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

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Brussels News

CLECAT CALLS FOR AN AMBITIOUS 'FIT FOR 55' PACKAGE

CLECAT welcomed the Sustainable and Smart Mobility Strategy last December, directed towards zero-emission road transport in Europe, whilst calling for a clear and concrete roadmap for a complete infrastructure roll-out, favouring the most cost- and resource-efficient solutions, also recognising the bridging technologies.

With this in mind, CLECAT also looks forward to the 'Fit-for-55 Package.' The Commission will pursue a comprehensive set of transport pricing measures to encourage a switch towards greener options, such as emission trading, infrastructure charges, energy- and vehicle taxes. By 2030, the Commission also wants airplanes and ships to start using alternative fuels. CLECAT supports the switch to sustainable alternative fuels for these 'hard to abate' transport modes. However, so far, the Strategy falls short of clearly showing the path to achieve 90% greenhouse gas emission reduction in the transport sector by 2050 compared to 1990, to be in line with climate neutrality.

CLECAT has issued a paper, consolidating the comments made in response to the various public consultations on the scheduled proposals, in order to provide a comprehensive overview of European freight forwarders and logistics service providers' positions. CLECAT outlines its recommendations to ensure the upcoming legislation is fit for the future. In doing so, we urge the European Commission to:

1. Revise the Alternative Fuel Infrastructure Directive (AFID) and set binding national targets for the alternative fuels infrastructure development in different freight transport modes. The infrastructure that freight forwarders use must have a cross-border coverage. Turning the legislation into a Regulation would certainly support further harmonisation amongst Member States.

2. Revise the EU Emissions Trading System (ETS) to address emission reductions in the transport sector through market-based measures. CLECAT believes that the initiative to develop a carbon pricing scheme for the maritime sector could be a driver of progress at the IMO, as it has been demonstrated in the past. EU ETS revenues generated from the auctioning of maritime transport emissions allowances should be ringfenced; they could be used to support research and development of low-carbon and zero-emissions mobility technologies and innovative shipping solutions. A part of revenues generated could also be used for climate change adaptation and carbon offsetting projects, in view of reducing the transport and logistics sector's impact on climate.

For aviation, the EU needs to put in place a coherent and long-term framework to secure innovative aviation technologies, operational (ATM) improvements, and the production and use of sustainable aviation fuels (SAFs). CLECAT has particularly welcomed the "ReFuelEU Aviation" initiative to increase the production, deployment, and supply of affordable, high-quality alternative sustainable fuels in Europe.

3. Enhance and expand measures under the Renewable Energy Directive (RED) II review to secure a larger uptake of renewable energy in the transport and logistics sector across the EU. CLECAT maintains that a more ambitious target for renewable energy could help mainstream renewable and low-carbon fuels and speed up their commercial deployment in all transport modes.

Finally, there is a reference within the Sustainable and Smart Mobility Strategy to a European framework to measure transport and logistics emissions. CLECAT holds that such a framework should be based on the upcoming global ISO standard (14083) for the quantification and reporting of GHG emissions of transport and logistics operations, respecting the full-cycle 'well-to-wheel' approach. Finally, regulatory incentives are needed to accelerate the market uptake of greener and more sustainable solutions in transport and logistics, especially funding mechanisms for SMEs.

The full paper is available here.

'FIT FOR 55' PACKAGE EXPECTED ON 14 JULY

The European Commission will present its 'Fit for 55' Package on 14 July, two weeks later than originally scheduled. This set of legislative measures and instruments would ensure that the EU achieves the target of reducing CO_2 emissions by at least 55% in 2030, as agreed by the European Parliament and the Council of the EU in the new Climate Law. The information was confirmed by Diederik Samsom, head of cabinet of European Commission Executive Vice-President Frans Timmermans, during a public event on Wednesday 5 May.

According to the indicative calendar of next EU meetings, the package is composed of 13 proposals, including the revision of the EU Emissions Trading System (ETS) to include aviation and maritime transport, amendments to the Renewable Energy and Directive Energy Efficiency Directive, the revision of the Energy Taxation Directive, two proposals for sustainable fuels in aviation and maritime, and the revision of the Alternative Fuels Infrastructure Directive (AFID).

When asked about national targets for the use of renewable energy, Mr Samsom said the Commission is still studying all the options, but 'the odds are in favour of national binding targets.' An early draft of the Renewable Energy Directive also shows that the European Commission wants to increase the renewable target for transport, from 14% to 26%, with a sub target for advanced biofuels from 3.5% to 5.5%, and the introduction of a dedicated supply obligation for the aviation sector.

Rail

FIRST 835M TRAIN SUCCESSFULLY TESTED FROM GERMANY TO SWEDEN

At the end of April, the first test service with a 835-metre long train from Germany to Sweden was carried out as part of the FR8RAIL II project within the European research and innovation program Shift2Rail, in collaboration with the Swedish Transport Administration, DB Cargo AG, DB Netze and Banedanmark, the Danish rail Infrastructure manager.

The test journey was carried out with a single locomotive, a train length 835m, wagon weight of 2,300 tonnes and speeds up to 120 kilometres per hour. It is the first time that such a long train runs through the Öresund Bridge connecting Denmark and Sweden. Under current regulations, Sweden allows only 630m long trains on most freight routes in the country. An important exception is the Ore Line between Luleå and Narvik, where freight trains may be 750m long.

With a train length of 835m, 55 45-foot containers can be towed, compared to 41 at a train length of the currently allowed 630m. The test aims to show the possibility of increasing capacity with the help of longer, heavier and faster freight trains within the framework of what is possible with one locomotive. This is particularly interesting as the locomotive with is the train operator's largest cost. It is a fixed cost per train, while each extra carriage that is connected provides extra income. Within Shift2Rail, the Swedish Transport Administration is planning for further tests in Sweden to show that more is possible when the infrastructure is adapted.

CLECAT has long advocated for the importance of improving infrastructure along the TEN-T network to facilitate trains of 740-metres along the core-network, as longer trains provide economic advantages by reducing the unit costs through economies of scale, and reduce the costs of rail freight, thereby making rail freight more attractive to users.

Source: Railtech

9TH IRG RAIL MARKET MONITORING REPORT PUBLISHED

The Independent Regulator's Group-Rail (IRG-Rail) composed of the European rail regulatory bodies, has published its 9th Annual Market Monitoring Report covering 2019 and the first semester of 2020. The report, which gathers data from 30 European countries, includes a special emphasis on the impacts of the COVID-19 crisis on the European railway market during the first half of 2020. The Main Report presents overall results at the European level, and the Working Document, which provides country specific details. The main findings of the annual data collection cover the network characteristics and track access charges, railway undertakings and European traffic, freight and passenger markets, as well as the COVID-19 crisis during the first half of 2020.

The report showed that in 2019, both national and international freight traffic showed a decrease (-1.4% in the first case and -2.8% in the latter). This development has not altered the 50/50 split between national and international freight traffic: 214 billion of net tonne-km have been carried in 2019 in the national market, while 212 billion of net tonne-km have been carried in the international market. Therefore, the trend between 2015 and 2019 showed an average annual growth rate of +0.8% for national freight services and of +2.1% for international freight services, being in both cases lower than the trend observed between 2014 and 2018 where the average annual growth rate observed was +2.0% regarding national freight services and +3.2% regarding international freight service.

Concerning market shares of freight railway undertakings, the report notes that although the share of domestic incumbents, based on net tonne-km, continues to decrease, it still remains predominant at 52%. While the share of foreign incumbents remained stable at 13%, the share of non-incumbents has continued to slightly increase over the last three years, growing by 3 percentage points to 35% between 2018 and 2019.

Source: IRG Rail

Maritime

EUROPE'S PORTS SURVIVE SUEZ SURGE

A month after the Suez Canal was blocked by the *Ever Given*, congestion at European ports has been less severe than expected following the release of the Suez Canal backlog. 'Europe's top container terminals have been struggling to keep congestion at bay, with incoming boxes outweighing outgoing boxes for much of 2021,' said Container xChange chief executive Johannes Schlingmeier. 'The closure of the Suez Canal appears to have only made the box crunch at Europe's hubs only slightly worse than it already was.' Container xChange reported that all of Europe's main container hubs were facing increased traffic since March, but the majority of it had been inbound.

'At Rotterdam, the increase in incoming 20 ft dry containers was most stark, with box numbers rising 3.8% week on week,' Dr Schlingmeier said. Antwerp reported an increase of 3.5%, while at Hamburg it was 2.2%. At all three ports incoming box traffic has been heavy since March, Container xChange added. 'What we're hearing from our container leasing and trading members is that they find it increasingly difficult to book export containers with the carriers across Europe,' he said. 'It seems shipping lines are prioritising empty containers to move the boxes back to China as fast as possible.'

While the closure of the canal following the *Ever Given* grounding held up cargos for six days, the longer term impacts are likely to be felt for at least another month.

Source: Lloyd's Loading List

CONTAINER MARKET UPTURN COULD LAST UNTIL 2024

At a webinar held by DSV Panalpina earlier this week Maritime analyst Lars Jensen of Vespucci Maritime said that 'The container market has since the second half of 2020 been characterized by enormous demand and equipment shortages, which have pushed up freight rates significantly and caused widespread bottlenecks and congestion in key ports around the world. This market is now headed for a "new normal", characterized by high freight rates in a cyclical upturn that could last for years.' This is largely the result of a combination of the Suez blockage and the coronavirus pandemic, he noted.

'Right now, we're looking at 4-6 months before there's a realistic chance of operations returning to normal. But this requires that the world acts somewhat normal, and that is not the case,' Jensen said, adding that the extraordinarily high demand comes at a time when container liners are in the process of absorbing the surplus capacity that has long characterized the market and which has served to prevent bottlenecks. In the current situation, far fewer vessels are scheduled to enter the market, while demand continues to soar. And the vessels currently being ordered to meet the growing demand will not be delivered before 2024, highlighted Jensen.

Loadstar reported earlier this week on container freight indices which continue to be on the rise. The Freightos Baltic Index (FBX) North European component jumped by 6% this week, to $7,791 per 40 ft – a 450% increase on the rate a year ago. 'It is currently near impossible to hold a booking and a rate for more than a few minutes,' said UK-based Westbound Logistics. 'Even when bookings are accepted, forwarders are frequently running into additional equipment issues that require containers to be sourced and trucked from alternative ports, at additional cost,' said the forwarder. Shippers must brace themselves for at least two more years of elevated freight rates and tight supply, according to Drewry. The maritime consultant predicts average rates – a blend of spot, contract, backhaul and regional trade rates – will increase about 23% this year; but for some headhaul routes, it said, the hike would be "substantially higher".

Also during Drewry's Container Shipping Outlook webinar yesterday, senior manager for container research Simon Heaney said rates were expected to fall next year, although not to pre-pandemic levels. "For 2022, we do see some erosion in freight rates as the inflationary impact of supply chain inefficiencies hopefully disappears, but we think carriers are still going to be able to keep freight rates high, thanks to the in-depth capacity management they fine-tuned during the pandemic, as well as the pricing discipline they have shown.

"For next year, while rates will come down, they will still be substantially higher [than pre-pandemic] and we expect average rates will come down from this year's lofty highs by approximately 9%," said Mr Heaney. He said newbuild deliveries this year and next were sufficiently low that overall fleet growth would come in substantially below demand growth. And, assuming port congestion continued to blight the supply chain, keeping the global fleet fully utilised, this was "clearly a positive for carriers", he added.

Source: ShippingWatch, The Loadstar

Air

AIR CARGO DEMAND REACHES ALL TIME HIGH IN MARCH

The International Air Transport Association (IATA) released data for global air cargo markets for March 2021, showing that air cargo demand continued to outperform pre-COVID levels (March 2019) with demand up 4.4%. March demand reached the highest level recorded since the series began in 1990. Month-on-month demand also increased albeit at a slower pace than the previous month with volumes up 0.4% in March over February 2021 levels.

Global demand, measured in cargo tonne-kilometres (CTKs), was up 4.4% compared to March 2019 and 0.4% compared to February 2021. This was a slower rate of growth than the previous month, which saw demand increase 9.2% compared to February 2019. Global capacity, measured in available cargo tonne-kilometres (ACTKs), continued to recover in March, up 5.6% compared to the previous month. Despite this, capacity remans 11.7% below pre-COVID-19 levels (March 2019) due to the ongoing grounding of passenger aircraft. Airlines continue to use dedicated freighters to compensate for the lack of available belly-capacity. International capacity from dedicated freighters rose 20.6% in March 2021 compared to the same month in 2019 and belly-cargo capacity dropped by 38.4%.

Source: IATA

Customs and Trade

NEW LEARNING PORTAL FOR TAX AND CUSTOMS PROFESSIONALS

On 1 May, the European Commission launched a new CusTax EU Learning Portal for tax and customs professionals, which aims to build common expertise and improve professional skills among EU economic operators and their Customs representatives.

The CusTax EU Learning Portal provides users with customs and taxation training and people development measures to establish a competitive performance advantage across Europe. Key benefits include building a common skillset to address shared challenges (such as tax fraud, tax evasion and tax avoidance), and multiple, tailored training formats. It also offers a Forum to discuss, build and disseminate taxation and customs knowledge.

Source: European Commission

NEW WTO TRADE COST INDEX

WORLD TRADE ORGANIZATION

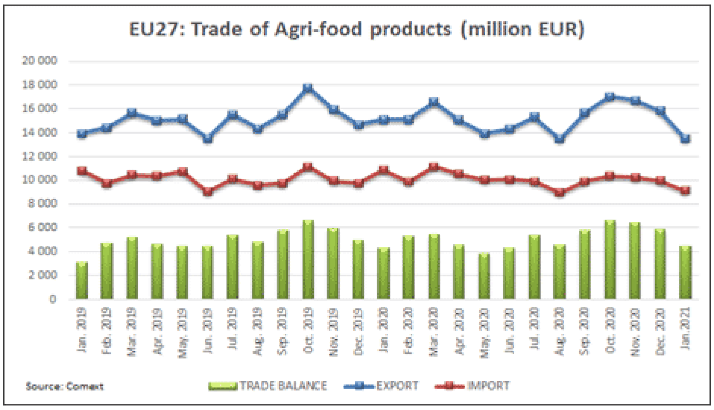
The World Trade Organization (WTO) has launched the WTO Trade Cost Index, which provides for the first time a detailed breakdown of trade costs for both goods and services and which groups of producers and consumers bear them the most, based on estimates of bilateral trade costs for 43 economies and 31 sectors from 2000 to 2018. The index illustrates the evolution of trade costs over time, finding that global trade costs have declined by 15% between 2008 and 2018. On the export side, the most pronounced fall was observed in the newer EU Member States — Latvia, Croatia, Bulgaria, Cyprus and Slovenia.

Trade policy barriers and regulatory differences make up the largest component of trade costs when low-income economies trade with each other, the index finds. The data draw attention to the high potential for policy reforms to boost trade among developing countries. Transport and travel costs comprise the largest share of trade costs when high-income economies transact with each other or with lower-income economies.

Further updates to the index will look into capturing the cost of uncertainty in the global market — including from the COVID-19 pandemic — and will explore ways to produce timely estimates of trade costs to account for real time update of trade measures.

Source: World Trade Organization

SHARP DECLINE IN EU-UK AGRI-FOOD TRADE



On 6 May, the European Commission reported that in January 2021, EU27 agri-food trade (exports plus imports) reached a value of €22.6 billion; i.e. 13% less than in January 2020. EU27 exports decreased by 11%, reaching €13.5 billion. EU27 imports attained €9.1 billion, 16% less than in January 2020.

EU exports to the United Kingdom declined in value by €792 million (-24%) compared to January 2020. Falls were also recorded in export values to the United States, Russia, Japan, and Saudi Arabia. On the other hand, the value of exports to China rose by 11%. Increased export values were also recorded in relation to Chile (+55%), Pakistan (+101%), Norway (+6%).

The EU27 import values decreased most to the United Kingdom, by €874 million (-67%). This relates to the end of the transition period on 31 December 2020 following the UK departure from the EU. All agri-food product categories reported decreasing imports from the UK. Further drops were recorded in the values of imports from Argentina, the United States, and Indonesia. However, values increased for imports from Malaysia (+15%), India (+11%), Nigeria (+31%) and Pakistan (+34%).

Source: European Commission

GLOBAL E-COMMERCE JUMPS TO $26.7 TRILLION

The dramatic rise in e-commerce amid movement restrictions induced by COVID-19 increased online retail sales' share of total retail sales from 16% to 19% in 2020, according to estimates in an UNCTAD report, published on 3 May. Additionally, the report estimates that global e-commerce sales jumped to $26.7 trillion in 2019, up 4% from 2018, according to the latest available estimates. This includes business-to-business (B2B) and business-to-consumer (B2C) sales and is equivalent to 30% of global gross domestic product (GDP) that year.

The report shows that the value of global B2B e-commerce in 2019 at $21.8 trillion, representing 82% of all e-commerce. The United States continued to dominate the overall e-commerce market, ahead of Japan and China. Meanwhile, B2C e-commerce sales were estimated at $4.9 trillion in 2019, up 11% over 2018. The top three countries by B2C e-commerce sales remained China, the United States and the United Kingdom. Cross-border B2C e-commerce amounted to some $440 billion in 2019, an increase of 9% over 2018. The UNCTAD report also notes that the share of online shoppers making cross-border purchases rose from 20% in 2017 to 25% in 2019.

Source: UNCTAD

Supply Chain Security

CARGO THEFT CONTINUES THROUGHOUT COVID-19 CRISIS

According to a recently published cargo theft report from the Transport Asset Protection Association (TAPA), product thefts from supply chains in Europe, the Middle East and Africa (EMEA) in 2020, which were reported the Association's Incident Information Service, showcased losses of more than €172 million despite most of the region being in lockdown as nations took drastic steps to prevent the spread of coronavirus. More specifically, TAPA EMEA recorded 6,463 new cargo thefts across 56 countries in the region, and an average loss for every day of 2020 of €471,432. The high numbers, however, remain only a fraction of the losses, as they do not account for all cargo theft in the EMEA region.

Recognising the continuous existence of cargo theft, CLECAT has long been advocating the importance of safe and secure truck parking areas (SSTPAS) across the TEN-T network – and ideally globally. In that regard, CLECAT has been actively supporting the work of the European Commission's Expert Group on Safe and Secure Parking Areas, which assists the Commission in transposing the SSTPA standards, created in the ambit of the 2018 SSTPA Study, into EU legislation by means of a Delegated Act. Once adopted into EU-legislation, these standards should contribute to promoting high-quality parking areas throughout the EU. Moreover, the establishment of such standards at EU level should create transparency, build trust and facilitate private sector investments for SSTPAs, as they will be eligible to CEF funding provided they fulfil the EU SSTPA Standards.

In view of the significant potential to address the ongoing issue of cargo theft in Europe through the EU SSTPA Standards, CLECAT looks forward to continuing the excellent cooperation within the European Commission's Expert Group on SSTPAs to improve the overall situation for truck drivers, as well as for the transport and logistics industry.

Forthcoming Events

CLECAT MEETINGS

CLECAT Board meeting

11 May 2021, Online

CLECAT Customs and Indirect Taxation Institute
31 May 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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