Social dumping is still rampant

BTB goes investigating again

Destination: Slovakia, the Czech Republic and Luxembourg

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Foreword

"I truly hope that this will be the last BTB black book about social dumping. But I have my fears."

That was the final sentence of my foreword to the previous black book. They were prophetic words.

Because despite the Mobility Package that has been in effect since August 2020, social dumping continues to be rampant, like a cancer, in Europe. Nonetheless, Europe has presented this package of measures as a means of combating fraud in the haulage sector.

A vain hope, as it turns out. Hard-nosed social dumpers continue to set up fraudulent business structures. And, in the meantime, the hopelessly understaffed inspection services are trying to mop up the mess as the social dumping tap stays on full.

This is the fifth black book about social dumping from the BTB and 11 years after the publication of our first, Belgian hauliers continue to do business with their post office box companies in other countries. With one exception, our investigation shows that many Belgian transport companies are still committing fraud, openly and without restraint. By using a post office box or having an office (whether or not with a dispatching and accounting department), but also without a single parking space to accommodate a heavy goods vehicle. Let alone any active haulage business in that particular country.

Previous black books have focused on Bratislava and afterwards also on a few other towns in Slovakia. Also in this black book, you can read the story of our investigation team's latest visit to Slovakia.

But there's more: a European research project by the BTB has shown that the Czech Republic and Luxembourg also have a great many post office box companies. Given that several Belgian hauliers in these two countries also have a subsidiary abroad, it was like we were being catapulted back in time, as it were.

Because in our second black book in 2012, we investigated whether Belgian haulage firms were still using their post office box companies, despite the tightened European directive 1071 of 4th December 2011. The mobility package that has been in force since 20th August 2020, whereby post office box companies are subject to even more stringent rules, gave us additional reasons for again investigating to see whether these companies in Slovakia, the Czech Republic and Luxembourg were actually operating a transport business.

The conclusion is clear: we again found post office box companies with perhaps a small office or just a nameplate in the entrance hall of a building – and hence in flagrant breach of the European rules.

Belgian transport companies complain bitterly that they can't find any drivers at the moment. Meanwhile, some of them are simply destroying the profession and perpetrating social dumping.

When will the Belgian government finally do anything about it? When will the European Labour Authority (ELA) take responsibility? This is an appeal for the profession of HGV driver finally to be protected and for the transport sector to be cleaned up. Anyone indulging in social dumping needs to get out of the industry!

Frank MOREELS
President BTB

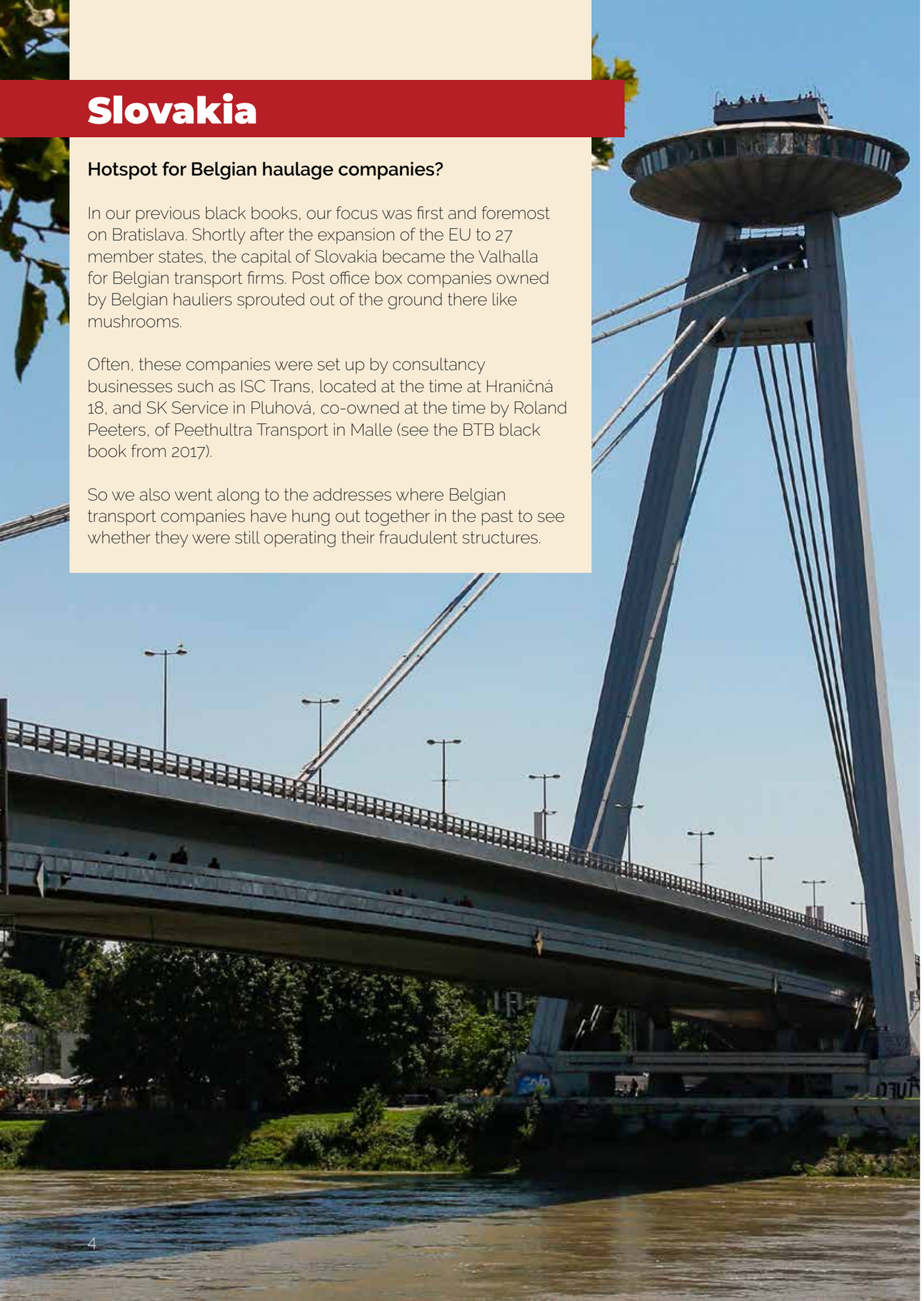
Slovakia

Hotspot for Belgian haulage companies?

In our previous black books, our focus was first and foremost on Bratislava. Shortly after the expansion of the EU to 27 member states, the capital of Slovakia became the Valhalla for Belgian transport firms. Post office box companies owned by Belgian hauliers sprouted out of the ground there like mushrooms.

Often, these companies were set up by consultancy businesses such as ISC Trans, located at the time at Hraničná 18, and SK Service in Pluhová, co-owned at the time by Roland Peeters, of Peethultra Transport in Malle (see the BTB black book from 2017).

So we also went along to the addresses where Belgian transport companies have hung out together in the past to see whether they were still operating their fraudulent structures.



Račianska 66

We had made reference to this particular address in all of the previous black books. According to the Slovak company database, lots of companies are still based at this somewhat dated office building. The offices themselves are located in an area where there is no haulage activity to be seen at all. Which means there are no HGVs, no drivers, no garaging facilities, etc. – nothing. Just a building with a reception area, where various companies have based their registered office.

Currently, 72 companies still have their address at Račianska 66. In 2021, just **Beldyslova** survives. "Established" here since 2005 in a small office, manned by one dispatcher and his dog. It is the only company that has stayed stubbornly at this location and whatever business it does there. So we can already hang the **gold medal** for perseverance (including in organising social dumping) around their neck.

Who wins the silver medal is something you will find out later in this black book.

Hraničná 18

A great deal of ink has also flowed about this address in previous black books. It was the base for ISC Trans, Alain Muller's consultancy firm, which directed all traffic at the time from an office on the ground floor. Today, the office houses a company that builds metal structures. So we visit the site to check which companies might still be "located" there.

We immediately see that **Transport Hertsens** is still in the building, given that outside, in the car park, there's a small van with a Belgian number plate and stickers belonging to the Kruibeke-based firm. Hertsens is present in the building with 'Carlog', its Slovakian PO box company.

The information board showing the company names is still at the entrance to the business park, announcing the following Belgian companies:

- **Deertrans SK** (Deertrans, from Kruibeke) has been located at this address since 30th November 2011. In liquidation since 1st March 2021.
- **Diabol** (Vervoer Van Dievel, from Mechelen) Diabol has been at this address since 23rd March 2012.
- **Lenatrans** (Rosantra, from Hamme) had been at this address since 13th November 2012, but has since moved to Banksá Bystrica since 19th March 2021.
- **SK MTS** (Maes Transport, from Diksmuide) had been at this address since 16th April 2010, but moved to Kremnica on 9th January.
- **Slowotra** (Wouters-Muyshondt, from Ranst) has been at this address since 5th June 2013.
- **TH Trucking** (Transheeze, from Lochristi) has been at this address since 15th December 2011.
- **Vanheel SK Transport** (Vanheel Transport, from Heusden-Zolder) had been at this address since 14th February 2012. In liquidation since 18th March 2020.
-

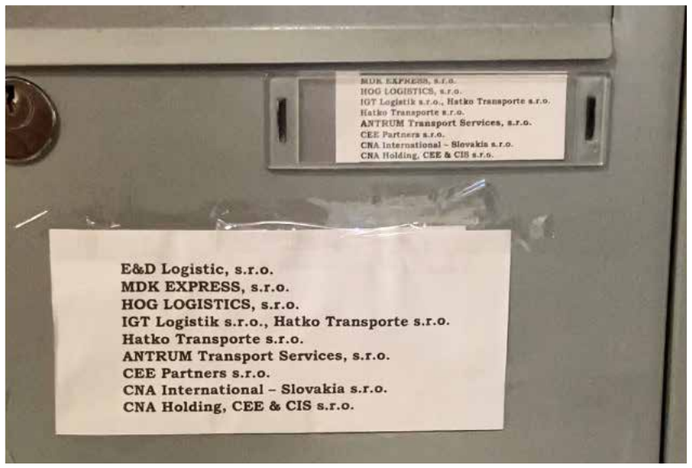
So we go inside and tell them at reception that we were looking for Diabol. We communicate with pen and paper with a friendly old man who doesn't speak a word of English. Using a plan of the business park, he points us in the right direction. Many of the offices in the buildings stand empty or are sparsely furnished, but there is hardly anyone to be seen. In the end, we locate an office with someone in it. When we ask why the buildings are all empty, she replies in rehearsed manner that "it's holiday time".

Pluhová 2 in Bratislava. This is no longer the post office box address for **Magetra Slovakia** (Magetra International, from Eupen), because they moved on 13th May 2021 to Sliačska 1 D in Bratislava. But Roland Peeters, from **Peethultra** in Malle, still has a consultancy company here called Tinco, with Virotrans Slovakia as the main shareholder. Virotrans is the Slovakian PO box company belonging to Peethultra from Malle.

V-Trans Slovakia - Transport Vuylsteke, from Zwevegem, is still based here, along with **Sigitra Slovakia**. Sigitra Slovakia is still in the name of Johan Coemans, dispatcher at Transmet in Boutersem. The Belgian parent company, Sigitra from Tienen, was declared bankrupt in Belgium at the end of 2020.

Rybničná 40 in Bratislava is still the location for **Eurotrucks**, the post office box company for Transports Dandoy, established in September 2010.

71 companies are currently located at Hattalova 12/A. This is a very large office building. In the past, we have seen that various Belgian haulage companies have had their 'branch' here. **Can Slovakia** (company belonging to Mr Aydin Mehmet in Ghent), **Intraslova** (Devoldere Transport, from Tielt), **Ricky-Trans** and **Antrum Transport Services** are still located here, although we can only see Antrum mentioned on the letterbox.



Jarošova 1 in Bratislava is a building that can easily accommodate 100 or so post office box companies. So it makes sense to see the "Offices to let" banner is still hanging outside. Only **Eurokamion** and the **Logpower consultancy** belonging to Tom Lokere, who is still resident in Riga, have their official address here. **B&B Transport** from the Oostkantons also still have their letterbox here. Only on paper, though, because we can't find any trace of these "Belgian" companies in the building.

Our inspections from the past have apparently prompted the Belgian PO box companies to organise themselves differently. It is striking to see that many Belgian companies still have their postal address in the original location, but many of them have removed all physical trace of themselves from the building. The other companies that still have their letterbox there have done the opposite, employing staff in the hope that they can bring themselves into line with the European rules. Of course, there still aren't any actual operating haulage companies there!

Mobility Package

The Mobility Package was approved on 31st July 2020 after consultations lasting 3 years. It is a package of measures designed to tackle social dumping in the transport sector and to improve the working conditions of truck drivers. A number of new rules will make enforcement more effective. Special secondment rules for international road haulage are also being introduced and the rules for accessing the goods freight haulage market are being updated.

The introduction of smart tachographs will be fast-tracked and 95% of vehicles are meant to have them installed by the end of 2023. These devices use data recording to give the inspection services a tool for monitoring cabotage and secondment in the fight against social dumping. Additionally important is the fact that this tachograph will also be mandatory for business vehicles <3.5 tons (i.e. vans).

Employers are required to report the secondment of their employees, with drivers having to have a reporting document with them. This should enable the inspection services to check that secondments and the correct pay for drivers are being applied.

The rules for cabotage (i.e. allowing national transport within a third country after an international transport assignment to that country has been completed) are being tightened, with a cooling-off period of 4 days. These rules also apply now to combined transport (e.g. containers that come in by train and are then loaded on to a truck).

This measure was strongly opposed by Belgian hauliers, who current abuse the cabotage rules so that they can have cheap drivers from Eastern Europe driving around Belgium permanently.

The employer organisations managed to get Mobility Minister Gilkinet, at the express request of the 3 regions, to support action lodged by the Maltese authorities for an annulment of this part of the Mobility Package. Which is holding a clear middle finger up to Europe in its fight against social dumping and unfair competition in the transport sector.

In doing so, the minister is also rolling out the red carpet for abuse and again giving free rein to rogue employers to do what they like.

A measure already came into effect on 20th August 2020 saying that drivers must return to their home base at least once a month and that their vehicles must return back within 8 weeks. Drivers taking extended breaks inside their truck is and remains forbidden.

We therefore asked the minister to work quickly on an updated penalty catalogue.

The real post office box companies where there is seldom anyone on-site – let alone anyone actually working – have clearly been in breach of European rules all these years. But in order to comply with the rules, according to them and under pressure from our previous inspections, several Belgian companies have hired staff to make their post office box business operational. A dispatcher, an accountant and an operations manager are there to coordinate everything in order to comply with the European rules on PO box companies, without actually driving trucks around Slovakia or even developing any haulage business there.

Slonatrans (Karel Van De Poel en Zonen) has been located at Miletičova 1 since 2007, a building complex where at least 103 companies appear to be located on paper. When we first visited in 2010, they still had the company of **Transport Lux** from Borgloon and **Transport Gobo** from Lanaken, which shared a small office on the same floor, but which have since gone looking together for other premises.

Slonatrans still has an office that employs a few people: two dispatchers and a book-keeper in an adjoining office. When we knock, she asks whether we have come to apply for a job as a driver. We say that we are looking for Lux and Gobo, knowing that they are no longer located here.

Rýchly-Transwest from Oostkamp, located at Jašíková 2, still has someone employed at its post office box address. When the woman greets us, she asks whether we speak French. As soon as she finds out that we come from Belgium, she becomes very suspicious. She states – contradicting what she has just said – that the company closed its haulage business 'because it wasn't working' and that she now has only been doing administrative work for the past four years.

Transport Verbeken Slovakije (Verbeken, from Dendermonde), previously operating under the name Food Liner, has been located in a brand-new building at Odborárska 21 since 2017. In addition to a few dispatchers, there are also book-keepers and a manager there. One of the dispatchers steps out into the hallway when we ring the bell. He tells us that seven people work in the office here. When we ask where the trucks are parked, he refers us to an address some distance away. Apparently, there is a parking area there, as well as a restaurant.

We drive to the address given to us and find a large parking area where parking spaces can be leased.

The parking area belongs to a large building, where there are various offices for rent.

There is indeed a restaurant or bar on-site, but everything is closed up and it looks as though it hasn't been open for a long time.

By coincidence, this is also the address where **DopraVanDelm** (Transport Van Delm, from Antwerp) is located. After looking long and hard, we find a sign. The dispatch department for DVD is located on the top floor. But in the parking area, we can't find any trucks belonging to DopraVanDelm.

Bulk Trans – CPS Logistics from Merelbeke did exactly the same thing as Transport Van Delm and relocated its office from Pluhová 2 to here. The address is the perfect excuse, because the parking area and adjoining buildings can indeed be used to park HGVs. But that doesn't mean that it is also an operational haulage company.

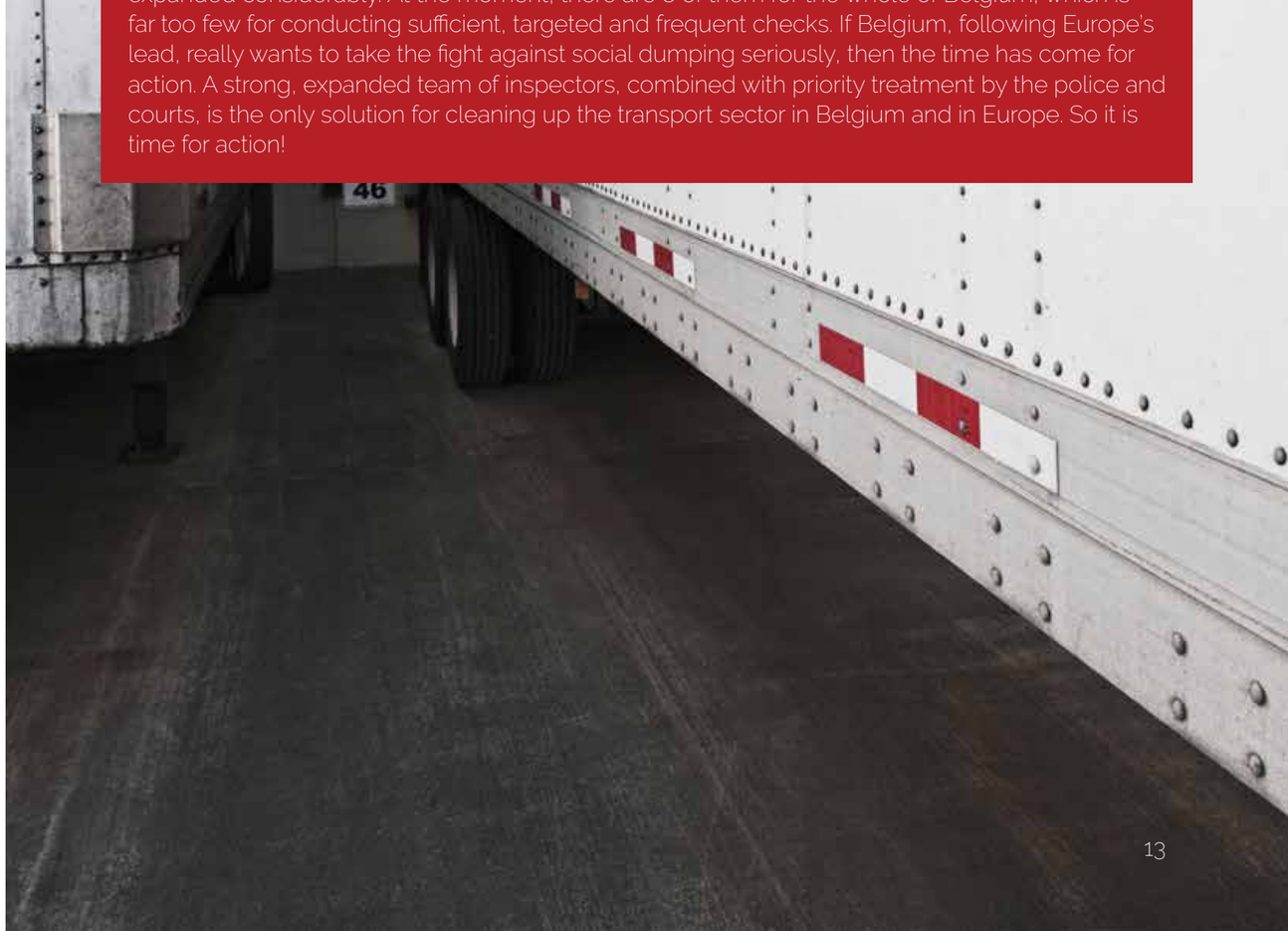
More inspectors: now!

In addition to the Mobility Package, the European Commission has also approved the establishment of a European Labour Authority (ELA). Based in the Slovak capital of Bratislava – and this is no joke! – the EU Member States will apparently help to set up the free circulation of employees in the Union. The emphasis is on the need for clarification, tightening and good compliance with the rules in the area of labour mobility within the European Union.

Supporting joint or parallel inspections is one of the key tasks of the ELA. To have the ELA working properly is very important for the Belgian inspection services: as one of the countries that receives the highest number of driver secondments, having the inspection body here work with their counterparts in other countries is essential if proper information is to be exchanged and joint action taken, where necessary. Being able to check quickly whether a company established elsewhere in Europe is more than just a post office box and whether the drivers seconded here really are employed first in the company's home country is a major step forward.

Time for action!

So we once again repeat our call for the number of inspectors to fight social dumping to be expanded considerably. At the moment, there are 8 of them for the whole of Belgium, which is far too few for conducting sufficient, targeted and frequent checks. If Belgium, following Europe's lead, really wants to take the fight against social dumping seriously, then the time has come for action. A strong, expanded team of inspectors, combined with priority treatment by the police and courts, is the only solution for cleaning up the transport sector in Belgium and in Europe. So it is time for action!



No more hotspots in Bratislava

After our 5th visit to Bratislava, we can say that there are no longer any "hotspots" for post office box companies and certainly not any Belgian haulage companies any more. But that doesn't mean that the PO boxes no longer exist. **On the contrary! Many of the companies have relocated within Slovakia without closing their post office box.**

This means that some pioneers are still clinging on stubbornly and are still at the same location. Others, which were never anything more than a genuine post office box address, are still there. **Widem SK - Widem Logistics** from Menen has had a PO box address in Bratislava since 2007, as has **Delca Špedia Slovakia** (Delcatransport, from Moorslede). When we last visited this address (which we only found after a lengthy search), all we could see was a property/rental office. No mention of Delca anywhere. Not even on a letterbox. Yet the post office box company still exists.

Haulage companies are go-getters

We can award the **silver medal** for persistence to Intrabel-**Transport Bellekens**, from Heist-Op-Den-berg: still to be found at Trenčianska 57 in Bratislava and there since 2007, with the same delivery van in the car park. But we also visited other companies again located elsewhere in Slovakia to see whether they were still continuing their wicked ways.

Rychlotrans – Group Snel has been located in the city centre of Žilina since the beginning of 2007 – and area that can only be reached on foot. This means that operating any type of haulage business there is out of the question. Although it is very clear that this is a post office box company, after 15 years there is still no improvement to be seen. You go past it without hesitation.

Sventrans, the company founded by Mr Marc Geerts, son of Corneel Geert, has also been 'active' in Slovakia since 2007. After moving office often, the company has been located since the end of 2016 in Nové Zámky, a city in the south of Slovakia. The company's street number is recorded as 38. We drive several times down the street, but can't see a number 38 anywhere. Finally, we see a side road. At the beginning of the road is an open gate displaying the number 12. We drive on and come to an abandoned villa. There's no one there. And there doesn't appear to have been any activity there for years, either. But on the letterbox, we do see the name **M Logistika** (belonging to Mr Steven Meeus of Eskatrans in Oud-Turnhout, who is also a director of UPTR) and **ATL Renting** (from Tessenderlo), two companies with clear links to Belgium. According to the commercial register, these two companies are located at the same address as Sventrans. So Sventrans must also be here, too. However, we see no sign anywhere. They set up in a virtually unfindable address and then make no effort to put their name on a letterbox.

Senec: Slovakia's logistics hotspot

We leave Bratislava and drive to Senec. This is the logistics centre for Slovakia, where international transport companies such as Gefco, DHL, Ziegler, Agility, DSV, etc. are located and have actually developed and operate their haulage business.
At first sight, everything looks as it should. However, when we go looking for **Gobo Trans Slovakia** (Gobo, from Lanaken) and **Lx-trans** (Lux, from Borgloon), we don't see any transport activities. As was the case in 2010, we can see that Gobo and Lux are still "partners in crime".

Both of them set up a post office box business in 2005 and both moved from Bratislava to the current location in Senec in 2017. Consequently, they also earn our **bronze medal** for persistence. Also in Senec, they share a small office, with one member of staff from the companies.

They have since been joined by **Vincent Logistics**, of which more in the section about Luxembourg. It was a smart move to rent a little office in a location where there is actually plenty of haulage activity going on.

If you don't want any snoopers

Košice, the most easterly situated city in Slovakia, 90 km from the boarder with Ukraine. **Q Trucking Slovensko-Van Steenbergen** from Arendonk has had a post office box address there since 2006. We reach the location after a journey of more than 6 hours. We can't see any truck belonging to Q-Trucking, no sign and not even a nameplate indicating that Q-Trucking is located here.

However, we're sure we're in the right place: the concierge of the building sends us on a walk and says that Q Trucking is located at a different number. We take a look, but all we come across is a construction site. So we go back. Suddenly, she says that Q Trucking actually is located there, but that everyone is away.

Setting up a business at the far end of Slovakia, more than 1500 km from your Belgian parent company, only makes sense if you're running a trucking business in the regions of Ukraine, Romania, Hungary and south-east Poland. Or if you want to discourage the inspection services from making the long journey to carry out the necessary work here. For Van Steenbergen, it's the latter case, because one important piece of business for them involves transporting goods for Nike from Ham and Laakdal.

Clients are also hypocrites!

Shortages make for higher prices. This is a law of economics that apparently does not apply in the transport sector. The exploitation of drivers and social dumping ensure that shippers and clients can continue to organise their transport of goods at dirt-cheap prices. This has to stop. The example of NIKE, which uses Van Steenbergen as its "in-house carrier", **also places crushing responsibility on the multinationals**. They have the tools in hand to help social dumping out of this world. When it comes to organising their transport, the one and only thing they look at is the price and so they always choose the cheapest solution. Without ever wondering how it is a haulier can manage to operate so cheaply.

At the time of the raid on Van Steenbergen on 27th October 2020, it looked as though the company's trucks were going to be impounded. Nike suddenly saw its transport being compromised and so contacted a former carrier that had been shown the door previously for being too expensive. The offer to drive and deliver at the correct rate was only on the table for 1 day, because it soon turned out that Van Steenbergen could actually keep driving. NIKE then deliberately opted not to work with a haulier that wanted to operate in the proper manner. Instead, NIKE opted to continue working with a haulage company that organises social dumping. **So Nike also has its share of responsibility!**

If clients pay the correct price to transport their goods – not the current rate based on cheap labour and exploitation – then the haulage companies would be able to pay their drivers better wages. The growing shortage of drivers demonstrates that the time is ripe for this to happen.

Czech Republic

Slovakia is not the only country where fraudulent haulage companies can set up a post office box business. The Czech Republic also hosts Belgian companies that have set them up there. The principle is the same: putting cheap drivers to work in Belgium via the PO box company. Here again, we see that firms are trying to bring themselves into line with the European rules by employing staff at these addresses. But HGVs, transport and logistics activities are never operated on-site. A summary.

Continental Cargo Carriers

Continental Cargo Carriers, from Ostend, formerly Detrafor, was acquired in 2018 by Europa Worldwide Group. We have two addresses for them: one in Sokolov and one in Svatava, both in the West of the Czech Republic, close to the border with Germany. At the address in Sokolov, we find no reference whatsoever to the company, just a building without a bell where a legal practice is located.

We have more luck in Svatava, where we come across someone who tells us that Continental Cargo Carriers has changed name. The company is now called Petratrans and is located in an area where no heavy goods vehicle traffic is allowed. There we find a fully operational office, with an accounts department, a dispatcher and a manager. But no trucks, garage facilities or storage warehouse.

Jet Trucking and Services

Teplice lies in the north-west of the Czech Republic, 70 km south of Dresden. This where Jet Trucking & Services - Jet Logistics, from Oudsbergen, has its post office box business. Hanging on the building where Jet is located is a large tarp with the words in Czech “Cheap offices to rent”.

Jet’s name is on the door. We ring and a very friendly and talkative dispatcher comes to speak with us. He tells us that it is only a small office. It’s cheaper to rent here and keep the trucks somewhere else. The accounting is done externally.

They have a parking area nearby with a small restaurant where the drivers can get breakfast at the weekend. During the week, he claims that meals are served two times a day. The drivers make their own way to the company, or travel by small car to Germany and Belgium.

The parking area itself is called ‘Truck Stop’ and at a site of a certain size, we do indeed find a number of trucks, but none from Jet. There is also some form of infrastructure that looks like a restaurant, but everything is closed up.

Czecho-slovakia?

Decades ago, the brothers Louis and Jules Smets each set up their own transport company. As time went by, **Ninatrans** and **Transmet** saw the light of day. Then, in June of this year, the grandchildren decided to merge the companies into a new holding arrangement upstream from the 2 companies. Benny Smets, CEO of Ninatrans, chairman of the Board of Directors of Febetra and Voka Vlaams-Brabant, was appointed as CEO of Transmet from Boutersem. Ninatrans has its head office in Haasrode, close to Leuven.

Praha Service Transport is located in Kladno, 30 km west of Prague. On an industrial estate we find a building with no parking for HGVs, let alone warehousing for storage and trans-shipment.

We ring and are allowed in. In the offices, a very friendly woman speaks to us. She says that today she is the only person at work because it's the holiday period, but normally she has a book-keeper and 2 dispatchers working with her. The office is run by a local manager. When we say that we are looking for Ninatrans, she explains to us in great detail that Praha Service Transport is a subcontractor of Ninatrans. Benny Smets is well known. Drivers from Praha Service Transport often drive to Belgium to work there. Praha Service Transport apparently has 53 trucks.

Once again, we hear the same thing: there's a parking area a little further away.

As a result of the merger of Transmet and Ninatrans, Benny Smets has not one but two post office box companies. Because Transmet also has one, albeit in Bratislava in Slovakia. So, with Benny Smets as CEO of both Transmet Slovakia and Praha Service Transport, we can once again talk about a united Czechoslovakia.

Below are photos of the Transmet site in Slovakia, which was located at Pluhová 2 until 2017, but since then both are at Pestovateľská 4 in Bratislava.

PO box phenomenon in Prague

Our eyes are opened wide when we visit Prague, not because of the fantastically beautiful inner city, but because the city centre hosts hundreds of PO box companies. We visit three addresses where dozens, even hundreds, of these companies are located.

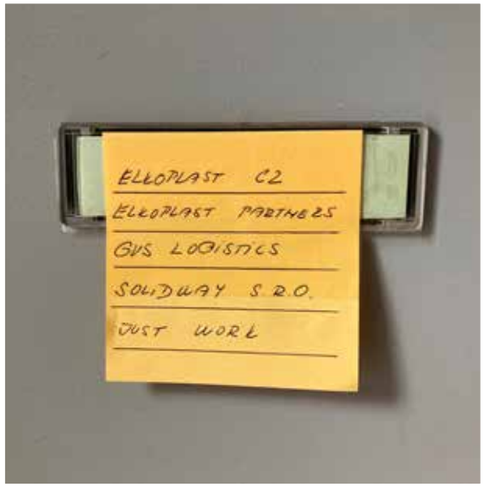
Kaprova 42/14: the most striking address. On the top floor, we find a screen where new companies, including various transport companies, are displayed in rotation. We filmed for around 10 minutes so that we could get a look at all of the companies… There were a few people there, with responsibility for all these hundreds of companies. Their job is to notify the companies if any post arrives, or to forward the mail to them. The definition of a PO box company could not be any more apt. At another 2 locations in the historic centre of Prague, we came across hundreds of post office box companies, all at one and the same address.

Becz Trans in Prague

Na strzi 1702/65 is located in an impressive new commercial centre on the outskirts of Prague. We go looking for **Becz Trans - Vanderstraeten Transport**, from Oudenaarde. At reception, we are directed to an office where a lady speaks to us. When we ask for Becz Trans, she asks who we are. When she finds out that we come from Belgium, the conversation quickly dries up and she refuses to give us any information.

Zlín: GVS Logistics

Zlín in south-eastern Czech Republic, close to Slovakia, is around 300 km from Prague. This is where **GVS Logistics is** located. The business is a collaborative arrangement between various Belgian haulage companies, including Transport Van Swartenbrouck, Getax and GRL-Glasrecyclage. A paltry post-it note hangs from the letterbox in the entrance to the building. On it five companies are mentioned, including GVS Logistics. We walk up to the first floor via the interior shop located on the ground floor. There they tell us that, unfortunately, no one is there at the moment for GVS Logistics. We can also see that there are no goods vehicles in the neighbourhood: so it is no more than a postbox with a post-it.



Offices to rent and more

It is clear that the Czech Republic is ideal for fraudulent companies from other countries to set up shop. Almost everywhere we go, we see signs with messages such as ‘cheap offices to rent’. But it goes beyond that: companies produce ads in which they more or less say that they help to set up business structures. Which takes us to a post office box address in Brno where there’s a sign that says ‘Simply Office’. A quick look at their website (https://www.simplyoffice.cz/en/) tells us enough: “Your company, easy and quickly. Sale and establish ready-made companies”.

Luxembourg

It’s not just to the Czech Republic that businesses go to seek the holy grail. Luxembourg, which has a reputation as a tax haven, also appears to be a good market for Belgian haulage companies.

In 1970, an agreement was reached between Belgium and various other countries, including Luxembourg, to avoid individuals or companies having to pay tax twice. The so-called double taxation agreement ensures that a company with offices in Belgium and Luxembourg that already pays tax in Belgium cannot be taxed again in Luxembourg. The same principle applies the other way round, which makes it very attractive for Belgian haulage companies to set up a post office box company in Luxembourg. And when we look at the tax rates charged in the two countries, it becomes clear why they do it.

	Tax rate Belgium	Tax rate Luxembourg
Corporation tax	20% - 25%	17%
Tax on dividents	30%	15%
Income tax	25% - 50%	8% - 42%
VAT (on haulage activities)	21%	17%

Just like in Slovakia and the Czech Republic, we often see companies being established in Luxembourg, with many of them at the same address or close to one another (in the same street, around the corner from each other, etc.). But these are usually post office box companies in the true sense of the word. Whereas in the Czech Republic and Slovakia we often found companies with one member of staff sitting behind a desk to make everything appear above board, in Luxembourg it’s virtually always about addresses in large buildings where there is little or no business going on, let alone any haulage activity.

Weiswampach

Our first stop is in Weiswampach, a PO box paradise for Belgian haulage companies.

Gruus-Strooss

Gruus-Strooss is in Weiswampach, a major street in which, as the word suggests, it is highly desirable to set up a business.

At number 29, we should be able to find **R.H.T. - T.R.H.** belonging to Roger Heinen from Eupen. T.R.H. does not hide its light under a bushel. Its website says the following:

"The central location of Eupen in the three-country triangle of Belgium-Germany-Netherlands, with Luxembourg nearby, where we established the Luxembourg company 'RHT' in 2013, creates the perfect tandem for meeting all customer requirements in the shortest time."

We don't find the company at number 29. But when we go a little further, to number 35, we see the same R.H.T. name on one of the many letterboxes. There is no question of it being a real company location with haulage activities going on; there's not a truck, driver or parking area to be seen. In fact, the address is a large apartment building where there is little or no movement and at which dozens of other companies are also located.

At TRH in Belgium, there are 10 FTEs (full-time equivalents) employed, compared with 56 Luxembourg FTEs at RHT.

And it's not just R.H.T. that's located at number 35. This is the address where we find a number of other haulage companies with a link to Belgium:

- **FEIPA** (belonging to **PA**trick **FEI**dler, director of the Belgian company Gupa, from Sankt Vith), which has no FTEs in the Belgian company
- **OCH Transport Luxembourg** (from Courcelles), with 5 Luxembourg FTEs and only 1 Belgian FTE
- **S.H.T.** (Spoden, from uit Sankt Vith)
- **Witralux** (Wijnands Bulk Care, from Lanaken), which operates 60 vehicles and has 33 Luxembourg FTEs and only 14 FTEs registered at its site in Belgium

Also at numbers 61 and 67 we find other Belgian PO box companies:

- **Space Liner** (Transport Verbeken, from Dendermonde, which also has a branch in Bratislava)
- **Transports Maes International** (Established by Johnny Maes in 2004, but acquired in 2014 by Virotrans Slovakia. We saw earlier that this is the post office box company belonging to Roland Peeters of Peethultra Transport in Malle).
- **Transports Hammes** (Hammes, from Sankt Vith)

Am Hock

At Am Hock 1 and 2, we find a big hitter: **Jost Group.**

Roland Jost has a number of companies established at this address. For example, there's Jost Management, Jost Group S.A. and Nicholas Charlier International at number 1, while Jost S.A. is at number 2. The Jost Group website gives this as the company's only address in Luxembourg. Once again, it's a big building with various letterboxes. There is a parking area here, but containing just a few cars.

However, Jost is not the only company located at Am Hock:

- **Rowitra Lux** (n° 2) and **Meers International Transport Luxemburg** (M.I.T.L.) (n° 3): belonging to Xavier Meers, with the Belgian company Meers International Transport from Lanaken, known from the Lady Truckers reality TV programme. On its website, the company says it operates 107 vehicles in Belgium, although it employs just 27 FTEs. At M.I.T.L., there are 48 Luxembourg FTEs on the payroll.
- **Compagnie Sud-Express** (n° 4): Greg Transports, from Seraing, with around 50 Belgian FTEs and 150 or so FTEs in Luxembourg. The company name doesn't even feature on a letterbox.

Beelderstrooss

Also in Weiswampach is **Haspolux - Transport Spoden**, the company from Sankt Vith. Same story: another big building with various letterboxes. Not a single FTE on the Belgian payroll.

We drive on and, to our great surprise, suddenly see a single HGV, belonging to Transport Spoden. This is the first truck we have come across on our trip to Luxembourg and the first from a Belgian company! It is very clearly a company affiliated with Haspolux: just compare the two logos…

Huldange

Since 2005, **Magetra** from Eupen has not only had a branch in Slovakia, but also one in Huldange, a tiny little place with just 353 inhabitants, where the company has a PO box. Under the name of **Magetralux/Palifor**, the company employs 130 Luxembourg FTEs. In Belgium, there are fewer than 50 employees on the payroll. The rest of the drivers doubtless have a Slovakian contract.

Troisvierges

We also take a look in Troisvierges. Here we come across the head office for **Hezolux (Internationaal Vervoer Frans Hendrickx & Sons**, from Heist-op-den-Berg. The name wasn't chosen by coincidence: **HE**ndrickx & **ZO**nen **LUX**emburg). It's an apartment building where various companies are located on the ground floor. But the location isn't somewhere you can conduct a haulage business. There's no parking, no warehouse and no garage facilities.

Too many to name

There are numerous locations where Belgian haulage companies have set up PO box companies in Luxembourg. Going through them all would take us too long, but we would like to conclude by mentioning one particular location, because the firm in question has also established a post office box company in Slovakia. **Vincent Logistics** is located at **6 Les Jardins de Hasselt** in Beiler. It is a brand-new complex that looks more like an apartment building than offices. The company is incorporated in Belgium, in Eynatten, and has 115 FTEs registered. The fact that the company was set up by Jean Vincent in Luxembourg for purely tax-related reasons is clear.

Avoiding social dialogue!

With some of the other companies, there is an additional argument for setting up in Luxembourg. It gives them the opportunity to register their trucks and Belgian drivers in Luxembourg so that their companies in Belgium are seen not to employ more than 50 people. That way they get round the obligation to hold social elections and hence have to engage in social dialogue with the unions. Meers Transport (Rowitra and MITL-Meers International Transport Luxembourg) and Witralux, both from Lanaken, are the best examples of this. Together, their companies in Luxembourg and Belgium employ more than 50 workers, although in Belgium alone, they don't exceed 50 employees.

Epilogue

It is more than 10 years ago that the BTB published its first black book on social dumping and more than 15 years since we received the first signals via our informants that employers were organising themselves to bring in cheap drivers on to the Belgian transport market. The system was relatively simple. A haulage company set up a post office box company and then employed its drivers from Eastern Europe through this branch, applying dirt-cheap contracts in Belgium and the rest of Western Europe. 3 Eastern European drivers for the price of 1 Belgian driver. This created a whole industry of consultancy companies helping to set up and run a foreign firm.

PO boxes have not disappeared

Despite the tightening of European regulations in 2011 and 2020, the phenomenon of PO box companies has still not disappeared from Europe. On the contrary, in some European countries, it's a piece of cake to start up a post office box company.

The ability to recruit cheap drivers via these PO box companies is the best-known feature of this, which we have been able to establish with this black book, including in the Czech Republic.

But for fiscal and social/ legal reasons, PO boxes still remain below the radar in Luxembourg, certainly in the transport sector – especially because these structures are not the direct cause of social dumping. Pay and working conditions in Luxembourg are on the same level as other countries in Western Europe. But the tax benefits enjoyed by these companies enable them to operate more cheaply than their competitors. It's a race to the bottom on charges rather than on wages. Fiscal dumping indirectly causes social dumping.

Unions not wanted

An additional advantage for Belgian haulage companies of setting up a post office box company in Luxembourg is that it enables them to remain under the threshold of 50 employees in Belgium.

As soon as a growing company in Belgium has more than 50 employees, it is obliged to hold social elections, which in turn enables the unions to get a foot in the door.

So long as the unions are not in these companies, they have no control over the way they are managed. Employers have free rein to organise social dumping, without any interference from outside. Setting up a PO box subsidiary in Luxembourg can be very helpful for them in this regard. Having a second or third company in Belgium exposes them to the possibility that all of these small entities may be viewed as 1 big company with more than 50 employees. A subsidiary in Luxembourg helps them to get around this.

Employers have free rein if there is no union in their company to exercise control and if there is no union to bring issues to the surface. Companies that do not have a tradition of social dialogue are the first to organise social and fiscal dumping through all sorts of back doors. That is just one of the conclusions that we are able to make after producing 5 black books.

Lack of control

Another conclusion is that many Belgian hauliers have relocated their PO box companies from Bratislava to make it harder to conduct checks. Or they have set up a dispatching and accounts department, sometimes even in a logistics park estate in order to "comply" with the European legislation on post office box companies. But so long as the system is being used to put cheap drivers behind the wheel, social dumping will remain.

BTB continues the fight

One final conclusion that we would like to make here is that the fight against social dumping – which the BTB has been involved in since day 1 – has not been in vain. Exposing the malicious practices of employers and explaining how illegal systems are set up has ensured that the fight against social dumping is finally being taken seriously. Examples are the passing by Europe of the Mobility Package and the setting up of the ELA.

But our work is still far from complete – as witnessed by the many post office box companies operating in various countries.

And finally there is this: until such time as the inspection services are not beefed up, the "race to the bottom" that has held the European transport sector in its grip for almost 15 years will not be stopped by introducing faster and more punitive measures. This downward spiral has ensured that transport has become far too cheap and haulage is not paid for at the correct price.

Low wages and long working days have frightened young people away from taking up the profession of HGV driver. The driver shortage has never been so great because the profession has never been as unattractive as it is today. To stop this from happening, the time has come to root out the cancer of social dumping so that the transport sector can finally become a "fair transport sector", with higher wages and shorter working weeks. So that both drivers and hauliers can be paid in a fair and correct manner.

Tom PEETERS
Deputy Federal Secretary
BTB-ABVV
Transport & Logistics

Read our other reports

Social dumping

This black book on social dumping is the fifth in the series.
Interested in the previous ones? The most recent ones are also available in English. You can find them via the following links:

Black book 2012 : https://tinyurl.com/2012-Blackbook-Socialdumping
Black book 2017 : https://tinyurl.com/2017-Blackbook-Socialdumping
Black book 2019 : https://tinyurl.com/2019-Blackbook-Socialdumping

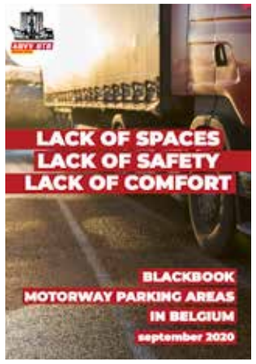
White book: 25 measures against social dumping :
http://tinyurl.com/btb-ubt-socialdumping

If you would like to keep track of the campaigns already conducted by the BTB against social dumping in recent years,
please visit www.stopsocialdumping.com

Parkingboeken

In addition to the investigation into social dumping, BTB also published black books about the motorway parking areas in Belgium:

Parkingboek 2020: https://tinyurl.com/BTB-parkingbook-2020



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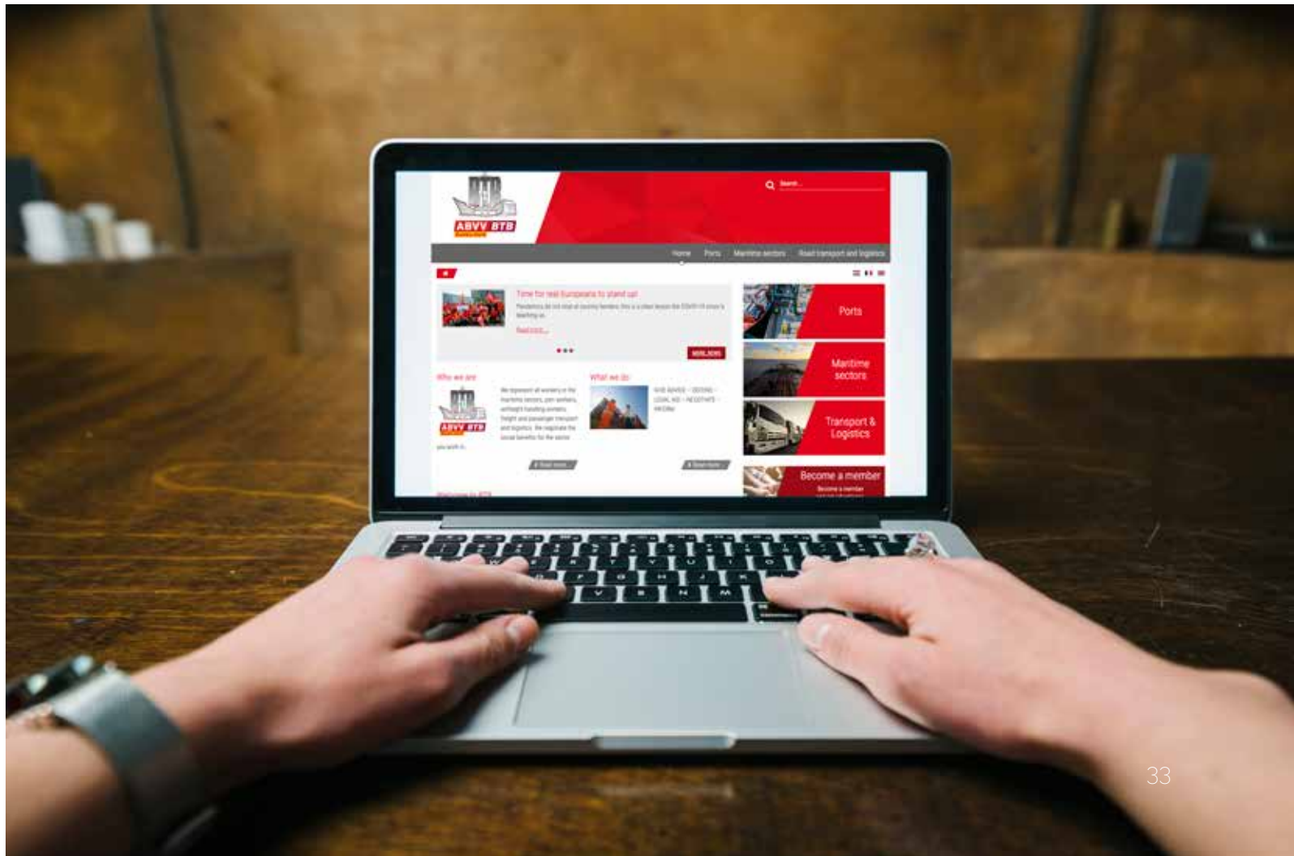

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