

Table of content

EUROPEAN COUNCIL CALLS FOR UNHINDERED FLOW OF GOODS	P 1	EP REPORT ON MORE EFFICIENT AND CLEANER MARITIME TRANSPORT	P 4
TAKING STOCK OF TRADE 2 MONTHS AFTER THE EU-UK DEAL	P 1	LONG-TERM CONTAINER CONTRACTS INCREASE BY UPWARDS OF 75 PERCENT	P 5
EU PARTNERSHIP INVESTMENTS FOR GREEN AND DIGITAL TRANSITION	P 2	DIGITAL TRANSPORT AND LOGISTICS FORUM PLENARY	P 6
ELP EVENT ON ALTERNATIVE FUELS	P 3	ICAO-WCO JOINT CALLS ON VACCINE SUPPLY CHAIN PRIORITIES	P 6
ONGOING TRILOGUE NEGOTIATIONS ON THE EUROVIGNETTE DIRECTIVE	P 4	FRANCE RECEIVES €31 MILLION GRANT FOR ETCS ON ROLLING STOCK	P 7

News from Brussels

EUROPEAN COUNCIL CALLS FOR UNHINDERED FLOW OF GOODS



On 25 February, the members of the European Council met via video conference to discuss the COVID-19 pandemic and preparedness for health emergencies. In a [statement](#) published after the conference, leaders agreed on the need to restrict non-essential travel for the time being. They however confirmed that “the unhindered flow of goods and services within the Single Market must be ensured, including by making use of Green Lanes.”

Earlier this week, the European Commission has sent letters to Belgium, Denmark, Finland, Germany, Hungary and Sweden, urging the six countries to respect earlier recommendations of the European Council and to align their national restrictions with the EU’s principles with respect to the freedom of movement. “The Commission wants to recall to the European Member States that it is a necessity to go back to a coordinated approach on all the measures taken in relation to the free movement of people and goods,” the EU Justice Commissioner Didier Reynders said on Tuesday in a [video message](#) posted on Twitter. Notedly, the six countries were given 10 days to respond.

TAKING STOCK OF TRADE 2 MONTHS AFTER THE EU-UK DEAL

It is now almost two months since the new Trade and Cooperation Agreement between the EU and the UK came into effect. Industry has experienced the changes brought about by the reality of the new post-Brexit trade relationship with new red tape and barriers to the flow of goods, including additional paperwork, customs controls, and veterinary/phytosanitary (SPS) checks on food and agricultural products. The implementation of these new procedures brings about numerous practical challenges for supply chains which will certainly take some time to overcome. It has been made clear

that the new partnership with the UK does not resemble the former membership of the EU and that seamless trade across the Channel is a thing of the past.



CLECAT members, including freight forwarders and customs agents, have reported continuous and seriously worrying lack of awareness of the post-Brexit border requirements and processes among parties in the logistics chain, including shippers, hauliers and ferry operators. The overall unpreparedness is causing significant operational issues and risk of non-compliance. The lack of appropriate contractual arrangements in the supply chain complicates the situation on both EU and UK side even further, leading to additional practical difficulties. Therefore, better communication and enhanced understanding, as well as adjustments of existing contracts in the private sector are necessary to clearly define obligations and liabilities and avoid unnecessary complications.

The flow of goods has met additional obstacles due to lack of understanding of the new preferential origin rules and procedures under the trade deal. Even though the EU-UK TCA promises zero tariffs and quotas for traded goods, that is subject to rules of origin requirements and associated formalities for both importers and exporters. Strict EU sanitary and veterinary rules are similarly obstructing imports of food and agricultural products into the EU. CLECAT members continue to report on problems with incorrect filing of SPS documents leading to blocked shipments at the EU border, delays and additional costs for businesses.

We must keep in mind, though, that the first 8 weeks might not even have presented an accurate picture of post-Brexit trade. With freight traffic still below usual levels, the overall Brexit effects are yet to fully roll out with the growing increase in volumes. Additional challenges will certainly be created as of 1 April, when phase two of the EU-GB Border Operating Model will introduce further documentation and pre-notification requirements on EU imports of certain goods subject to SPS controls in GB.

More changes will occur in July, as traders moving goods from the EU to GB must file full customs declarations at the time of import for all goods, rather than submitting forms at a later date. In addition, new import requirements will apply to SPS goods which will also be subject to increased controls at the border.

CLECAT calls for urgent increase in engagement and preparedness of trade and utmost efforts to avoid the seemingly inevitable second shock at the EU-UK border.

EU PARTNERSHIP INVESTMENTS FOR GREEN AND DIGITAL TRANSITION

On 23 February, the European Commission proposed to set up 10 new [European Partnerships](#) between the European Union, Member States and/or the industry. The goal is to speed up the transition towards a green, climate neutral and digital Europe, and to make European industry more resilient and competitive. The EU will provide nearly €10 billion of funding that the partners will match with at least an equivalent amount of investment. This combined contribution is expected to mobilise additional investments in support of the transitions, and create long-term positive impacts on employment, the environment and society.



The proposed Institutionalised European Partnerships aim to improve EU preparedness and response to infectious diseases, develop efficient low-carbon aircraft for clean aviation, ensure European leadership in digital technologies and infrastructures, and make rail transport more competitive.

The Partnerships, some of which are building on existing [joint undertakings](#), include:

- **Clean Aviation:** This partnership puts aviation en route to climate neutrality, by accelerating the development and deployment of disruptive research and innovation solutions. It aims to develop the next generation of ultra-efficient low-carbon aircraft, with novel power sources, engines, and systems, improving competitiveness and employment in the aviation sector that will be especially important for the recovery.
- **Europe's Rail:** This partnership will speed up the development and deployment of innovative technologies, especially digital and automation ones, to achieve the radical transformation of the rail system and deliver on the European Green Deal objectives. By improving competitiveness, it will support European technological leadership in rail.
- **Single European Sky ATM Research 3:** The initiative aims to accelerate the technological transformation of air traffic management in Europe, aligning it to the digital age, to make the European airspace the most efficient and environmentally friendly sky to fly in the world and to support the competitiveness and recovery of Europe's aviation sector following the coronavirus crisis.

Source: [European Commission](#)

ELP EVENT ON ALTERNATIVE FUELS



European Logistics Platform

The European Logistics Platform will organise a webinar on the 8th of March entitled 'A race against time: The significant role of alternative fuels infrastructure'.

In the light of the upcoming review of the Alternative Fuels Infrastructure Directive (AFID) and its instrumental role in reaching the EU's 2030

decarbonisation objectives, the members of the ELP will demonstrate what role cleaner fuels play in their business and what obstacles need to be removed in order to ensure that sufficient infrastructure is in place in line with efforts to reduce emissions in the transport sector.

The webinar will provide the opportunity to discuss with policy makers and stakeholders the necessary requirements to support the uptake of alternative fuels and how to accelerate the deployment of the respective infrastructure across the EU. Speakers include Charlotte Nørlund-Matthiessen, Member of Cabinet, Commissioner Adina Vălean, Axel Volkery, Team Leader Clean Transport, DG MOVE, Elisabeth Fauvelle Munck af Rosenschöld, Sustainability Manager, IKEA, Valérie Bouillon Delporte, Strategic Hydrogen Leader, Michelin, Michael Lohmeier, VP Clean Operations Solutions and Services, Deutsche Post DHL Group and Lars Mårtensson, Environment & Innovation Director, Volvo Trucks.

For more information, as well as to register for the webinar, please visit the [ELP Website](#).



Road

ONGOING TRILOGUE NEGOTIATIONS ON THE EUROVIGNETTE DIRECTIVE

The Italian rapporteur, MEP Giuseppe Ferrandino (S&D/IT), reported back to the European Parliament's Transport Committee (TRAN) on the recent trilogue meeting on the revision of the Eurovignette Directive, noting that many disagreements remained between the European Parliament and the Council, in particular on the 'polluter pays' principle, basis of taxes, time vs distance charging, transport externalities and earmarking.

Mr Ferrandino said he was disappointed with the Council's position, which offered more choice and flexibility to the Member States, while he wished for a more integrated European approach. Furthermore, he believes that road tolls should be based on distance and the level of pollution emitted by the vehicle. He warned that it will be difficult to reach an agreement between the co-legislators.

A second trilogue meeting is expected to be organised at the beginning of March, with a number of technical working group meetings taking place in the meantime.

Maritime

EP REPORT ON MORE EFFICIENT AND CLEANER MARITIME TRANSPORT

On 25 February, the European Parliament's Transport Committee (TRAN) adopted an own-initiative report by Karima Delli (Greens/FR) on the technical and operational measures for more efficient and cleaner maritime transport. Climate neutral transition of the maritime transport should be followed by a notable reduction of emissions, clean ports and giving up of heavy fuel oil usage, said MEPs.

The draft resolution notes that international shipping emits around 940 million tonnes of CO₂ annually and is responsible for approximately 2.5% of global GHG emissions. These emissions are projected to increase significantly if mitigation measures are not swiftly introduced, TRAN MEPs say, advocating for a climate neutral transition of the maritime transport sector by 2050, which should be backed by proper funding, including for research into and deployment of clean technologies and fuels.

The adopted text recalls the Parliament's previous call for shipping companies to achieve a 40% reduction in emissions by 2030 and the inclusion of maritime transport in the EU Emissions Trading Systems but stress the need to assess properly the impact of it on the competitiveness of EU businesses, employment and the risk of carbon leakage. The draft resolution also asks to phase out gradually the use of heavy fuel oil in ships and "deplores the distortion of competition on the European market between fossil energies, which benefit from more favourable tax treatment, and clean alternative fuels from renewable sources". It calls on the Commission to address this situation and put incentives, including through tax exemptions, to use alternatives to heavy fuels. LNG and LNG infrastructure could be one of transitional technologies towards zero-emission alternatives in the maritime sector, MEPs add.



TRAN MEPs call on the Commission to draw up a strategy on zero-emission ports, support the use of on shore power supply from clean electricity and propose rules that would support zero pollution at berth. They also call on the Commission “to take swift action to regulate EU port access for the most polluting ships”. The draft resolution also highlights other measures that could significantly contribute to the decarbonisation of the maritime sector and promote the Green Deal, including vessels speed optimisation, including slow steaming, innovation in hydrodynamics, the introduction of new propulsion methods, such as wind assist technologies, optimisation of navigable routes and digitalisation and automation of the maritime sector.

The draft resolution was adopted by 32 votes in favour, none against and 17 abstentions. It now needs to be voted on by the full house of the European Parliament, possibly during the March II session.

Source: [European Parliament](#)

LONG-TERM CONTAINER CONTRACTS INCREASE BY UPWARDS OF 75 PERCENT

The long-term container contracts currently being negotiated will be unusually expensive for the customers this year. Scan Global notes increases in the range of 50 to 75 percent, the logistics operator tells. Container lines are able to negotiate long-term contracts with their customers right now featuring rates that are upwards of 75 percent higher compared to the latest contract agreements between the parties.

At any rate, Scan Global Logistics says that the increase in long-term rates, which usually cover a year, could easily reach 50 to 75 percent and thus clock in far higher than what has so far been mentioned in the industry. "These are significant increases percentage-wise. Increases of 50 to 75 percent are not that far off. But we're also seeing lower rates than that. So on average, increases reach 40-50 percent for the long-term rates on Asia-Europe routes," says Mads Drejer, Global COO, Air & Ocean, and Executive VP at Scan Global Logistics.

The logistics company has fixed close to half of its long-term contracts, while some contracts are staggered and run until the end of March. Even though rates in the long-term contracts are unusually high, they are still somewhat lower than the towering spot rates, which have continued to soar. "We're actually seeing a significant difference in the long-term rates and the short ones. I think the companies are looking to fix some long-term contracts at some levels that are historically very high, and where they are also okay with levels that are significantly lower than the spot rates," says Drejer.

Increases of 50 to 75 percent alone will make the contract price for a forty-foot container, feu, on the main route between Northern Europe and Asia soar from USD 1,250 to now somewhere in the range of USD 1,875 to 2,188.

Former global head of logistics at Electrolux and current part of management at Sea-Intelligence, Bjørn Vang Jensen, projected just after New Year that long-term contracts would increase by up to 80 percent. "Of course, it depends on the individual customer's options and wishes. But a quick guess would be in this range," Jensen told ShippingWatch on 4 January.

Extract from [Shipping Watch](#)



Digitalisation

DIGITAL TRANSPORT AND LOGISTICS FORUM PLENARY



On 25 February, CLECAT attended the 5th plenary meeting of the Digital Transport and Logistics Forum (DTLF). During the meeting, the two DTLF Subgroups and their respective working teams presented the status of their work.

Significant progress has been made already in Subgroup 1 (SG1) of the DTLF, which is the formal Expert Group advising and assisting the European Commission in the creation and implementation of the eFTI supporting legislation. The rapporteur of SG1 and the team-leaders of the respective working teams presented the state of play of the data-, functional- and technical aspects. This included the first draft of the eFTI Data Requirements, which is currently under initial review and has also been circulated for comments amongst the members of the CLECAT Digitalisation Working Group.

The state of play of the work within Subgroup 2 (SG2) on Corridor Freight Information Systems was presented by the SG2 rapporteur and the respective team-leaders. SG2 aims to create a seamless environment for data sharing, based on a federated network of platforms.

The DTLF also received a presentation and discussed the contribution to the implementation of the Sustainable and Smart Mobility Strategy (SSMS), as well as the Mobility Data Space. Next to that, presentations were received on best practices and cooperation, including data sharing in multimodal transport. Additionally, the European Commission presented an overview of the policy developments related to the [eFTI Regulation](#), which entered into force in August 2020, and will oblige EU Member States' authorities to accept freight transport information in electronic format.

Air

ICAO-WCO JOINT CALLS ON VACCINE SUPPLY CHAIN PRIORITIES

The International Civil Aviation Organisation (ICAO) and the World Customs Organization (WCO) have published a [joint statement](#) calling on governments to demonstrate maximum flexibility with respect to border clearance and air transport supply chain operations essential to the effective distribution of COVID-19 vaccines and related medical supplies.

The joint statement urges the rapid establishment of the infrastructure needed to support end-to-end vaccine storage and logistics for public supplies. Improved open collaboration between the aviation and customs communities and partnering organisations is also strongly emphasised. Furthermore, the organisations encourage countries to designate required aviation staff as 'key workers' providing an essential service, in alignment with the WHO's Roadmap for Prioritizing Uses of COVID-19 Vaccines.

Source: [ICAO](#)



Rail

FRANCE RECEIVES €31 MILLION GRANT FOR ETCS ON ROLLING STOCK

The European Commission has granted the French Railway Infrastructure Manager SNCF Réseau €31 million to finance the installation of European Train Control System (ETCS) equipment on 252 passenger vehicles and freight locomotives. Additionally, the Caisse des Dépôts, a French government-backed agency, supports the railway signalling project for an equal contribution, SNCF announced last week.

The French project was selected because it contributes to reinforcing the regularity of trains, their safety, frequency and where applicable, their ability to cross borders in Europe. The grant will finance the installation of the ETCS Level 2 on board of 252 vehicles, both passenger trains and freight locomotives. Most of these trains will run, at least in part, on the French rail network. The system as a whole, including installation on tracks and GSM-R communication, comprises ERTMS, the harmonised European traffic management system. When fully implemented in the whole of the European Union, the ERTMS will allow seamless cross-border rail transport. It also improves regularity, capacity and safety.

Source: [Railtech](#)

Forthcoming Events

CLECAT MEETINGS

CLECAT Maritime Logistics Institute

CW 9/10 March 2021, Online

CLECAT Rail Logistics Institute

16 March 2021, Online

CLECAT Sustainable Logistics Institute

17 March 2021, Online

CLECAT Board Meeting

17 March 2021, Online

CLECAT Customs and Indirect Taxation Institute

29 March 2021, Online

CLECAT Air Logistics Institute

8 June 2021, Online

CLECAT Security Institute

8 June 2021, Online



EU MEETINGS

Council of the European Union

Transport Council

3 June 2021, Luxembourg

Environment Council

18 March 2021, Brussels

21 June 2021, Luxembourg

European Parliament

European Parliament Transport Committee

15-16 March 2021, Brussels

23 March 2021, Brussels

European Parliament Plenary

8-11 March 2021, Brussels

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