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News from Brussels

CLECAT CALLS FOR FREE MOVEMENT OF TRANSPORT PERSONNEL DURING PANDEMIC

In an open [letter](#) to the Ministers of EU Member States, issued on 26 January 2021, CLECAT, on behalf of the freight forwarding, transport and logistics sector, has reiterated the need to prevent any kind of barriers to the transportation of goods and the uninterrupted movement of transport and logistics personnel. In line with the Commission's proposal from 25 January 2021 on a coordinated approach to the restriction of free movement in response to the COVID-19 pandemic, transport workers should not be required to quarantine and be exempted from travel-related COVID-19 tests.

CLECAT warns about the dramatic impact that stricter rules and controls on the movement of goods and transport personnel could have on intra-European and international supply chains. Nicolette van der Jagt, Director General of CLECAT, noted: 'We remain highly concerned with national measures that could, despite the lessons learnt from the first wave of the COVID-19 pandemic, block freight movement and disrupt seamless supply chains, not least those of critical goods and vaccines. In this respect, we are alarmed by the new requirements in Germany, related to the testing measures for drivers and transport workers, as the entry to German territory of the transport workers coming from the rapidly expanding number of risk areas may be blocked, unless they can provide a negative PCR test. In particular, the logistics sector cannot operate with a patchwork of measures in Europe when it seeks to provide logistics solutions for transporting vaccines.'

CLECAT welcomes the European Commission's initiative to keep transport moving and ensure the free movements of goods and especially the proposal to exempt transport workers from testing and

quarantine requirements. This is important to maintain healthy supply chains and prevent the negative economic consequences for European businesses and citizens. 'We are pleased that, alongside the need to speed up vaccination, ramp up testing and show international leadership, the European Commission has emphasised the need to preserve the functioning of the Single Market and ensure the non-disturbed flow of goods, as well as the free movement of transport workers across the EU,' said Ms van der Jagt.

EC PROLONGS AND EXPANDS TEMPORARY FRAMEWORK

The European Commission has decided to prolong until 31 December 2021 [the state aid guidelines](#) adopted on 19 March 2020 to support the economy in the context of the coronavirus outbreak. The Commission has also decided to expand the scope of the Temporary Framework by increasing the ceilings set out in it and by allowing the conversion of certain repayable instruments into direct grants until the end of next year.

Taking into account the continued economic uncertainty and prolonged government measures to limit economic activity in order to stop the spread of the virus, the new amendment also increases the ceilings set out in the Temporary Framework for certain support measures:

With regard to limited amounts of aid granted under the Temporary Framework, the previous ceilings per company are now effectively doubled (taking into account the availability of de minimis support). The new ceilings are €225,000 per company active in the primary production of agricultural products (previously €100,000), €270,000 per company active in the fishery and aquaculture sector (previously €120,000), and €1.8 million per company active in all other sectors (previously €800,000). As before, these can be combined with de minimis aid of up to €200,000 per company (up to €30,000 per company operating in the fishery and aquaculture sector and up to €25,000 per company operating in the agriculture sector) over a period of three financial years, subject to complying with the requirements of the relevant de minimis.

For companies especially hit by the coronavirus crisis, with turnover losses of at least 30% during the eligible period compared to the same period of 2019, the State can contribute to the part of the fixed costs of companies that are not covered by their revenues, in an amount up to €10 million per company (previously €3 million).

More information is available [here](#).

REVISION OF THE TRANS-EUROPEAN TRANSPORT NETWORK

On 20 January 2021, the European Parliament adopted the report on the revision of the Trans-European Transport Network (TEN-T) guidelines (2019/2192(INI)) with a large majority. With the adoption of the own-initiative report, the Parliament sets out its position on the upcoming revision of the TEN-T guidelines which is planned for the second half of 2021. The final report by rapporteur Jens Gieseke (German, EPP) underlines the need for sufficient EU funding to complete the TEN-T network, regretting the recent cuts to the Connecting Europe Facility, decided by the Council. In preparation of the legislative proposal, the European Commission will launch a stakeholder consultation on the impact assessment in the coming weeks. The Commission proposal reviewing the 2013 Guidelines is due to come out in September 2021.



Road

PORTUGAL AIMS TO FINALISE THE EUROVIGNETTE DIRECTIVE REVIEW

On 26 January, the European Parliament's Committee on Transport (TRAN) held an online meeting with the Portuguese Minister of Infrastructure, Pedro Nuno Santos, to discuss the Portuguese Presidency's priorities for transport in the next five months.

Among other initiatives, Mr Nuno Santos indicated that he wants to reach an agreement with the European Parliament (EP) and the Commission on the delicate issue of the Eurovignette Directive review before the end of the Portuguese Presidency. The Portuguese attachés have earlier reassured CLECAT that they would act as an 'honest broker' at the trilogue meetings, the first of which is taking place this Friday to present to the EP the main elements of the Council's position.



Notably, CLECAT has [welcomed](#) the recent breakthrough at the Council level, notwithstanding a number of remaining concerns for our members, which we hope will be addressed during the trilogues. We refer in particular to the reluctance to phase out the existing time-based charges for trucks, the selective application of road charging and a possible double charging burden for

forwarding, transport and logistics companies.

Maritime

IS THERE STILL COMPETITION IN LINER SHIPPING?

On the 20th January Lloyds' List published an article from Olaf Merk, ports and shipping administrator at the International Transport Forum on the MDS Transmodal Consortia Market Shares Database developed by Antonella Teodoro. The article makes an interesting analysis of dataset that contains deployed ship capacity of container carriers on all of their liner services. The database provides more certainty on consortia on trade corridors to and from Europe, which exceed the threshold of the EU's Consortia Block Exemption Regulation. It concludes that competition authorities should do well to not only look at market shares of individual operators, or alliances, but also to take the emerging reality of interlinked consortia into account as the data is now available. CLECAT welcomes the development of the database as during the review of the CBER this data was not available.

The analyses noted that 'there is much less competition in liner shipping than commonly assumed, due to a proliferation of vessel sharing agreements or consortia which provide carriers with the knowledge and capabilities to adjust ship capacity rapidly in line with changing demand. The reason is that the real market power is hidden behind a well-developed system of consortia. These are co-operation agreements between carriers to share vessels. Global alliances can be considered bundles of consortia and are also considered in this analysis.'



‘A first look at the data reveals high levels of concentration. Out of the 20 trade corridors identified to and from Northern Europe, all corridors were operated by one or more consortia with market shares higher than 30%. This was the same for the Mediterranean. Even more dramatic was how 14 out of the 20 trade corridors to and from the Mediterranean (representing 54% of total estimated loaded teus) had consortia with market shares larger than 50%. On some trade corridors the market share of a consortia actually exceeds 80%. The share of independent operators, not co-operating in consortia (and not operating within an alliance), has become marginal. They have market shares of at least 5% in 7 out of 20 corridors to and from Northern Europe (30% of total demand), which means that they have a market share below 5% on the 13 corridors representing 70% of demand.

In Europe alone, the top nine carriers are involved in hundreds of different consortia, in addition to their co-operation in three global alliances. The interlinked consortia are the institutional expression of the close commercial ties between carriers, where interests are getting synchronised rather than competitive. This web of consortia provides carriers with the knowledge and capabilities to adjust ship capacity rapidly in line with changing demand — and to an extent that they manage to improve profitability in the process, as seen during the coronavirus crisis.’

The [full article](#) is available at the website of MDS Transmodal

LONG-TERM CONTAINER CONTRACT RATES UP 5.9% IN JANUARY

2021 has got off to a flying start for long-term contracted ocean freight rates, according to the latest XSI Public Indices report from the market intelligence platform Xeneta. January’s XSI shows one of the highest ever monthly rate increases, with a global jump of 5.9%. This leaves the index 4.5% up year-on-year, with few signs of relief on the horizon.

“The temperature of the long-term contracted market is currently through the roof, with congested ports, a lack of equipment and lop-sided demand putting container shipping companies in a position of unparalleled strength during negotiations,” said Xeneta in a [press release](#) from 26 January.

“The high spot rates seen on key trading lanes over the past few months have cascaded down into contracted agreements, putting the squeeze on shippers worldwide,” said Patrik Berglund, CEO of Xeneta. “The reasons behind this are complex, but it’s driven by strong export traffic from China that far outstrips imports, leaving containers marooned in, for example, European ports when they’re desperately needed back in the Far East. Added to that you have extreme congestion at some hubs - Maersk recently reported that between 30-35 ships were waiting to berth at Los Angeles/Long Beach – pushing up waiting times. And then there’s the ongoing impact of COVID-19, with increased online sales married to disruptions in supply chains,” he explained.



Looking ahead, Mr Berglund said: “We can no doubt expect further change. We know that Beijing is keen to stabilise rates and protect exports. So, if we begin to see importers abandoning exports from Asia due to extortionate rates, then expect the authorities to step in.”



Customs & Trade

INTERNATIONAL CUSTOMS DAY

On 26 January, the global Customs community celebrated this year's International Customs Day (ICD). Although representatives of Customs administrations around the world could not gather at World Customs Organization's (WCO) Headquarters in Brussels to mark the day, the WCO Secretary General, Dr Kunio Mikuriya, delivered his message in a [recorded video](#). Dr Mikuriya announced that the 2021 ICD will be celebrated under the slogan: "Customs bolstering Recovery, Renewal and Resilience for a sustainable supply chain" and invited Customs administrations to implement the theme throughout this year and beyond.



Dr Mikuriya noted that, as societies move resolutely towards a post-pandemic future in 2021, the Customs community, in collaboration with its partners and stakeholders, will be focusing on recovering from the pandemic and providing support to people and businesses by promoting Renewal efforts along the global supply chain. These efforts are geared towards building Resilience and seeking ways to drive the Recovery process through enhanced collaboration and embracing the digital transformation, along with other advanced technologies, to enable Renewal. This will all

be achieved, Dr Mikuriya added, by putting "people" at the centre of change for a Resilient and sustainable supply chain.

The European Commission's DG TAXUD also shared a [recorded video](#) of the European Commissioner for Economy Paolo Gentiloni, congratulating all customs officers in Europe and around the world for their determination and resilience. Commissioner Gentiloni recognised the importance and professionalism of EU customs and highlighted that a well-functioning Customs Union is crucial for EU's recovery after the pandemic. 'We should not forget what makes us a real Union: Our shared values. The ability to cooperate. Our willingness to exchange information. And our drive to help one another improve', said Commissioner Gentiloni.

WCO SUPPORT FOR VACCINE DISTRIBUTION

In this new stage of the COVID-19 pandemic, in which vaccines are ready for distribution, the WCO Council has tasked the WCO Secretariat to work with relevant international organizations to develop guidance materials to facilitate the cross-border movement of situationally critical medicines and vaccines, including highlighting existing HS classification for critical medicines, vaccines and associated medical supplies necessary for their manufacture, distribution and use.

To that end, the WCO's Tariff and Trade Affairs Directorate, in close cooperation with the World Health Organization, has prepared a [new HS classification reference](#) for vaccines and the medical



consumables normally used during the vaccination process, including the equipment used for their storage and transportation.

The WCO has also developed a dedicated [webpage](#) that provides more information about the tools, guidance materials and best practices that can support Customs administrations and their stakeholders worldwide to support the COVID-19 vaccine distribution effort.

Rail

2021 IS THE EUROPEAN YEAR OF RAIL

In the context of the European Year of Rail, the European Commission launched a [website](#) providing further information on the European Year of Rail, as well as an overview of planned activities. The European Commission will put rail in the spotlight throughout 2021 with a number of activities across the continent, to encourage the use of rail by both citizens and businesses and to contribute to the EU Green Deal.



2021 will also represent an important step towards the Single European Railway Area as the 4th railway package will celebrate its first full implementation year. The Commission's legislative agenda will also reflect the European Year of Rail, with proposals on a new rail industrial partnership, better links for rail with other modes of transport, and making freight transport more sustainable overall, as outlined in the

Commission's recently adopted Sustainable and Smart Mobility Strategy.

CLECAT welcomes the inclusion in the Smart and Sustainable Mobility Strategy of a revision of the Rail Freight Corridors Regulation and the TEN-T Regulation as these two Regulations need to be addressed together. It will be essential to address the issue of capacity management during the impact assessment of the Rail Freight Corridors Regulation introducing clear priorities for rail freight on the corridors.

POCKET WAGON BAN EXTENDS TO ALL OF DENMARK

Following the [investigation into the incident](#) of 14 January on the Great Belt Bridge between Denmark and Sweden (CLECAT NL 2021/03 refers), the Danish Accident Investigation Board has extended the ban on pocket wagons. The new general ban will last for fourteen days at least and applies to the entire country of Denmark. The initial ban applied only to the Great Belt Bridge where the incident took place, with 27 January as a deadline. Furthermore, the Accident Investigation Board also [issued a safety alert](#) to other European safety organisations concerning the specific type of kingpin lock.

Source: [Danish Transport Ministry](#), [Railfreight](#)



Air

COUNCIL MANDATE ON COVID-19 SLOT RELIEF

On 27 January, the Member States' ambassadors in the Council's Permanent Representative Committee (Coreper) agreed on a [negotiating mandate](#) for granting airlines relief from airport slot use requirements for summer 2021, based on the [legislative proposal](#) adopted by the European Commission in December 2020.

Under the [general EU airport slot requirements](#), airlines must use at least 80% of their take-off and landing slots in order to keep them the following year, the so-called use-it-or-lose-it rule. The Council text grants airlines the possibility to return 50% of their slot series but expects them to use at least 50% of the remaining slots.

Furthermore, the Commission shall be empowered to adopt delegated acts for one year to cover the following two seasons. With these acts, the Commission may change the minimum utilisation rate to between 30% and 70%. This grants the necessary flexibility to adapt to different air traffic levels based on traffic data and forecasts and other indicators.

Source: [Council of the European Union](#)

EASA DECLARES BOEING 737 MAX SAFE TO RETURN TO SERVICE

The European Union Aviation Safety Agency (EASA) gave its seal of approval for the return to service of a modified version of the Boeing 737 MAX, mandating a package of software upgrades, electrical wiring rework, maintenance checks, operations manual updates and crew training which will allow the plane to fly safely in European skies after almost two years on the ground.

The Boeing 737 MAX was grounded worldwide in March 2019 following the second of two accidents within six months, which together claimed 346 lives. The root cause of these accidents was traced to software known as the MCAS (Maneuvering Characteristics Augmentation System), intended to make the plane easier to handle. However, the MCAS, guided by only one Angle of Attack (AoA) sensor, kicked in repeatedly if that sensor malfunctioned, pushing the nose of the aircraft downward multiple times. In both accidents, pilots finally lost control of their plane, resulting in a crash with total loss of aircraft.

Source: [EASA](#)

Sustainable Logistics

NEW STUDY ON DECARBONISING SME ROAD FREIGHT CARRIERS

A new study from the Smart Freight Centre (SFC) and the Centre for Sustainable Logistics and Supply Chains (CSLS) at Kühne Logistics University (KLU), entitled "[Decarbonising the operations of small and medium-sized road carriers in Europe](#)", highlights the crucial role that small carriers play in achieving



zero-emission road freight transport in Europe. The report finds that carriers need to strengthen their current commitments, for which multi-stakeholder collaborations will be essential.

The study shows that there are important differences regarding the ability of carriers to decarbonise, depending on their fleet size. While the vast majority of carriers acknowledge the importance of decarbonising the road freight sector, operators with larger fleets are in a better position to undertake concrete steps to bring down transport-related GHG emissions. The majority of carriers with under 20 vehicles, on the other hand, see little or no business opportunity in decarbonising their operations. The study finds that besides the associated costs, uncertainty about customer demand, emission reduction measures and new energy technologies are clear barriers for carriers. As a result, many of them lack basic emission calculation capabilities and available operational and technical fuel efficiency measures are often not implemented.

Given the power that buyers of freight have within the road haulage market, the current lack of customer pressure partly explains the lack of engagement from the carrier base and wide perception that cutting emissions yields little commercial benefit. The researchers therefore list a number of recommendations for shippers and LSPs, which include:

- Lengthening freight contracts and tying them to investments by the carrier in fuel efficiency measures. This helps to remove business risks and reduce the uncertainties associated with fuel/GHG-reducing investments;
- Setting minimum requirements for decarbonisation and emission reporting in freight tenders. These can range from vehicle emission standards to good environmental practice. This creates market pressure, showing carriers that the topic matters and that emissions-reduction efforts are being rewarded.
- Assisting carriers with upfront investments via co-investment schemes or green freight surcharges or other financial support mechanisms and models. Support may also come from collaborative efforts involving several freight buyers.

More information available [here](#).

Forthcoming Events

CLECAT MEETINGS

CLECAT Supply Chain Security Institute

3 February 2021, Online

CLECAT Customs and Indirect Taxation Institute

4 February 2021, Online

CLECAT Air Logistics Institute

5 February 2021, Online

CLECAT Road Logistics Institute

9 February 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

24-25 February 2021, Brussels

European Parliament Plenary

8-11 February 2021, Brussels

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