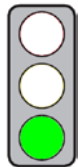


## KEY ISSUES

**Objective of the Communication:** The Commission wants to further simplify the administrative requirements applicable to shipping within the EU.

**Affected parties:** Shipping companies, port operators, logistics companies, port customs authorities



**Pro:** (1) A Single European Transport Area for Shipping strengthens the internal market.

(2) The introduction of the eManifest significantly reduces the administrative burden and creates a level playing field for the various different modes of transport.

(3) The administrative burden on shipping companies is reduced by the fact that, when authorisations for a regular shipping service are issued, shipping companies are able to specify the Member States which they will possibly want to call in at in the future.

**Contra:** –

## CONTENT

### Title

Communication COM(2013) 510 of 8 July 2013: **Blue Belt, a Single Transport Area for shipping**

### Brief Summary

#### ► Single European Transport Area for shipping ("Blue Belt")

The Commission wants to set up a "Blue Belt" in the seas around Europe. It will strengthen the Single European Transport Area for Shipping by allowing vessels to operate freely inside the EU internal market with a "minimum" of red tape.

#### ► Background

- Shipping plays an important role in EU trade. Seaports handle
  - 74% of the goods imported and exported by the EU and
  - 37% of the exchanges within the EU.
- Commercial shipping is being adversely affected in the EU internal market by "unnecessary administrative requirements" and placed at a disadvantage by comparison with other modes of transport (p. 2).
  - EU goods are, in particular, goods which (Art. 29 TFEU)
    - have been entirely manufactured within the EU Customs Territory, or
    - have been imported from third countries into the EU internal market and are in "free circulation" under customs law due to compliance with import formalities and customs duties.
  - Up to now, vessels travelling from one EU port to another have been assumed to have left EU Customs Territory because they generally have to leave the sovereign waters of a Member State and are thus deemed to have crossed EU external borders. As a result, customs formalities become necessary at the port of departure and the port of destination.
- A simplified customs procedure already exists for a "regular shipping service" ["Regular Shipping Service Scheme"; Commission Regulation (EU) No. 177/2010]. However, it is "cumbersome and not flexible enough" (p. 8):
  - A regular shipping service requires prior authorisation.
    - The shipping company must submit an application to the customs authority of the Member State in which it is established.
    - The customs authority must contact the customs authorities in the Member States of the ports at which the shipping company wishes to call.
    - If all the customs authorities agree to the regular shipping service, it will be authorised.
  - This rule only applies to vessels that
    - only ply between EU ports on a pre-determined route and
    - carry "mainly" EU goods (p. 2).
  - Only 10-15% of maritime traffic falls under the regular shipping service scheme. This mainly involves ferries since the majority of vessels
    - carry both EU and non-EU goods or
    - stop at both EU and non-EU ports.

### ► Objectives of the "Blue Belt"

- The objectives are
  - greater use of Short Sea Shipping within the EU,
  - the promotion of seaborne trade between EU ports,
  - the simplification of customs procedures for shipping services that do not fall under the regular shipping service scheme, and
  - increasing the competitiveness of the shipping sector.
- The objectives will be achieved by
  - speeding up and simplifying the regular shipping service scheme and
  - introducing an EU-wide standard electronic cargo manifest detailing the status of the goods being carried – e.g. origin.
- For this, the Commission will amend the current implementing provisions [Commission Regulation (EEC) No. 2454/93] relating to the EU-Customs Code [Council Regulation (EEC) No. 2913/92].

### ► Speeding up and simplifying the regular shipping service scheme

- The period for issuing an authorisation under the regular shipping service scheme will be reduced from 45 to 15 days.
- Extending the authorisation under the regular shipping service scheme to cover future port calls, is to be simplified.
  - Where the applicant, in addition to the Member States to which the authorisation for a regular shipping service is to apply, also specifies in advance the Member States that he will "perhaps" call at in the future, these states can also be included in the authorisation (p. 8).
  - An additional authorisation procedure is then no longer necessary for these states.

### ► EU-wide standard electronic cargo manifest ("eManifest")

- An EU-wide standard, electronic cargo manifest ("eManifest") will be introduced, detailing the status of the goods being carried – i.e. EU or non-EU goods, Freight Remaining On Board etc.
  - EU goods that are unloaded ("discharged") in an EU port are no longer subject to full customs inspections but only random checks.
  - If a vessel, while travelling between two EU ports, stops at a non-EU port and the EU-goods remain on board, they retain the status with which they were registered when they left the last EU port.
  - Non-EU goods are still subject to full customs inspections.
- The eManifest will be "fully operational" as of June 2015 (p. 10).
- To ensure the smooth exchange of information between the customs authorities of the Member States, interoperable IT systems are necessary. Rather than creating a new system for this, the existing one will be adapted.

## Policy Context

In its Communication on the maritime transport space without barriers [COM(2009) 10, see [cepPolicyBrief](#)], the Commission described the complex administrative requirements as the main obstacle to the development of shipping. In 2010, the EU issued both a Commission Regulation [(EU) No. 177/2010] on simplifying the administrative procedures for the regular shipping service and a Directive (2010/65/EU) on the electronic transmission of reporting formalities for ships. In the Transport White Paper [COM(2011) 144, see [cepPolicyBrief](#)] the Commission called for the establishment of a "Blue Belt" aimed at simplifying the formalities applicable to ships travelling between EU ports. In 2012, in its Communication "Single Market Act II" [COM(2012) 573], it also proposed the creation of a "genuine single market" for shipping. In order to increase the competitiveness of shipping, the Commission has proposed, by way of a supplement to the "Blue Belt" initiative, a Regulation to increase competition for harbour services in EU sea ports [COM(2013) 296, see [cepPolicyBrief](#)].

## Options for Influencing the Political Process

Leading Directorate General:

DG Mobility and Transport

# ASSESSMENT

## Economic Impact Assessment

### Ordoliberal Assessment

**The creation of a Single European Transport Area for Shipping** in which the administrative requirements are simplified, brings down the cost of maritime transport and **strengthens the internal market**.

#### Impact on Efficiency and Individual Freedom of Choice

**The fact that, when licences for a regular shipping service are issued, shipping companies are able to specify the Member States which they will possibly want to call in at in the future, reduces the administrative burden on shipping companies** because it means that an additional administrative procedure is no longer necessary when the regular shipping route is changed. However, the scheme places a heavier burden on the authorities because they will generally have to consult more national customs authorities to obtain their consent for a regular shipping service authorisation. In addition, the scheme could induce shipping companies to list all the Member States with ports irrespective of whether they will in fact call in at ports in those Member States.

**The introduction of the eManifest** results in faster loading and, in particular, discharge of EU goods because once EU goods are declared as such, they retain their status even if non-EU goods are on board or if, the vessel makes an interim stop at a non-EU port. This simplifies the transport of goods by vessels in the EU and **substantially reduces the administrative burden** both for shipping companies and harbour customs authorities as fewer full customs inspections have to be made. **At the same time**, the introduction of the eManifest **establishes a level playing field between the modes of transport** in the internal market. The removal of repetitious customs formalities creates conditions for maritime freight transport which rail and road transport have long taken for granted.

The Commission's desire to adapt the existing IT systems for the introduction of the eManifest, rather than creating a new system, may keep the additional costs down.

#### Impact on Growth and Employment

Relieving shipping companies of unnecessary administrative burdens facilitates cross border trade and tends to have a positive impact on growth and employment.

The removal of unnecessary administrative requirements may result in a certain amount of freight transport being transferred from the roads to shipping. Although maritime transport generally only covers part of the total transport route, this will result, overall, in fewer traffic jams and thus to the avoidance of the costs which they involve. This is also likely to give rise to positive impulses for growth.

#### Impact on Europe as a Business Location

Efficient trade within the EU increases its attractiveness as a business location.

## Legal Assessment

#### Legislative Competency

Unproblematic. The EU has exclusive legislative competence in matters relating to the customs union (Art. 3 (1) (a) in conjunction with Art. 28 et seq. TFEU). In addition, it can harmonise the law relating to customs procedures in the EU internal market (Art. 114 TFEU) and lay down "appropriate provisions" for sea transport (Art. 100 (2) TFEU).

#### Subsidiarity

Unproblematic.

#### Proportionality

Unproblematic.

#### Compatibility with EU Law in other Respects

Unproblematic. In order to speed up and simplify the regular shipping service scheme and introduce the eManifest, changes must be made to the existing implementing provisions [Commission Regulation (EEC) No. 2454/93] relating to the Customs Code [Commission Regulation (EEC) No. 2913/92]. These implementation powers are transferred to the Commission which is supported in this regard by the Customs Code Committee.

#### Impact on German Law

Unproblematic.

## Conclusion

The creation of a Single European Transport Area for Shipping strengthens the internal market. The administrative burden on shipping companies is reduced by the fact that, when licences for a regular shipping service are issued, shipping companies are able to specify the Member States which they will possibly want to call in at in the future. The introduction of the eManifest significantly reduces the administrative burden and creates a level playing field for the various different modes of transport.