



CLECAT

European association for forwarding, transport, logistic and customs services

REDUCING ADMINISTRATIVE BURDENS IN SHORT SEA

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European Association

for forwarding, transport, logistic and Customs services

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SHORT SEA CONFERENCE, Bilbao, March April 13th 2011

Bringing Short Sea Shipping to all

- CLECAT, the snapshot
- Logistics Service Provider: what for? Why logistics?
- Clecat and the Maritime Space without Barriers:
 - [e-maritime conference](#)
- Overview of logistics & facilitation issues as discussed at the Clecat FFC 2010
- European transport landscape and issues affecting Blue Belt
- Practice: is best practice the enemy of good practice?
- Case Study: advance information filing for security purposes

CLECAT, the snapshot

■ CLECAT is

- an international non profit association, regularly registered in Belgium and the EU register of interest representatives

■ CLECAT has

- 26 MEMBERS, with EU+ coverage (NO, CH, TR, UKR)
 - Freight Forwarders, Logistic & Customs service providers national federations and confederations
 - Related Interest representatives are non-voting Members
- The type of **COMPANIES**
 - Global players
 - SME's and regional operators
 - Small & family businesses
- **A policy mission:**
 - EU legislation in transport, logistics and Customs
- **NUMBERS** (Full Members only = EU only):
 - Over 19.000 companies, over 1 million direct FTE's
 - Business coverage: ≈ 90% of Customs, ≈ 70% maritime, ≈ 90% air, ≈ 50% road and rail operations in Europe



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LSP, a trade facilitator

Freight forwarders evolved from port agents to

LSP's, the main "facilitator" of modern trade

- By providing a practical "single window" for all customers
- By using all transport modes to the full of their potential
- By providing direct link between production and markets, with increased efficiency and contained costs
- By enlarging the commercial horizon of manufacturers, making far away markets accessible to SME's
- By beating inflation and enhancing return on investments

Maritime services are one element of the big logistic picture, clearly all existing and future facilitation (e.g. Blue Belt) is welcome

These achievements are possible if affordable costs & sufficient trade-offs are available.

Why logistics matter

- Logistics: how much is it worth? EU Commission' assessments come to different figures (13-14%, 6-7%, less than 5% of EU GDP)
- Logistics grew in two decades up to 30 → 50% of the value chain (different values are reported according to the maturity of the market)
 - EU logistics sector has steady growth +/- 5% a year
 - EU logistics are world leaders and this situation should be preserved
 - EU business needs successful logistics providers in global competition
- For Logistics providers to compete successfully
 - Sufficient and well maintained infrastructure
 - Sufficient and sufficiently trained personnel
 - Efficient and reliable transport services in all modes
 - Business friendly regulatory environment
 - Acceptable levels of structural charges
 - Excellence in facilitation tools
 - Drive and conditions to promote innovation
- Does the Blue Belt concept answer any of the above?

Enabling EU SMEs growth

The Challenge

- Distribution through wholesalers eats into margins
- Current infrastructure does not allow reach to enough consumers
- Wider access to customers necessary to beat the competition
- Security concerns because of high-value products

The Approach

- Partner with logistics service provider to limit wholesalers' involvement and reach more consumers
- Joint strategy to build necessary infrastructure
- Trusted partner to counter security concerns

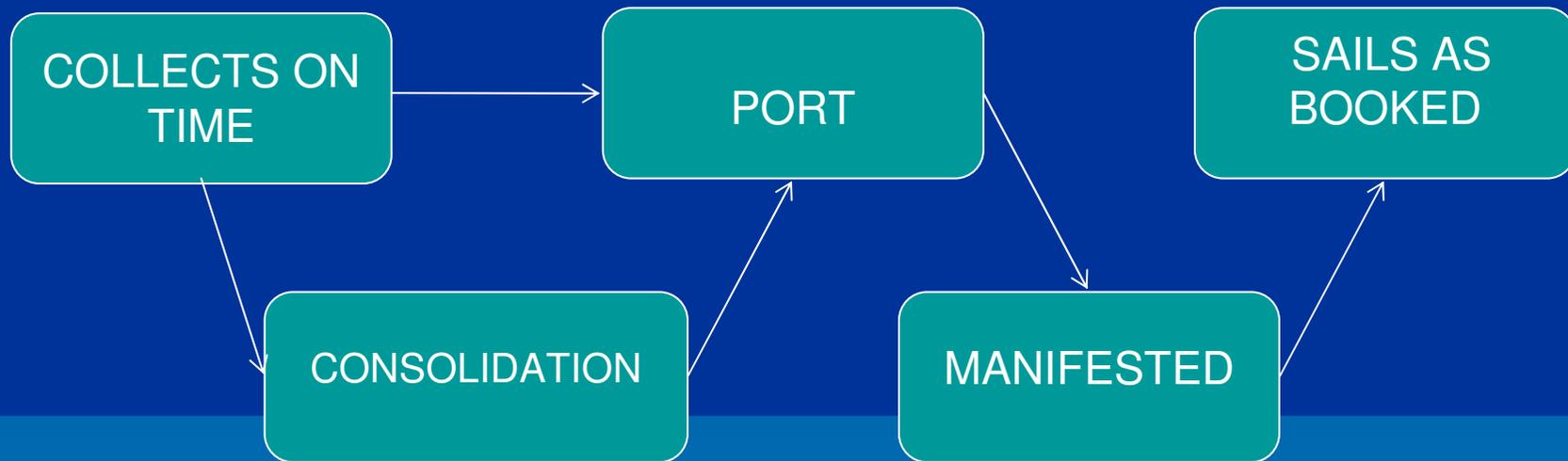
Source: DHL

Grow by
70-80% in
five years

A European exporter wishes to grow sales of its high-value product in a developing market

A FORWARDERS PERSPECTIVE

THE IDEAL



EVERYONE IS HAPPY

A FORWARDERS PERSPECTIVE

THE REALITY: MANAGING CHALLENGES!
YES, THE IDEAL IS ACHIEVABLE BUT....

LATE
REQUESTS

PAPERWORK

CONSOLIDATION
ISSUES

TRANSHIPMENT

TRAFFIC
CONGESTION

CUT OFF
TIME IS NOT
MET

HAZ
GOODS

SECURITY

CARGO
BOUNCED

PACKAGING
ISSUES

CUSTOMS

24 HOUR
ISSUES

WEATHER

Dealing with complexity

Customers face complexities:

- Tendering processes
- Performance measurement
- Different trade habits
- Security constraints
- Non-harmonised Customs procedures
- Complex reporting procedures
- Documentation overload

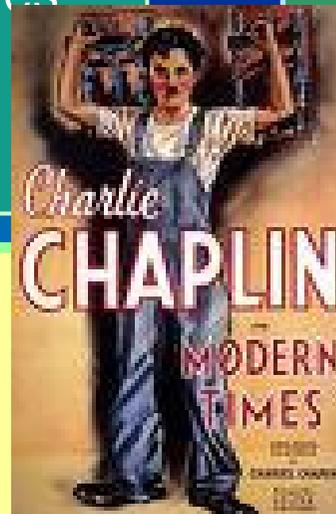
Once Upon a time:

- Extended time to market
- Simple supply chain, few suppliers, few deliveries
- Large stocks available
- Many transactions, not too many...

Tighter time to market

Longer and more complex supply chains

Multiple sourcing and dispersed deliveries





**Freight
forwarders
make this
picture
simpler
and more**



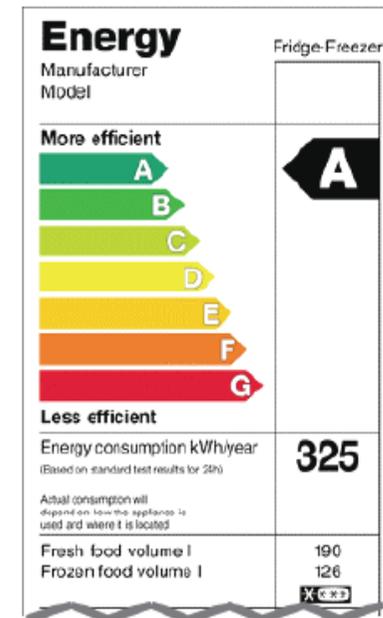


FIEGE

The World of Logistics

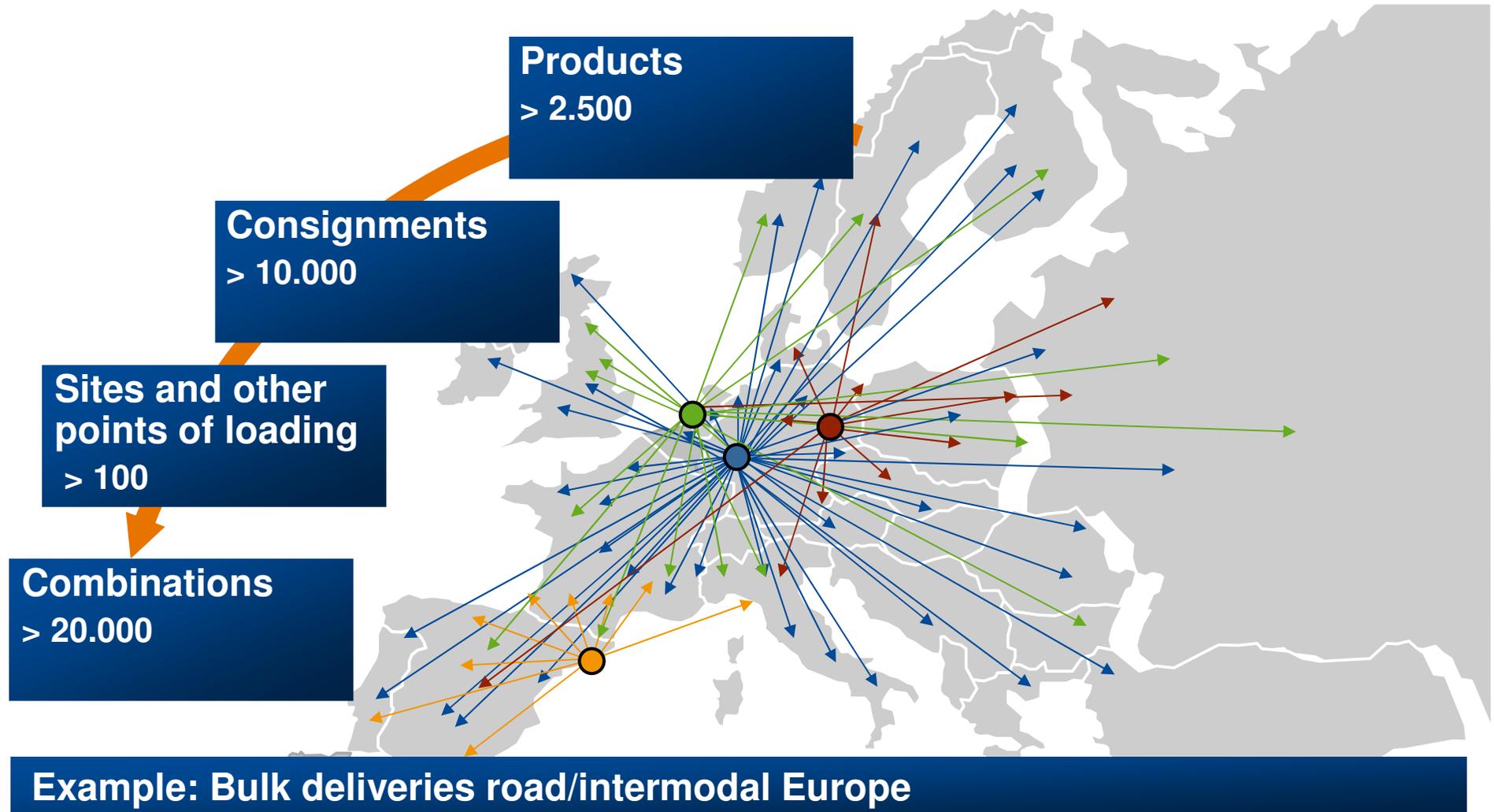
The way to Green Logistics

- Official standard for CO₂ calculations
- Only what gets measured, get's done! The three steps: Measure – Reduce – Replace
- Collaborations across all partners along the supply chain: customers, industry partners, logistics, retail and competitors
- Willingness to remunerate environmental measures – starting from the beginning of the value chain, the Consumer!



In any case logistics is ready.

Procurement Logistics Services Surface Transportation Services – Europe



European transport business landscape

- Public & private companies
 - Road predominantly private, rail on the way to privatisation
 - Air and sea business:
 - M&A in the sea created large globalised corporations
 - EU carriers: from flag carriers to businesses for goods and passengers
- Environment and security concerns pose serious challenges for small and medium size enterprises
 - Environment regulations not always tuned to freight (see LCV CO2 regulation)
 - Security in supply chains, the issue is conciliating protection and facilitation. A new business?
- There is a big problem of insufficient infrastructure
 - Public-private cooperation in infrastructure and services – always a good idea?
 - Blue Belt should not become an excuse to sidestep the infrastructure issue

Modal shift: a flop?

- A forced modal shift is unrealistic and it is a false political objective
- Modal Shift policy has been a money guzzler, wasting resources that could have been used to achieve more efficiency for business as well as for the environment
- The money spent on modal shift has moved little cargo away from the road because of
 - greater efficiency and flexibility of road transport
 - inability of the rail market to accommodate more cargo
 - Rail freight services have actually moved farther away from freight customers (e.g. abandoning the single wagon load)
 - IWT is doing what it can, but it has clear geographical constraints
- BLUE BELT, more than modal shift a mind shift → moving ships as though they were aircraft, with consequent advantages
- The remaining issue is: how do we handle community and non community goods on the same ship?

From the best practice handbook

➤ 73. Eurobridge Gothenburg-Ghent (DFDS/ Sweden) [page 58]

- Aim: Reduce CO2 emissions.

Method: EuroBridge is an intermodal logistics system linking Sweden and Belgium for further transport in Europe via the ports of Göteborg and Ghent.

The EuroBridge integrates maritime and land transport through an effective use of information

systems. Participating players are AB Volvo, Green Cargo and the Viktoria Institute.

Costs: unknown

Results: EuroBridge short sea shipping saves app. 161 km in regard to road transport between Gothenburg and Ghent.

Links/More information:

<http://www.povt.qren.pt/tempfiles/20071123185043moptc.pdf>

Smart - Sustainable Growth and EU Trade

- **Directive 2010/65/EU**: Simplify, harmonise administrative procedures (April 2012)
 - » Electronic transmission of information
 - » Rationalising reporting procedures
- **Single window** : Single transmission of reporting formalities in electronic format (June 2015)
 - » Available to various competent authorities
 - » Link SafeSeaNet, e-Customs and other electronic systems
- **eMaritime** - Foster the use of advance information technologies in the maritime transport sector
- **Blue Belt project**: Intra-EU maritime transport
 - » Surveillance technology
 - » Less administrative burden
- **Veterinary Checks**: Guidelines
 - » Speed-up checks on Intra-EU animal and plant maritime transport

A “Blue Belt” for short sea shipping

- Following the Commission’s Action Plan to establish a European maritime transport space without barriers[1], customs procedures will be facilitated for certain companies as of 1 January 2012[2], and port formalities as of 19 May 2012[3]. The objective is to facilitate intra-EU maritime transport in a “Blue Belt”, the sea area surrounding the European Union. In this Blue Belt, intra-EU maritime transport can be operated with as little administrative burden as possible, and “Blue Lanes” (i.e. fast-track procedures) will be created in ports for Community goods to ensure their speedy transit. Monitoring technologies, notably those developed by the European Maritime Safety Agency based in Lisbon (EMSA), will be used to control vessel movements and integrate them in seamless logistics chains originating and terminating in EU territory[4].

[1] COM(2009) 10 final of 21.1.2009.

- [2] Commission Regulation (EU) No 177/2010 amending Regulation (EEC) No 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code. OJ L 52 of 3.3.2010.
- [3] Directive 2010/65/EU of the European Parliament and of the Council on reporting formalities for ships arriving in and/or departing from ports of the Member States, O.J. L 283 of 29.10.2010.
- [4] In a further step, facilitation for Community Goods transported on ships navigating between EU ports but calling during the journey at a non-European port will be addressed.

What happens in practice?

- Air Cargo:
 - Goods loaded in a Community airport for consignment to another Community airport are deemed to be Community goods → no proof of Community status required
 - Air movements closely monitored
- Ocean cargo (in the majority of the cases, i.e. unless goods are moved by an 'authorised regular shipping service')
 - Community goods loaded in Community port for consignment to another Community 'lose' Community status → Community status must be demonstrated (T2L or other proof of Community status)
 - What if in the future the movements can be closely monitored?
- To be explained, more clearly, in the Blue Belt Implementation plan
 - Monitoring of ships may enable customs facilitation through amendment of the customs legislation
- Other side of the coin:
 - If goods keep Community status, the customs office of exit out of the Community will often be more remote than it is today.

Whilst we are waiting...

- Benefits, alleviating traders' burden:
 - Guarantee waivers and abatement of guarantees in return for good safety, security and Customs good compliance records
 - Re-use of publicly available information, avoiding duplications
 - Re-use of existing Customs import and export information
 - Single Window: local, national, international?
 - "Pull" paradigms instead of SW?
- Tools to provide framework simplification:
 - *Dual filing*
 - *Customs and security mutual recognition*

This is what we need:

The international trade community looks for uniformity, predictability, transparency and efficiency in their dealings [with Customs]. (*Stefan Aniszewski, Technical Officer, Compliance and Facilitation Directorate World Customs Organization (WCO) for OSCE CTN special*)

At present, there are filing issues

- Dual filing is not in the scope of EU rules, contrary to what trade habits would suggest:
 - The person responsible for lodging the declaration is the carrier, at master bill of lading level, often not contain all the elements required
 - The declaration may be lodged by another party without relieving the carrier's responsibility to ensure that all the incoming goods are covered, hence it needs the carrier's "knowledge and consent"
- With Dual filing, different parties provide data they already know:
 - Transport related information proper to the carrier submitted by the carrier
 - Trade related information by the importer or its representative (LSP or freight forwarder)
- Why others want to lodge the summary declaration?
 - To receive more benefits than a master level declaration would ensure
 - To ensure commercially sensitive information remains confidential
 - To ensure the accuracy of the declaration and avoid fines
- House bill of lading level data are often commercially sensitive, but interesting for risk analysis (may give the consignment a lower risk score), dual filing resolves this dilemma and would ensure both accuracy and confidentiality without encroaching on trade habits

Our Vision – and food for thought

- “The world’s most efficient and trade friendly customs procedures”

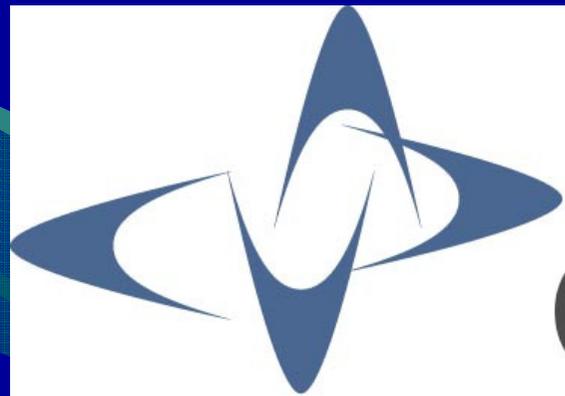
European Union Council “Priorities for the Internal Market in the next decade – contributions by the Competitiveness Council to the post 2010 Lisbon Agenda, December 2009.

- All data is in the Supply Chain – can it be “pulled” rather than “pushed”?
- Is e-Customs too focused on traditional declarations and “push”-techniques?
- Is a Single Window a terrific way of cementing “push”?



Thank you!

www.clecat.org



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