

INTRODUCTION

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- Polish, 44,
- 21 years experience in transport and logistics,
- member of Raben Group board for FTL & intermodal,
- head of the board of Transport i Logistyka Polska „TLP”.

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- Dutch holding.
- present in 10 European countries in more than 130 depots,
- headquarters in Poland,
- 6,500 modern means of transport,
- 1,100,000 m2 of diversified warehouse capacity.



- an employers association established in 2014 by national and international road transportation leaders operating in Poland.
- over 20,000 jobs created by TLP members,
- member of Lewiatan – employers association.

SOCIAL DUMPING

More questions than clear answers...

- What does social dumping really mean?
- Can you be in line with your local law and accused of social dumping abroad at the same time?
- Do we have first and second-class members in the EU?
- Sometimes even, if intentions are noble – results can be fatal. Do we really want to set new regulations, although deviation is rather an exception than a rule?



DEVELOPMENT OF TRUCK FLEETS

Comfort, safety and environmental impact always top priorities

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before 70's



1970 - 2000



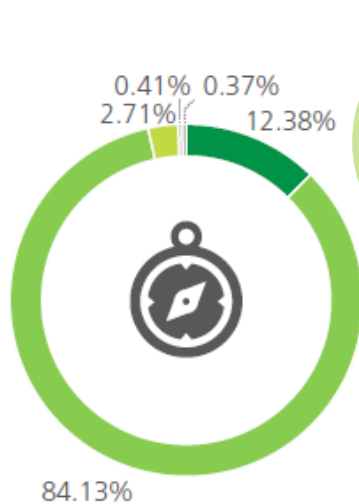
nowadays



THE MILOG LAW

Impact on the Polish road market – Deloitte special report

Why is it worth talking about the road transport market?



6.6%
GDP

Transport sector makes up 6.6 % of GDP in Poland

Road transport plays a special role in the transportation of goods in Poland. In 2014 the share of this branch reached almost 85% of tons of goods moved and 75% of the road performance by the firms registered in Poland.

- rail transport
- road transport
- transport by pipelines
- inland navigation
- sea navigation

3.3 mln

The number of trucks registered in Poland increased by 79% since 2000 and amounts to 3.3 m.

Source: GUS (Central Statistical Office of Poland)

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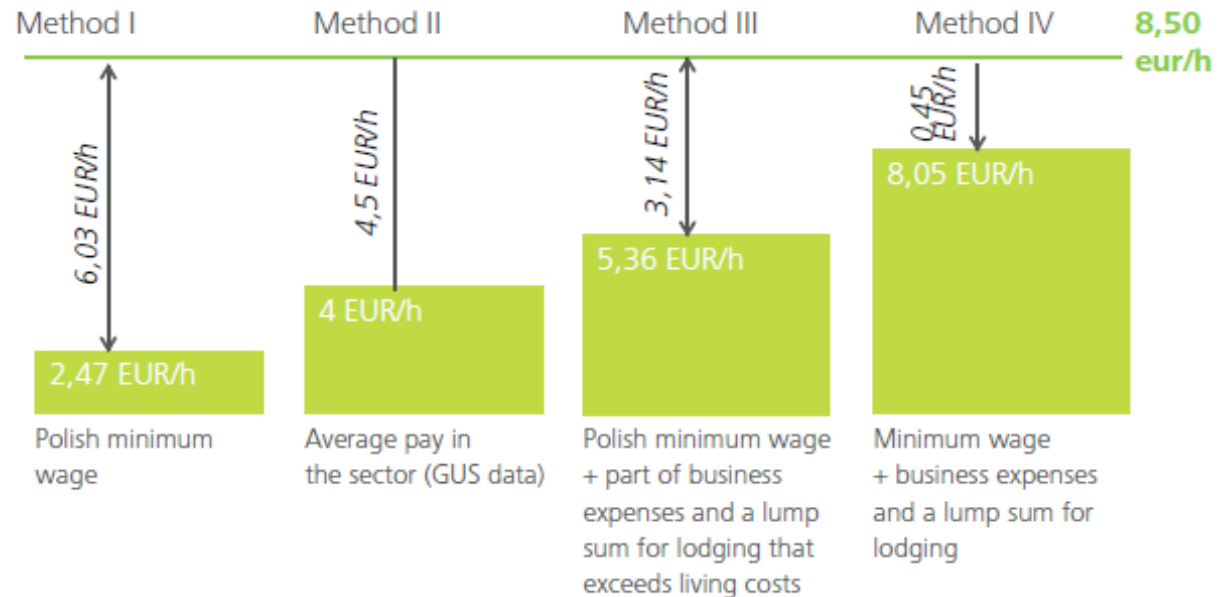
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MiLOG – changes in the costs incurred by Polish firms

Deloitte.

The severity of the consequences of the MiLoG introduction for Polish transportation companies depends on:

- the share of carriages conducted in Germany in the total number of carriages;
- the payment scheme for workers carrying out transportation in Germany;
- the interpretations of MiLoG provisions.



Source: Own elaboration

Interpretation puzzle - there is no unambiguous interpretation of MiLoG provisions concerning pay components which can be counted towards the base covered by the requirements of the act. In particular, it is not clear whether business expenses and a lump sum for lodging can be considered components of basic pay that fall within the scope of the minimum wages act.

Social dumping?

MiLoG – impact on the branch of road transportation

Deloitte.

The impact of the MiLoG introduction on Polish transportation companies – depending on the interpretation – might be very significant:

- the increase in remuneration costs for Polish transportation companies might reach on average almost PLN 600,000 on an annual basis;
- as a result over 40% of the companies might have a negative net margin and thus might go out of business;
- over 50,000 workers in the branch might lose their jobs;
- sectors related with the road transport might be adversely affected – especially the financial sector and the automotive industry;
- in the effect of the adaptive actions undertaken by transportation companies prices of transported goods might increase.

Does MiLoG really aim at fighting social dumping if in consequence of obeying it more than 50,000 drivers in Poland might lose their jobs?

EUROPEAN UNITY

Partners of increased risk

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Neue Versicherung gegen Zahlungsausfall und MiLoG-Haftung



Prämie hängt unter anderem von Bonität ab

Die Höhe der Prämie der neuen Transport-Police errechnet Euler Hermes eigenen Angaben zufolge für jedes Unternehmen individuell auf Basis mehrerer Faktoren. Sie hänge etwa von der Bonität und der Zahl maximal eingesetzten Subunternehmer des potentiellen Versicherungsnehmers ab. Aber auch die Höhe der gewünschten Deckungssumme und des Selbstbehalts beeinflussten den Preis für den Versicherungsschutz, erklärt Müller. Bei guter Bonität könne die Prämie deshalb beispielsweise bei 0,1 Prozent der jährlichen Umsätze liegen, bei höheren Risiken jedoch auch bei 0,4 Prozent. (ag)

- Clear message sent – cooperating with CEE carriers could cost you extra up to 0.4% of your annual turnover.
- Are we going to sort UE full member states into better and worse?
- Are we going to rise new walls in the EU?

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Practice vs. theory

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- What about a trip from Slubice to Berlin (100km, most of the time spent in a traffic jam in Germany, back home every evening)?
- What about fair and equal gratification for drivers going to the Czech Republic or within the country?
- How should MiLoG be more effective than current cabotage restrictions?

THE EUROPEAN TRANSPORT SECTOR

How to survive and thrive

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only on a European single transport market free of barriers companies can:

- compete fairly by increasing productivity of their fleets,
- implement effectively dedicated telematics and planning tools,
- decrease empty mileage and road congestion,
- further invest in safety and environmental friendly solutions.

SINGLE EUROPEAN TRANSPORT AREA

Not always consistent

- The European Commission adopted a roadmap of 40 concrete initiatives for the next decade to build a competitive transport system that will increase mobility, **remove major barriers in key areas and fuel growth and employment.**
 - At the same time, the proposals will dramatically reduce Europe's dependence on imported oil and **cut carbon emissions in transport by 60% by 2050.**
- MiLoG - minimum wage - 1.01.2015
 - Loi Macron - minimum wage - 01.01.2016
 - Norway – minimum wage - 01.07.2015
 - Belgium, Netherlands - , Luxemburg, Italy – minimum wage - on standby,
 - High fines for 45 hours weekly breaks in the truck cabin in France and Belgium – although there are not enough hotels for drivers.

SOCIAL DUMPING AND CROSS-BORDER INFRASTRUCTURE INTEGRATION

Conclusions

- The transport sector is ready to keep increasing standards. A lot of progress has been already noticed.
- European economy is driven by customer needs. Bad reputation kills any business.
- Drivers are very scarce in the EU and very mobile. Only best companies will retain best staff or any staff at all.
- Protection of key European values is good, protectionism threatens its fundamental roots.
- Reckless initiatives can do more harm than bring real improvements, cost jobs and brake European trade.

