighted to the downside.

Source: [World Trade Organisation](http://www.wto.org)

Forthcoming events

CLECAT MEETINGS

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

16 November, Brussels, Belgium

OTHER EVENTS WITH CLECAT PARTICIPATION

XVI Foro Aduanero / Customs Forum – CGAA

4-7 October, Cadiz, Spain

European Parliament IMCO Committee, Workshop on UCC Transitional Period

9 October, Brussels

FEDESPEDI AEO EVENT

11 October, Milan

LEARN GENERAL ASSEMBLY

25-26 October, Zaragoza, Spain

SELIS Workshop: Digital Logistics

25 October, Brussels

Final Conference of the EU-funded study on Safe and Secure Parking Places for trucks

6 November, Brussels

ELP event on EurAsian Landbridge

6 November, Brussels

Intermodal Conference: Solutions for Enhancing Reliability in Inland Chains

7 November, Rotterdam

EP/COUNCIL MEETINGS

European Parliament Plenary Session

1-4 October, Strasbourg

22-25 October, Strasbourg

European Parliament TRAN Committee

8-9 October, Brussels

European Transport Council

3 December



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