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### Third Annual Stakeholders' Conference

30th November 2017, Brussels

#### Maritime logistics chains and the "perfect storm"



How can EU companies be the "winners" in the new world ?

#### What do...

- exponential accelerating computer power, internet of things, digital connectivity...
- growth in digitalization, transport networks and increase of cyber risks...
- new business models that dematerialize, demonetize and make use of remote management...
- enhanced physical connectivity and improved people's personal and professional mobility...
- new cooperative models between actors of the logistics chain and the emergence of a platform economy...
- high technology, breakthrough and disruptive innovation...

... all have in common?

#### They are the pre-conditions for a "perfect storm"

The perfect storm is on the horizon: regional and global e-commerce players encroach on traditional maritime logistics businesses, digitalization is provoking a move from supply chain models to commodity driven logistics solutions...

It becomes obvious that physical and digital connectivity will have tremendous effects on markets' efficiency...

A new world of maritime logistics is shaping up... in a context where the current globalization model is questioned...

#### Are we ready for the "new world"?

- Is it only about technology i.e. smart ships, smart port operations, smart cargo, smart containers, smart trucks etc. or is it also about smart people, training, retraining to operate a complete mind shift?
- Are EU companies of the maritime logistics sector ready to embrace the opportunities that will derive from the "perfect storm"?
- What are the strengths of EU technological innovation and its role for the maritime cluster? What might disruptive innovation in the logistics chain look like?
- How shipping, port operations and all logistics related operations will look like in the future with the emergence of e-commerce players?
- Can we reach a quantum leap in sustainability of operations thanks to digitalization?
- Are EU/MS policy makers measuring the impact of the 4th industrial revolution like other areas of the world (Asia, US, etc.)?
- Are EU policies (Competition, Trade, Transport, Digital, Education etc.) consistent in supporting EU companies' efforts to become world class actors?
- Is there a need to review and adapt the current EU policy framework to provide equal opportunities (competitiveness, level playing field, competition) to all actors of the maritime logistics chain?
- Does the existing framework take into account third countries' strategies and their impact on the European market?
- In the context of the 4th industrial revolution, which role can EU and MS regulators play in shaping up a (socially, environmentally and commercially) sustainable globalization model?

To start an interesting debate, join us, in Brussels, on November 30th, 2017 with all actors of the maritime logistics chain for the Third Annual Stakeholders' Conference!

The event will be kindly hosted by the Representation of the Free State of Bavaria to the European Union

### Estonian Presidency of the European Union - FEPORT priorities on Digitalisation

FEPORT supports the approach of the Estonian presidency and believes that the below mentioned four priorities constitute a consistent strategy for Europe.

- An open and innovative European Economy
- A safe and secure Europe
- A digital Europe and the free flow of data
- An inclusive and sustainable Europe

Besides endorsing the content of the paper that has been co-signed by [22 organizations representing different industries of the logistics chain](#), FEPORT would like to underline in this paper a number of key items for private terminal operators.

FEPORT members believe that an efficient, sustainable and resilient logistics sector is dependent on a good cooperation between industry parties (B2B) but also on relevant decisions and coordinated actions initiated by EU regulators and broadly enforced by Member States.

We hope that the Estonian presidency's focus on "digital transport" will anticipate on some of the key topics of the 2018 multimodal year and that the work will hopefully materialize into recommendations to the benefit of the whole logistics chain.

FEPORT is committed to working constructively with the Estonian Presidency as well as European institutions towards real progress on these topics.

### **Objective of Digitalisation**

The objective of digitalisation needs to be to improve the efficiency and reliability of the logistics chain. Therefore, digitalisation should not be viewed as an end in itself, but rather a means to an end, namely greater efficiency and reliability. This should be achieved via enhancing the seamless flow of data across the supply chain and between actors, as well as ensuring that the reporting once principle is implemented.

### **Interoperability and Open Standards**

First and foremost, from our industry perspective, we consider that efforts should be concentrated to facilitate interoperability in the supply chain. Ultimately, this can only be achieved through widespread use of open standards in logistics. Open Standards are a format that allows for the free, widespread sharing of data, prevents lock-in and other artificial barriers to interoperability and are free of any extensions that may hamper interoperability.

With respect to B2G (Business to Government) or B2A (Business to Administration) communications, we would highly recommend that, in line with the Estonian Presidency priorities, the European Commission works towards ensuring that all relevant ICT systems are based upon open standards. This will lead to the various systems communicating within the supply chain to share information without hindrance. It will also remove technical barriers to the reporting once principle, as national systems will be able to re-use data between Member States.

Besides its coordinating role among Member States, the European Commission can, through its agencies such as INEA also support logistics operators, including terminal operators, who are innovating and developing ICT systems to increase their efficiency and incorporate the use of open standards in their ICT systems.

Funding programmes such as Motorways of the Sea should be adapted to have an increased focus on logistics and assist operators interested in incorporating interoperable solutions into their respective operations. Prioritization for such projects will assist in the private sectors transition to widespread use of open standards.

**[FEPORT relies on the Estonian Presidency to strongly promote the use of open standards in B2G and G2G communication and to invite the Commission to lay the framework for technical and financial programmes which would support the development of interoperable systems by businesses.](#)**

**[The Digital Transport and Logistics Forum should be supported in its current work, especially in regards to interoperability in supply and logistics chains.](#)**

### **Harmonization of Data and Single Windows**

There is an urgent need to recognize that harmonisation is a primary objective and that it should work on a maximum data set, given that minimum data sets, and subsequent requests for further data, remove all advantages and benefits of harmonisation. The actual system data is being submitted to, be it a National Single Window or a European Single Window, is secondary.

The Commission's proposed revision of Directive 2010/65 on Reporting Formalities should act as a catalyst for rethinking the role of Maritime Single Windows as envisaged in the Directive. Single Windows should be part of a larger vision for the entire logistics chain that allow for the re-use of data throughout the logistics chain. Single Windows could work on a push pull basis, with access rights being granted to trusted actors - such as AEO certified operators, which would allow operators to access information of use to their operations.

**[FEPORT recommends that work on a revision to the Reporting Formalities Directive focuses on true data harmonisation and the creation of a maritime logistics single window.](#)**

## **Cybersecurity**

The logistics sector is a global sector in which data moves not only between Member States, but also between continents. There is a need to ensure that all access points are secure given that the integrity of information is only as secure as its weakest link. Therefore, the EU needs to be adopting a global position to cyber security.

Within the Maritime Safety Committee of the IMO, the issue of cyber security is becoming more prevalent. For instance, there has recently been amendments tabled to include cyber risks as an operational risk within the ISM Code (International Management Code for the Safe Operation of Ships and for Pollution Prevention). Regardless of where this issue of cyber security is addressed within IMO, it is clear that there is a new ambition to address this topic at global level.

**FEPORT recommends that IMO's Maritime Safety Committee ambition to address the issue of cybersecurity is supported by the EU and that the European Commission deploys efforts to make sure that third countries are also mobilized on this issue.**

**Regarding possible legislative proposals for the wider logistics chain, there is a need for consultation with industry to identify the risks and threats that exist, and what form possible solutions could take.**

## **30.06.2017 – EU Platform for Change, Brussels**

FEPORT has been invited to attend a meeting organized by DG MOVE regarding the establishment of a European Platform for Change to improve gender balance in the transport sector. The launch of the platform is planned for November 2017 in cooperation with the European Economic and Social Committee which has just delivered an opinion on the topic : [Women and transport – Platform for Change](#). FEPORT is supportive of this positive initiative which will certainly support terminal operators' efforts to attract more women in the port sector. Gender and the inclusion of women in the port sector are among the topics of the agenda of the Social Dialogue for Ports.

## **05.07.2017 – Water Framework Directive Conference, Brussels**

Last July 5th, FEPORT participated to the Water Framework Directive Conference held in Brussels. The event was organized

by the European Environment and Sustainable Development Advisory Councils (EEAC), together with the Liaison agency Flanders-Europe (vlewa) and the Flemish Environmental Advisory Council (Minaraad) and focused on the state of play of the implementation and the future of the Water Framework Directive - WFD.

According to the WFD, all EU member states should have reached the good water status in 2015- subject to extensions until 2027 at the latest.

The European Commission is currently evaluating the second generation of the river basin management plans, i.e. the implementation of the measures in the member states. On the basis of the remaining "distance to target" and the challenges ahead, it is reasonable to presume that no European member state will really be able to comply with the WFD in 2027. The conference focused on the evaluation and consider all options for the coming years and for the post-2027 situation.

## **06-07.07.2017 – Alliance for Logistics Innovation through Collaboration in Europe (ALICE) General Assembly, Graz**

Last July 6th-7th, FEPORT who has become a member of ALICE attended the General Assembly of the Alliance held in Graz, Austria.

The European Technology Platform ALICE is set-up to develop a comprehensive strategy for research, innovation and market deployment of logistics and supply chain management innovation in Europe. The platform will support and assist and advise the European Commission into the implementation of the EU Program for research: Horizon 2020 in the area of Logistics. ALICE was officially recognized as an European Technology Platform by the European Commission in July 2013.

The General Assembly outlined the major achievements of Alice over the last 12 months. The General Assembly also elected Mr. Sergio Barbarino (Procter & Gamble) as Alice Chair. The next Alice meeting will take place in Brussels on 27th September.

## **11.07.2017 – A strong message from G20 leaders about global playing field to be converted into concrete actions**

On July 4th, on the eve of the beginning of G20 Summit discussions in Hamburg, Mr. Tusk, President of the European Council, and Mr. Juncker, President of the Commission, sent a [joint letter](#) to EU Heads of State, setting out the EU priorities and announcing that these priorities would be reflected in a number of internal and external responses to shape globalisation in line with EU shared interests and values.

Current concerns about job losses and erosion of standards are legitimate and indeed call for action. Those concerns should nevertheless be addressed whilst avoiding the erecting of protectionist barriers or by being “naive” about the fact that a number of countries outside the EU do not always respect the rules on market access and State Aid. The result is an unbalanced situation that harms the interests of EU companies and their employees.

As mentioned by G20 leaders in [the final declaration of the summit](#), strong, sustainable, balanced and inclusive future growth will have to rely on multilateral cooperation and a rules-based order. More than ever, the EU and its partners will have to mobilize to create a real global playing field.

Benefits of globalization should also be assessed in an inclusive way and not only on the basis of positive effects for few sectors.

FEPORT, the organization representing European port operators and private terminals, welcomes G20 summit declaration about international trade and investment and *“the importance of reciprocal and mutually advantageous trade and investment frameworks as well as the principle of non-discrimination”* and the necessity *“to continue to fight protectionism including all unfair trade practices”*.

Better harmonization of competition rules, a real monitoring and control of State aid regimes at global level, [more robust anti-dumping rules to defend EU industry and jobs](#) and a more holistic approach in the framework of negotiations of agreements between the EU and its partners will be essential tools. They will certainly empower workers, companies and businesses of all sizes to benefit from open markets and help them to make the most of opportunities offered by the global economy.

As highlighted by G20 leaders, the digital revolution will also require the need to ensure effective competition to foster investment and innovation. In this respect, FEPORT supports the recommendation regarding the need to *“promote effective cooperation of all stakeholders and encourage the development and use of market and industry-led international standards for digitised production, products and services that are based on the principles of openness, transparency and consensus”*. *“Standards should not act as barriers to trade, competition or innovation. They can promote interoperability and security in the use of ICT”*.

The digital revolution will increasingly play a key role for global supply chains. With an accessible, open, reliable and secure cyberspace, digitisation will drive productivity and sustainable development. However, this must be done whilst respecting applicable legal frameworks for privacy, personal data protection and taking into account cyber threats.

The development of a global digital economy strategy offers a good opportunity to address the social challenges of a new globalization model by preparing for the impact of digitalisation and automation on labour and by investing in digital skills.

FEPORT hopes that the European Commission will propose relevant responses to ensure an open, fair and transparent global policy environment taking into account EU shared interests and values.

## **12.07.2017 – Trade Contact Group, Brussels**

The 48th Plenary meeting of the Trade Contact Group on 12th July. The Trade Contact Group is composed of industry associations and provides a platform for regular consultations at Union level, between the Commission and industry stakeholders, on the development and implementation of customs related issues and developments of customs policy.

Amongst other issues, the meeting of the 12 July focused on amendments to the Union Customs Code Implementing and Delegated Acts to ensure a smooth implementation of the provisions of the Union Customs Code. FEPORT is actively working with the Commission to ensure that the Union Customs Code has a guarantee system that builds upon the existing AEO (Authorized Economic Operators) concept, thereby giving the industry and national authorities a clear understanding of obligations that need to be met by trade to avail of a guarantee waiver.



The Trade Contact Group was informed that the Commission is working towards including an amendment provision to the current round of Delegated Act amendments. If this is not possible, a new revision cycle will be started immediately.

### **17.07.2017 – Social Dialogue for Ports : “The changing face of ports: the socio-economic impact of market-based and technological developments on EU ports”**

Over the last decades, significant changes have been made in maritime transport. Growing ship size carries consequences for cargo-handling operations, in terms of the need for technological innovation, investments and economic sustainability of terminal operations. Terminals need to invest to regularly renew their equipment. This has a direct impact on working and operating models, jobs, training, and work conditions within the port sector.

Social partners, among them FEPORT, involved in the Social Dialogue for Ports have decided to request funding from DG employment to call for expertise and gather relevant factual information about the above mentioned changes in view of making a number of recommendations. The request for funding has been accepted by the European Commission.

The call for expertise for the study “**The changing face of ports: the socio-economic impact of market-based and technological developments on EU ports**” has been published on July 17th, 2017. Deadline for applications is August 28th, 2017.

For more information please [click here](#).

### **18.07.2017 – Comments regarding DG MOVE’s Study on Differentiated port infrastructure charges to promote environmentally friendly maritime transport activities and sustainable transportation**

End of June 2017, DG MOVE has published the final report of its study on differentiated port infrastructure charges to promote environmentally friendly maritime transport activities and sustainable transportation ([see here](#)).

While supportive of environmental friendly policies, FEPORT members consider that some ports may have the willingness and the financing resources to grant rebates, some others may not and should therefore not be compelled to introduce discounts that will weigh on their balance sheet and their finances. The adoption of a differentiated port infrastructure charges policy should therefore remain voluntary.

This being said, in a situation where incentives or reduction of port dues are introduced, losses of revenues for Port Authorities should not be compensated by an increase of concession fees. Similarly, greening policies should not be reflected by excessive obligations in concession contracts eg: reduction of THC, use of specific cargo handling material etc. which are part of the commercial freedom of port operators who are already over compliant to environmental legislation without getting any kind of public support.

### **20.07.2017 – Meeting of EU-China Connectivity Platform Stakeholders’ group, Brussels**

FEPORT has attended a meeting of the EU-China Connectivity Platform stakeholders’ group. Attendees were updated about the outcome of the second Chairs’ meeting of the EU-China Connectivity Platform which took place in Brussels on June 1st, 2017.

The high level meeting was attended by Commissioner Bulc and EU officials from EEAS, EBRD, EIB and DG MOVE and on the Chinese side by the Vice Chairman of the National Development and Reform Commission and other high level representatives from the Ministry of Transport, China Railway Corporation and China Development Bank.

Among others topics such as the strengthening of the collaboration on OBOR and TEN-T and the importance to increase the cooperation on customs related issues have been discussed.

The next high level third meeting will take place in 2018.

The role of EIB as a crucial institution supporting Member States’ major projects in the transport sector requires further promotion among Member States and EU neighbouring countries.

It is indeed important to underline that EIB’s “raison d’etre” is



the fulfilment of important and meaningful EU policy objectives. Besides, EIB's competitive financing instruments certainly deserve more interest from Member States compared to those proposed by other financial institutions.

Agreed conclusions of the last meeting of the Chairs of the EU-China Connectivity Working Group which took place in the margins of the EU-China Summit in June 2017 are available [here](#). List of projects presented during the pilot expert working groups in November 2016 and May 2017, covering projects in the EU and in China with a view to explore investment opportunities on both sides can be consulted [here](#).

## Meetings of the month

**18.07.2017** – FEPORT Environment Safety and Security Committee meeting

## Coming meetings

### FEPORT meetings

FEPORT Social Affairs Committee meeting, Brussels	19.09.2017
FEPORT Board of Directors meeting, Brussels	20.09.2017
FEPORT Environment, Safety and Security Committee meeting, Brussels	11.10.2017
FEPORT Port Policy Committee meeting, Brussels	12.10.2017
FEPORT Customs and Logistics Committee meeting, Brussels	26.10.2017
FEPORT Social Affairs Committee meeting, Brussels	08.11.2017
FEPORT Board of Directors meeting, Brussels	23.11.2017
FEPORT General Assembly, Brussels	29.11.2017

## Industry meetings

Trade Contact Group, Brussels	12.07.2017
ICHCA 65th Anniversary celebrations, Las Palmas, Gran Canaria	02-06.10.2017



Green Port Congress, Amsterdam	11-13.10.2017
European Maritime Law Organisation, Hamburg	03.11.2017
<a href="#">Third Annual Stakeholders' Conference, Brussels</a>	30.11.2017

## Institutional meetings

European Parliament Transport Committee meeting, Brussels	07.09.2017
European Parliament Plenary Session, Strasbourg	11-14.09.2017
Transport, Telecommunications and Energy Council, Council of the European Union (Informal meeting of Energy and Transport ministers), Tallinn	19-21.09.2017
European Parliament Transport Committee meeting, Brussels	25.09.2017
European Parliament Plenary Session, Strasbourg	02-05.10.2017
European Parliament Plenary Session, Strasbourg	23-26.10.2017
Transport, Telecommunications and Energy Council, Council of the European Union, Luxembourg	24.10.2017
European Parliament Plenary Session, Strasbourg	13-16.11.2017



<b>European Parliament Plenary Session, Brussels</b>	<b>29-30.11.2017</b>
<b>Transport, Telecommunications and Energy Council, Council of the European Union, Brussels</b>	<b>04-05.12.2017</b>
<b>European Parliament Plenary Session, Strasbourg</b>	<b>11-14.12.2017</b>
<b>Transport, Telecommunications and Energy Council, Council of the European Union, Brussels</b>	<b>18.12.2017</b>

