

# UKRAINE/RUSSIA CRISIS: EU DECISIONS AND IMPACTS ON FREIGHT TRANSPORT

As a result of the Russia/Ukraine crisis, the European Union and other regulators placed an unprecedented range of sanctions on Russia/Belarus and no doubt more sanctions will follow.

Updates on EU sanctions can be found on the <u>EU Sanctions Map</u>. These sanctions will have a global impact and will affect apart from air freight logistics also maritime logistics supply chains, rail freight operations (silk road) and the road sector in the European Union.

CLECAT welcomes all efforts to ensure financial measures are carefully coordinated at global level and welcomes the work of national associations with their national governments to find ways to avoid further supply chain disruptions. CLECAT will keep members informed on EU decisions, national and business driven initiatives and impacts on freight forwarders. Members are also invited to share information with the Brussels secretariat so we can share this more widely with CLECAT members.

# **EU DECISIONS**

<u>Council Regulation (EU) 2022/328</u> of 25 February 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions

<u>Council Regulation (EU) 2022/334</u> of 28 February 2022 amending Council Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine

<u>Council Decision (CFSP) 2022/335</u> of 28 February 2022 amending Decision 2014/512/CFSP concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine imposed further restrictive measures prohibiting **Russian air carriers**, any Russian-registered aircraft, and any non-Russian-registered aircraft which is owned or chartered, or otherwise controlled by any Russian natural or legal person, entity or body from landing in, taking off from, or overflying, the territory of the Union. It also prohibits any transactions with the Central Bank of Russia.

<u>Council Regulation (EU) 2022/263</u> of 23 February 2022 concerning restrictive measures in response to the recognition of the non-government-controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those areas.

# **ROAD**

## 1 March

Poland will apply exemptions from the toll for heavy goods vehicles with a maximum permissible weight of more than 3.5 tons registered in the territory of Ukraine, in particular those which are unable to pay the toll due to problems with their banking systems.

In view of the war situation resulting from Russia's attack on Ukraine and thus the rapidly growing humanitarian crisis, Poland will also exempt from tolls trucks transporting humanitarian aid on the territory of Ukraine, regardless of the country of registration of registration of such vehicle.

## 25 February

IRU published an <u>open letter</u> calling on governments leaders and authorities in Europe and Eurasia to **prioritise passage and protect blocked truck drivers in Ukraine crisis**. The situation is evolving rapidly, but IRU estimates that at least **12,000 truck drivers are currently stuck in Ukraine** and the wider region. Many are waiting to transit into the EU, including drivers of many nationalities who were in the middle of routine deliveries yesterday in Ukraine. Borders between Ukraine and EU countries are open, however long queues are reported and drivers face an estimated wait of 2-4 days to cross. IRU therefore calls on all relevant authorities in the region to:

- **Temporarily waive visa and permit requirements**, or rapidly provide transit visas, for commercial drivers of all nationalities attempting to return home via alternative routes.
- Ensure rapid border passage for commercial vehicles.
- Temporarily waive driving, rest or working time rules for returning drivers if needed.

Provide humanitarian facilities for stranded drivers.

## MARITIME

#### 1 March

Efforts are underway to close EU ports for Russian ships (unconfirmed as of when).

# Forwarders are advised to keep an eye on strategies of carriers to impose D&D charges when containers are rerouted and discharged in other ports.

<u>Maersk</u> has temporarily decided to **stop bookings of container freight to and from Russia**, with the exception of foods, medicine and humanitarian supplies (bar dual-use items). The suspension will begin today and cover all Russian gateway ports. Maersk intends to deliver cargo already underway and bookings placed before this suspension to their intended destination. The carrier warned its customers **significant delays can be expected as countries such as the Netherlands, Belgium and Germany are holding back vessels en route to Russia in search of restricted commodities**, primarily dual-use items. The inspections of export and transhipment cargo bound for Russia are related to implementing procedures to comply with sanctions and export controls recently imposed by different jurisdictions.

<u>MSC</u> has introduced as of 1 March, with immediate effect, a **temporary stoppage on all cargo bookings to/from Russia**, covering all access areas including Baltics, Black Sea and Far East Russia. MSC will continue to accept and screen bookings for delivery of essential goods such as food, medical equipment and humanitarian goods.

#### 28 February

<u>MSC</u> has introduced some operational contingencies and, as of 24 February 2022, has **stopped accepting new bookings for cargo to/from Ukraine**. For the time being MSC ships will not call at Ukrainian ports and will implement various other operational changes to other vessels in the region to make use of our wide Black Sea port network. In such cases MSC will declare the voyage as ended in the last port prior to Ukraine.

<u>Maersk</u> has decided **not to call any ports in Ukraine until further notice** and will stop the acceptance of orders to and from Ukraine until further notice. Cargo currently en route to Ukraine is being planned for discharge in Port Said, Egypt and Korfez, Turkey. You will find below the list of commercial decisions taken by Maersk:

- Free Change of Destination services, subject to re-stowage and shifting costs.
- No cancellation fee on active bookings to and from Ukraine.

- Interim stop of the Detention and Demurrage clock for containers in Ukraine until March 3rd, 2022, where the D&D responsibility lies with Maersk.
- Flex Hub Lite access to up to 28 days free time in selected hub ports. This is a chargeable service that comes at a fixed cost of US \$800.

<u>Hapag Lloyd</u>: As of 24 February, the carrier **stopped booking to and from Ukraine and temporarily suspended booking to and from Russia**. All cargo en route to the port of Odessa will be discharged in Constanta, Romania, and all cargo en route to the port of Novorossiysk will be discharged in Istanbul, Turkey.

<u>CMA CGM</u> has decided to **suspend all vessel calls to Ukraine as of 24 February** and until further notice. As a result:

- The BEX and BSMAR services will omit Odessa, Ukraine.
- Bookings to and from Odessa are suspended.
- The floating cargo to Ukraine will be redirected to the ports of Constanza (Romania), Tripoli (Lebanon) or Piraeus (Greece).

<u>ONE</u>: Booking acceptance to and from Odessa, Ukraine and Novorossiysk, Russia is to be suspended with immediate effect until further notice. Booking acceptance to & from St. Petersburg, Russia is suspended with immediate effect until further notice whilst evaluating the operational feasibility.

# RAIL

## 27 February

The EU introduced sanctions on Belarus in response to its aid to Russia. For the time being, transit traffic through Belarus remains possible.

## 26 February

The Ukrainian state rail service announced that all railway track from Russia to Ukraine have been destroyed by Ukraine's armed forces. This severely impacts Ukraine's infrastructure, which was providing an important gateway on the New Silk Road. The state rail service noted that it would reorient its traffic to Europe and continue its operations on the New Silk Road bypassing Russia.

#### 25 February

According to <u>Council Regulation 2022/328</u>, 'it shall be prohibited to directly or indirectly purchase, sell, provide investment services for or assistance in the issuance of, or otherwise deal with transferable securities and money-market instruments, issued after 12 April 2022', including Russian Railways.

As a result, it becomes very difficult to work with Russian Railways, impacting on transit on the New Silk Road through Russia.

#### 24 February

Rail freight traffic between Ukraine and Russia was suspended.

## <mark>AIR</mark>

#### 28 February

Further sanctions on Russia were introduced through <u>Council Decision (EU) 2022/335</u> and <u>Council Regulation (EU) 2022/334</u> affecting the aviation sector. These **prohibit any aircraft operated by Russian air carriers,** including as a marketing carrier in code-sharing or blocked-space arrangements, or for any Russian registered aircraft, or for any non-Russian-registered aircraft which is owned or chartered, or otherwise controlled by any Russian natural or legal person, entity or body, to land in, take off from or overfly the territory of the Union.

By way of derogation, the competent authorities of EU Member States may authorise an aircraft to land in, take off from, or overfly, the territory of the Union if the competent authorities have determined that such landing, take-off or overflight is **required for humanitarian purposes** or for any other purpose consistent with the objectives of this Regulation.

Additionally, the Regulation stresses that it shall be **prohibited to participate**, **knowingly and intentionally**, **in activities the object or effect of which is to circumvent prohibitions in this Regulation**, including by acting as a substitute for natural or legal persons, entities or bodies referred to in the Regulation, or by acting to their benefit by using the existing exceptions.

#### 24 February

The European Union Aviation Safety Agency (EASA) published a <u>Conflict Zone Information</u> <u>Bulletin (CZIB) for Ukraine</u>, which is now an active conflict area. Since its publication, the CZIB has been updated twice.

Under the circumstances connected to the launch of military activities over the territory of Ukraine, the affected airspace and critical infrastructure over partial or the entire territory of Ukraine, Russia, Moldova and Belarus, including airports, are exposed to military activities which result in safety risks for civil aircraft. In particular, there is a risk of both intentional targeting and misidentification of civil aircraft. The presence and possible use of a wide range of ground and airborne warfare systems poses a high risk for civil flights operating at all altitudes and flight levels.

As a result, **operators should not operate within the aforementioned airspace, including landing and departures from airports located in the affected airspace**. Additionally, operators should exercise caution when operating in the whole FIR Moscow (UUWV) due to heightened military activity which may include launches of mid-range missiles penetrating into controlled airspace. Operators are reminded that operations within FIR MINSK (UMMV) are prohibited in accordance with EASA Safety Directives SD-2021-02 and SD-2021-03.

# **CUSTOMS & TRADE**

## 25 February

The trade provisions of the package of sanctions adopted on 25 February are set out in <u>Council</u> <u>Regulation (EU) 2022/328 amending Regulation (EU) No 833/2014 concerning restrictive</u> <u>measures in view of Russia's actions destabilising the situation in Ukraine</u>. The major trade restrictions include:

- 1. A prohibition on the sale, supply, transfer or export of **dual-use**\* goods and technology, to Russia or for use in Russia.
- 2. A prohibition on the sale, supply, transfer or export, of specific goods and technology, listed in the Regulation, which might contribute to Russia's **military** and **technological enhancement**, to Russia or for use in Russia.
- 3. A prohibition on the sale, supply, transfer or export, of specific goods and technology, listed in the Regulation, suited for use in **oil refining**, to Russia or for use in Russia.
- 4. A prohibition on the sale, supply, transfer or export, of specific goods and technology, listed in the Regulation, suited for use in **aviation** or **space industry**, to Russia or for use in Russia.
- 5. For each of the aforementioned prohibitions on exports of goods and technology, there is a corresponding prohibition on the provision of **technical assistance**, **brokering services** or **other services**, including **financial services**, related to the goods and technology.

\*Dual-use goods are items that have both a civilian and military application. They are identified in <u>Regulation (EU) 2021/821 setting up a Union regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items</u>.

These prohibitions apply irrespective of whether the goods or technology originate in the EU or not.

The Regulation sets out specific grounds on which the exporters can apply for a partial or temporary exemption from the prohibitions. These grounds include humanitarian, medical applications, maritime safety, software updates, and for the execution of contracts entered into prior to 26 February 2022. Applications must be submitted in accordance with the procedure set out in the Regulation. However, the grounds for derogations are much narrower in respect of specific end-users, listed in the Regulation, affiliated with the Russian military.

All EU sanctions regulations have direct effect in all Member States of the EU, and, as such, are legally binding on all natural and legal persons in the EU. Private companies, therefore, have an obligation to ensure that they are in full compliance with these new measures. A natural or legal person who contravenes a provision of an EU sanctions regulation shall be guilty of an offence and liable to prosecution.

## 23 February

The package of sanctions adopted on 23 February came in response to the decision by the Russian Federation to proceed with the recognition of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine as independent entities. The trade provisions of the package are set out in <u>Council Regulation (EU) 2022/263 concerning restrictive measures</u> in response to the recognition of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine and the ordering of Russian armed forces into those areas. The Regulation includes provisions restricting certain trading activities, both export and import, with the non-government controlled Ukrainian territories of Donetsk and Luhansk. It provides that, for the specified territories of the non-government controlled areas of the Donetsk and Luhansk oblasts of Ukraine:

- 1. It is prohibited to import into the European Union goods originating in the specified territories.
- 2. It is prohibited to sell, supply, transfer, or export specified goods and technology, listed in the Regulation, suited for use in the telecommunications, transport, energy and oil production sectors, to any natural or legal person, entity or body in the specified territories, or for use in the specified territories.
- 3. It is prohibited to provide technical assistance or brokering services related to the goods and technology listed in the Regulation, or related to the provision, manufacture, maintenance and use of such items, to any natural or legal person, in the specified territories or for use in the specified territories.
- 4. It is prohibited to provide technical assistance, or brokering, construction or engineering services directly relating to infrastructure in the specified territories, in the telecommunications, transport, energy and oil production sectors, defined on the basis of the listed goods and technologies. This prohibition is independent of the origin of the goods and technology.

The Regulation sets out specific grounds on which the exporters can apply for a partial or temporary exemption from the prohibitions. These grounds include use in connection with medical applications or education establishments and for contracts concluded prior to 23 February 2022.

Exporters should be aware that existing sanctions, which includes restrictions on exports of 'Dual-use' items and goods for use in oil exploration and production, pursuant to <u>Council</u> <u>Regulation (EU) No 833/2014 of 31 July 2014</u> concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine, remain fully in effect.