

UKRAINE/RUSSIA CRISIS: EU DECISIONS AND IMPACTS ON FREIGHT TRANSPORT - 18 MARCH

EU stands with Ukraine – Transport measures

In response to Russia's invasion of Ukraine, the EU stands in solidarity with Ukraine. The European Commission has opened a <u>webpage</u> collecting information on transport measures for both the people fleeing from Ukraine and an overview of measures designed to help Member States, transport operators and workers continue transport operations and support the transport of refugees and humanitarian aid.

Commissioner Valean for Transport referred in a <u>speech</u> to the European Parliament earlier this week to the actions of the transport sector. There are too many operators to list here, but we have seen bus, train and ferry companies across Europe – and even one airline – offering free travel to those in need. National road haulier associations are also coordinating offers of transport for refugees. These shows of solidarity make me extremely proud, both as a European, and as Commissioner for Transport.'

18 March

The Polish government has opened a <u>portal</u> in support of the **organisation of humanitarian aid to Ukraine**. The portal is accessible in Polish, English and Ukrainian and provides lists of products and resources that can be donated. Entities wishing to send humanitarian aid must fill a form under the section "I want to help". Please note that a certified digital signature is needed to submit the form. For donations of 30 Euro-pallets or more (or in the case of medicines more than 10 Euro-pallets), instructions are provided <u>here</u> (in Polish and English).



12 March

The European Commission issued a <u>draft Communication</u> for a State aid **Temporary Crisis Framework to support the EU economy** in the context of Russia's invasion of Ukraine. Following consultation with Member States it is expected that the Communication will be adopted in the coming days. The measures are based on Article 107(3)(b) TFEU, which allows aid to be granted to remedy a serious disturbance across the EU economy.

The draft Communication outlines the conditions to determine whether State aid measures such as **liquidity support in the forms of guarantees and subsidised**

loans, or aid for additional costs due to exceptionally high gas and electricity prices are compatible with Art. 107(3)(b) TFEU.

Temporary support for exceptionally high gas and electricity prices may be granted for the gas and electricity consumption of companies from 1st March 2022 to 31st **December 2022**, in the forms of direct grants, tax and payment advantages, loans or guarantees. The aid must not exceed 30% of the eligible costs, up to a maximum of \in 2 million. For energy-intensive businesses, which suffer from operating losses resulting from the increase in energy prices, the aid must not exceed 25% of the eligible costs, can amount to a maximum of 80% of the operating losses and up to \in 25 million per undertaking.



15 March

The new set of EU sanctions in <u>Council Regulation (EU) 2022/428</u> and <u>Council Decision (CFSP) 2022/430</u> includes a **ban on all transactions with certain Russian state-owned transport companies including Russia's largest carrier Sovcomflot**. As of 15 March, any EU individual or company will violate EU sanctions if they directly or indirectly engage in any contract, investment or transaction with this company.



More forwarders seek alternatives to China-Europe rail services through Russia. Trains are still running along the Trans-Siberian route, but Russian Railways has been sanctioned, so European forwarders have suspended bookings through the country. The bulk of traffic from China into Europe passes through Russia and Belarus. Whilst there is no disruption of this corridor at the moment, increasingly more companies are withdrawing from the Russian market in response to Russia's military aggression against Ukraine.

The <u>Loadstar</u> reported that Chinese traders are also getting nervous. According to local media, some have stopped orders as they evaluate the potential impact of sanctions, including on insurance and payment settlement. As a result, the weekly China-Europe train from Shanghai has reportedly seen a 40% drop in bookings and its frequency reduced. Similarly, the Silk Road freight train from Vietnam has been suspended. The service, which operates via Zhengzhou, was <u>established</u> in July following surging demand in South-east Asia for non-sea or -air cargo options and heavy truck congestion on the Vietnam-China border.

The alternative route is the Middle Corridor (Turkey, Caspian Sea, Kazakhstan), however, transport on this route is facing significant bottlenecks, especially due to capacity shortages and inefficient links, particularly relating to the Caspian Sea. Overall, the Middle Corridor's capacity is only at about 3-5% of the volumes

transiting on the Northern Corridor through Russia, leading to a reduced level of reliability compared with the Northern corridor. One forwarder told The Loadstar: "We are about to test the southern lane via Baku and Istanbul. The first train will depart 31 March from Xian, and they are advising it will take around 35 days to Germany – personally, I think it will take longer." The Middle Corridor could be a good option, but it needs of lot of new infrastructure and try to avoid the reloading process, because they have more than seven or eight reloading processes before arrival in Europe.



17 March

The European Union Aviation Safety Agency (EASA) published a <u>Safety</u> <u>Information Bulletin</u> (SIB) warning of the increased probability of problems with Global Navigation Satellite Systems (GNSS) in the current context of the Russian invasion of Ukraine.

The SIB proposes mitigation actions to be taken by the National Aviation Authorities, Air Navigation Service Providers and air operators to address the issue that spoofing and/or jamming has intensified in geographical areas surrounding the conflict zone and in other areas.

14 March

The European Union Aviation Safety Agency (EASA) published details of the implementation in the aviation sector of the restrictive measures imposed by the European Union against Russia following its military invasion of Ukraine.

The published <u>Notice to Stakeholders</u> has the intent to inform all interested parties in the aviation sector of the <u>actions taken by EASA</u> to implement these restrictive measures with respect to EASA applicants and certificate holders. The notice also provides further information on the impact of those restrictive measures on some of the rights and obligations of the aviation undertakings under the aviation safety rules falling under the scope Regulation (EU) 2018/1139.

This is complemented by a detailed list of <u>EASA certificates and approvals</u> which have been suspended in application of those restrictive measures.



The European Commission's DG TAXUD is organising an ad hoc meeting of the Trade Contact Group (TCG) to discuss the **impact of the war in Ukraine on trade and logistics**, as well as any issues and questions related to the enforcement of the EU sanctions and trade restrictions against Russia and Belarus. In this context, DG TAXUD has invited **CLECAT to provide a short factual update** on

challenges and issues that members experience regarding particularly the following:

How is the situation evolving with regard to:

- Preferential trade with Ukraine
- Trade with the Russian Federation and the Republic of Belarus
- Transport routes, logistic hubs, ports and border crossing points

What are the challenges in context of:

- Enforcement of sanctions and trade restrictions (import, export, transshipment)
- Structural risks of circumvention (import and export)

We invite members to a **meeting on Wednesday 23 March, from 09:30 to 10:30 CET**, for an exchange of views on the above issues and to prepare CLECAT's input to the meeting. In case you are unable to join the meeting, we kindly invite you to send your specific issues/questions in writing to the Secretariat. Below you will find the connection details for the WebEx meeting:

Click here to join the meeting

Meeting number (access code): 2360 021 2671

Meeting password: MCm7DmG4Gi2 (62673644 from phones and video systems)

Alternatively, you can join by phone: +32-262-00867 Belgium Toll (<u>Global call-in</u> <u>numbers</u>).

On 18 March, the European Commission published a <u>set of Frequently Asked</u> <u>Questions (FAQ)</u> on export-related restrictions concerning dual-use goods and advance technology items. The guidance aims to support exporters and national competent authorities in implementing the export restrictions put in place by the EU following Russia's attack on Ukraine.

More information about the EU sanctions on Russia and Belarus is available on the <u>Commission's dedicated webpage</u>.