

DRAFT AGENDA
Maritime Logistics Institute
17 April 2020, 14:00-15:30
Web meeting

Attendees

Antonio Nabo Martins	APAT (Chair)
Juliusz Skurewicz	PIFFA (Vice-Chair)
Ines Simoes Carneiro	APAT
Camille Contamine	TLF
Martin Fernandez	FETEIA
Petri Laitinen	FIFFA
Florent Noblet	TLF
Tom Odermatt	SPEDLOGSWISS
Jens Roemer	Forward Belgium
Antonella Straulino	FEDESPEDI
Christine van Eijck	FENEX
Robert Windsor	BIFA
Nicolette van der Jagt	CLECAT Secretariat
Migle Bluseviciute	CLECAT Secretariat

1. Welcome and the CLECAT Competition Statement

Ms van der Jagt welcomed the participants.

Ms Bluseviciute acknowledged the Competition Statement of CLECAT:

“CLECAT is a non-profit Association committed to compliance with Competition Law at all times. Discussion at all CLECAT meetings is confined to deliberation on industry interests with regards to EU legislation in transport, logistics and Customs services, as well as Association affairs and related legislation. The Association, its Secretariat and all CLECAT Chairpersons will not entertain discussions on matters likely to contravene competition law, either within or outside of meetings. Commercial discussions, such as those regarding prices, market volumes or areas, are strictly prohibited. In the unlikely event that deliberations appear not to be in line with this policy, the Chairpersons/Secretariat will be obliged to break off the meeting at once.”

2. Adoption of the draft agenda

The draft agenda was adopted.

3. Adoption of the minutes of the previous meeting

The [minutes](#) of the meeting held on 14 November 2019 were adopted.

4. COVID-19

National developments

Ms Bluseviciute invited members to give an update on national developments with respect to the COVID-19 pandemic and its impact on maritime transport and the forwarding business in different Member States.

The Netherlands

- Different sectors of economy in the Netherlands were being affected differently by the COVID-19 crisis, with trade in retail and consumer goods suffering the most.
- Banks and insurance companies were not offering much support for the freight forwarders in the Netherlands at the time.
- The Dutch government implemented a number of regulations to help companies and many freight forwarders were able to make use of the government support in order to continue paying their employees.
- There were 212 blank sailings from the Port of Rotterdam up to date and the freight prices were on the rise as a result.
- In general, the Port of Rotterdam was doing rather well in terms in volumes, with the demand from China picking up, but it was expected that the volumes for both import and export would go down significantly in May and June.

The UK

- Similar to the forecasts in the Netherlands, the largest hits in the UK maritime sector were expected in May, June and probably into July.
- An increasingly large amounts of freight were being abandoned on the quayside, in particular by retail companies that were either going bankrupt or knowing that they would not be able to sell their products and therefore cancelling orders and refusing to pay.
- In the transport sector, most workers were considered as key staff and were therefore allowed to continue working, thus keeping most supply chains operational. The problem was that the distribution centres were shut down and could not receive freight.
- Businesses were able to apply for loans, but the government was only backing 80% of the requests and the banks were issuing very strict conditions.
- There were increasing concerns about the possibility of one of the big shipping lines going down in the manner of the recent Hanjin Shipping 'disaster'.

Belgium

- Overall, the logistics supply chains in Belgium were working well, with trade having adapted nicely to the homeworking conditions.
- The volumes had dropped rapidly, although in seafreight the drop was somewhat slower.
- Most companies in Belgium were able to adjust human resources relatively easily, but the productivity was nevertheless lower and it took longer to arrange shipments.
- The consequences of the blank sailings were difficult to manage.

- There were serious concerns that imbalances between supply and demand would continue for some time as supply chains may not be ready to ship containers once the demand increased.
- Another major worry was related to the uncertain future of the shipping lines, and the fact that they work in three alliance did not really help.

Italy

- Italy was among the first countries to impose a complete lockdown of the economy, with the vast majority of factories and their warehouses obliged to shut down last month.
- After a long round of discussions, the government took the position of FEDESPEDI into account and allowed for reopening of warehouses. This meant that stocks that were stockpiled in the warehouses could be shipped since last week and that the goods that were arriving could be received. Freight forwarders in Italy were confronted with congestion at ports as well as high costs, which the reopening of warehouses should ease.
- Being in between the carriers and the customers, the freight forwarders had to undertake the role of the banks, as the carriers wanted to be paid but the customers could not always pay for the service immediately. This kept the chain running in the meantime but could not be sustained in longer term since the forwarders were largely acting as banks.

Portugal

- The main problem in the Portuguese ports was the lack of capacity to export cargo.
- Cargo was stuck in terminals, with demurrage, detention and storage charges being applied, which could eventually become a big problem. APAT requested the charges to be waived but it remained to be seen if the request was successful.

Spain

- The situation in Spain was very similar to that of the other countries. The supply chains were not fully operational because most workers were unable to fulfil their duties.
- The government introduced some measures for flexibility on the operational side but the activity remained at minimum due to the lack of consumer demand.
- The government was working on a new regulation for ports concerning the deferral of tax payment, which could be very helpful.
- As in Italy, the freight forwarders in Spain were like banks to their customers and were trying to get credit support from the government to remain in business.

France

- Transport and logistics activities were recognized as essential by the French government.
- All ports remained operational for all types of cargo and inland transportation within France, with the reopening of customer warehouses being observed.
- The French ports were not congested but it was worrying to see that the shipping lines were starting to avoid European ports. Major difficulties were envisaged in late spring and early summer.

- Following three months of strikes at French ports, there was the beginning of an agreement with port stakeholders, including negotiations on demurrage and detention issues, with some shipping lines more flexible in this area issue than the others.
- TLF started working with the French authorities and ministries on the national recovery plan for all transport modes, with social, economic and fiscal items to be proposed in the coming months to relaunch the economy.
- Freight forwarders in France were also facing difficulties in getting paid by their customers.

Switzerland

- Due to the heavy impact on airfreight, there was a switch observed from air traffic to sea traffic as a different way for some of the importers to bring in cargo.
- The risk of insolvency of the shipping lines was very worrying.

Finland

- Finland was less affected by the COVID-19 crisis than other EU countries, with the peak expected in May or June.
- Cargo transportation and the logistics sector was functioning relatively well. Most of the difficulties were with airfreight.
- Sea transportation, used for handling 90% of import and export in Finland, was operating quite well. Efforts were being made by FIFFA to make sure that there were enough empty containers for Finnish exports.
- The situation with blank sailings was expected to worsen in the end of May or the beginning of June.

European Commission measures

Ms Bluseviciute reported on the European Commission initiatives aiming to facilitate freight transport in the wake of the COVID-19 outbreak.

EC communication on the implementation of 'green lanes' for freight transport

In line with the [guidelines](#) for border management measures to ensure the availability of goods and essential services, the Commission published on 23 March 2020 a [communication](#) on the implementation of 'green lanes' for freight transport. In the communication, the Commission encouraged the Member States to designate, without delay, all the relevant internal border-crossing points on the TEN-T Network as 'green lane' border crossings for all modes of transport.

The main objectives of these guidelines were to ensure that goods crossed the border as quickly as possible and that the 'green lanes' were open for all vehicles and vessels carrying any type of goods. The Member States were also urged to ensure the free movement within the EU of all workers involved in international transport in all transport modes, without unnecessary administrative border-crossing procedures.

EC guidelines on the exercise of the free movement of workers during COVID-19 outbreak

Ms Bluseviciute briefed members on the European Commission [guidelines](#) to the Member States on the exercise of the free movement of workers in the wake of COVID-19, published on 30 March 2020. The main message was that those workers who exercised critical occupations by performing activities related to essential services, e.g. the supply of goods, should be allowed to cross borders without difficulties. The guidelines concerned several categories of workers, including transport workers, in particular the heavy-duty truck drivers, airline pilots, train drivers and maritime and inland navigation workers.

For these workers, the Commission urged the Member States to establish specific burden-free and fast procedures for border crossings with a regular flow to ensure their smooth passage. This may be done, for instance, by means of dedicated lanes at the border or with specific stickers recognised by neighbouring Member States to facilitate their access to the territory of the Member State of employment.

Furthermore, the Member States were encouraged to coordinate amongst themselves to ensure that health screening was only carried out on one side of the border to avoid overlaps and waiting times. It was indicated that checks and health screenings should in principle be based on electronic body temperature measurement.

EC guidelines on travel arrangements for seafarers and other maritime transport personnel

Ms Bluseviciute gave an update on the Commission [guidelines](#) on the protection of health, repatriation and travel arrangements for seafarers and other maritime transport personnel, published on 8 April 2020. These guidelines specified that seafarers should be allowed to cross borders and transit to take up their duties on board cargo vessels and return home after their contracts end. The Commission also specified that, when Member States carried out health screenings, they should not significantly delay the seafarer from embarking or repatriating.

Furthermore, the Commission indicated that measures should be taken in EU ports to protect maritime transport personnel and port workers, as well as seafarers and other persons on board, while they embark and disembark. To ensure their health and safety, in accordance with EU law, all risks should be assessed and the appropriate preventive and protective measures put in place.

According to the guidelines, the Member States should designate several ports in the EU where fast-track crew changes could be facilitated. The ports should be geographically dispersed so as to cover the EU territory and should be connected to operational airports and rail stations.

EC guidance on the renewal of licences and certificates for transport workers

Ms Bluseviciute presented the Commission [guidance](#) to the Member States on the national measures taken in view of COVID-19-related emergency concerning the renewal and prolongation of certain transport workers' licences and certificates. For the full list of affected legislation in the maritime transport and inland navigation area, please refer to the presentation by the CLECAT Secretariat, attached to the minutes.

The Commission noted that the measures of this kind should only apply to those workers who, because of measures taken to contain the pandemic, were prevented from completing the necessary renewal formalities or procedures. Moreover, the measures adopted by a Member State should be limited to what is necessary in view of the current crisis.

The Commission also specified that periods covered by urgent measures in the area of certificates and licenses should remain sufficiently short, such as three months, so as to avoid abuse. If the duration of a specific measure turns out to be too short, an extension could be envisaged.

Joint European Roadmap towards lifting COVID-19 containment measures

Ms Bluseviciute reported on the [Joint European Roadmap](#) towards lifting COVID-19 containment measures, released by the Council and the Commission on 15 April 2020.

The roadmap recommended a phased approach for the opening of internal and external borders, needed to restore the Schengen area functionalities. It specified that internal border controls should be lifted in a coordinated manner, with the restrictions and border controls removed once the border regions' health situation converges sufficiently. In the transition phase, the efforts to maintain an unobstructed flow of goods and to secure supply chains should be reinforced. The external EU border reopening should happen in a second stage, according to the roadmap.

With respect to transport, the Commission indicated that the gradual reintroduction of transport services should be adapted to the phasing out of travel restrictions and the phasing in of particular types of activities, while taking account of the level of risk in the areas concerned. To note, additional guidance for the transport services would be issued in due course.

CLECAT action and further initiatives

Ms van der Jagt presented a [letter](#) that CLECAT sent to Ms Kopczynska, Director Waterborne at DG MOVE, explaining the impact of COVID-19 on sea freight forwarders. In particular, the letter referred to the unreasonable practices and surcharges introduced by carriers in liner shipping in the wake of COVID-19 as well as the recent decision on Consortia BER.

Moreover, CLECAT issued a [press release](#) calling for fair and equal demurrage and detention charging during the COVID-19 crisis. The press release accompanied a freshly published CLECAT [paper](#) that provided recommendations for a more transparent process with regards to the determination of detention and demurrage practices in container shipping. The paper also set out a number of issues freight forwarders had encountered with detention and demurrage charges, including references to several recent European court cases.

In response to members' concerns, CLECAT also published a [press release](#) calling for transparency and dialogue on fair bunker charging during the COVID 19 outbreak. The press release came as a response to the concern of members that shipping lines were benefitting

from a recent freefall in the price of very low-sulphur fuel oil (VLSFO), accelerated by the widespread economic impact of COVID-19, but failing to pass on these gains down the chain.

With respect to further initiatives, it was agreed to continue to maintain close contact with DG MOVE and put efforts in a dialogue with the Commission on the freight forwarders' issues, which were becoming more and more acute in the light of the COVID-19 pandemic. CLECAT was also going to engage in a joint initiative with the European Shippers' Council to defend the common interests of shippers and forwarders.

5. Any other business

No other items were discussed.

6. Time and place of the next meeting

It was agreed to reconvene on 23 April 2020 to continue the exchange of views on the COVID-19 developments and to cover the remaining agenda items.