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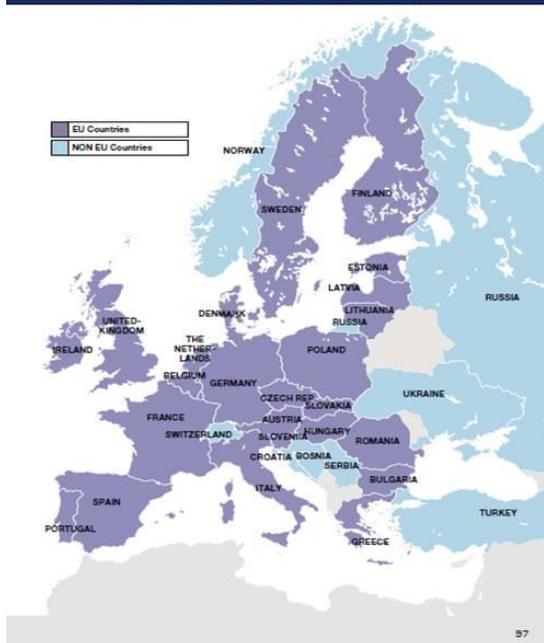
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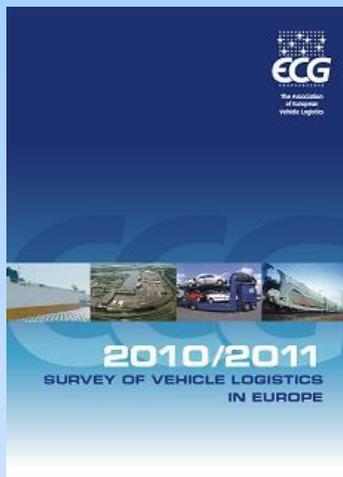
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NEWS FROM BRUSSELS

ACEA publishes Auto Industry Pocket Guide 2011

(Source: ACEA, September 2011) ACEA has just published the "Automobile Industry Pocket Guide", which compiles comprehensive and insightful information about the automotive industry in Europe, containing key data on employment, production, vehicle registrations, vehicle use, taxation and trade. This document has become a valued tool for all those interested in automobile industry issues and policies. The 2011 edition contains the latest key figures on employment, vehicle production and registration, vehicle use and taxation, and international trade. It also briefly introduces ACEA, the automobile manufacturers trade association in Brussels. The automotive industry is a key contributor to the European economy and society. The economic turmoil in the past years has underlined the importance of having a strong manufacturing base in Europe. It is of utmost importance to retain the competitiveness of the sector and the European regulatory framework plays a decisive role in this respect. ACEA maintains a constant dialogue with policy makers and other stakeholders in the EU and provides expert knowledge and industry statistics.

For more information please check:

http://www.acea.be/images/uploads/files/20110921_Pocket_Guide_3rd_edition.pdf

AUTOMOTIVE INDUSTRY

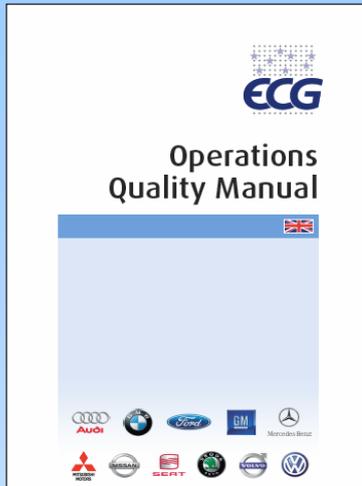
Audi sales rise 17.1% in September on China growth

(Source: Automotive News Europe, 10th October 2011) Audi sold 120,200 cars in September, a rise of 17.1% over 2010 figures, thanks to strong demand from China. "During the first week of October we had already equalled our sales record for all of 2010 in China. We want to pass the 300,000 mark for the first time in 2011," Peter Schwarzenbauer, Audi head of marketing and sales, said in a statement Monday. Since the beginning of the year, the company has sold a total of 973,200 cars worldwide, a rise of 17.4% over 2010 figures. In China (including Hong Kong), Audi's biggest market, the automaker sold 29,476 cars in September, a rise of 33.2% over 2010 figures. Since January the carmaker has delivered 226,010 cars in the region, a rise of 29.2%. In Germany, Audi's September sales rose 7.5% to reach 20,002 deliveries. Overall sales this year, in the automaker's second-largest single market, rose 15% to 185,022 cars. European sales were given a boost by deliveries in Audi's third-largest market, the UK. The brand delivered 18,653 cars in September, a rise of 15.7%. From the start of the year, Audi has sold 93,781 units in the UK, a rise of 13.2% over last year's figures. Overall in Europe, Audi sold 67,200 cars in September, a year-on-year rise of 9%. Since the beginning of the year, Audi has sold 552,000 cars in the region, a rise of 12.3%. In the United States, the brand sold 9,725 units last month, a rise of 19.3%. Between January and August, total sales in the brand's fourth-largest market grew to 84,981 units, a rise of 15.5% over 2010 figures. Audi plans to increase its import product range in China this year and expand into new segments with the A1 and the A7 sport back, the company said in a statement.

BMW stays ahead of rivals Audi, Mercedes in global-sales race

(Source: Automotive News Europe, 10th October 2011) BMW stayed on course to remain the world's top-selling premium automaker after global sales of the company's core brand rose 9.3% to 128,446 units in September. The rise puts

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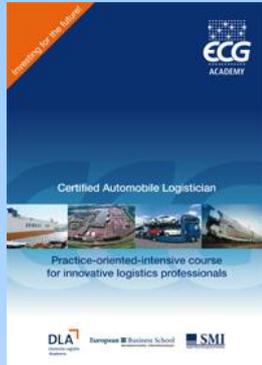
BMW ahead of competitors Audi, whose sales grew 17% to 120,200 in September and Mercedes-Benz, whose sales rose 2% to 120,982 in the same period. "At the end of the third quarter we find ourselves well on course to deliver our target of more than 1.6 million vehicles in 2011 and to remain the clear number one among premium manufacturers once again this year," BMW's head of sales Ian Robertson said in a statement Monday. Overall sales of BMW Group vehicles including the Mini and Rolls-Royce brands grew 16% in the first nine months of the year to 1.23 million units. In September, the group sold 159,214 vehicles, a rise of 11.4%. Sales of BMW's X3, X1 and 5-series models continued to help lift deliveries for the carmaker. Sales of the revamped X3 small SUV rose 260.6% to 11,345 units in September, while deliveries of the X1 rose 24.7% to 12,535 over the same period. The mid-sized 5 series sold 27,811 cars last month, a rise of 29.7%. In September, the group's Mini brand sold 30,387 cars, a rise of 20.5%. Deliveries were boosted in part by the success of the Mini Countryman, which has sold 76,000 units since its launch just over a year ago. Mini sales since January have increased by 24.1% to 208,216 units. The group's ultra-luxury brand Rolls-Royce grew sales 41% in the first nine months to 2,441 units. In the U.S., the company's biggest market, the BMW Group reported sales of 25,749 vehicles in September, 11.4% more than a year earlier. At home in Germany, BMW's second-biggest market, growth rebounded from stagnant summer sales figures, with deliveries rising 9.9% to 23,809 units in September. Sales in China, BMW's third-largest market, rose 20.9% in the same period to 18,588 deliveries. Since January, the BMW brand has sold 1.02 million cars, a rise of 14.5% over 2010 figures. Audi aims to overtake BMW as the most successful luxury automaker by 2015 and is targeting sales of 1.3 million cars this year. The automaker said Monday that its new-car sales rose 17.4% to 973,200 units in the first nine months. Mercedes said last month that sales of its Mercedes and Smart brands will probably surpass 1.35 million in 2010, compared with an earlier forecast of 1.3 million. Sales of the Mercedes brand reached 919,288 units in the first nine months of the year, a rise of 7.6%.

Seven automakers agree to EV charging-system standard

(Source: *Automotive News Europe*, 12th October 2011) Audi AG, BMW AG, Daimler AG, Ford Motor Co., General Motors Co., Porsche AG and Volkswagen AG have agreed to support an international standardized approach to charge electric vehicles in Europe and the United States. The agreement will allow electric vehicles made by those manufacturers to share the same fast-charging stations. The standardized system integrates all charging scenarios into one vehicle inlet-charging connector. It also uses identical ways for the vehicle to communicate with the charging station, a press statement from Ford said today. The automakers' decision to endorse the combined charging system was based on studying existing charging strategies, the ergonomics of the connector and the preferences of U.S. and European customers. The automakers cite the success of Level 1 and Level 2 charging stations as an example of how standardization should help boost the sale of electric vehicles and improve customer satisfaction. Level 2 stations allow 220-volt charging in the United States. There have been previous attempts at standardization for EVs. For example, the industry in the United States has agreed upon a standard Level 1 charging plug, known as the J1772, in part due to efforts by SAE International. Prior to standardization of that plug, an EV owner had no way of knowing if the charge port they were pulling up to was compatible with their vehicle. But industry executives have criticized SAE and other engineering groups for the slow pace of getting automakers and governments in multiple countries to agree to standards, as each automaker has championed its own approach to developing electric-vehicle technologies.

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EUROPE

Russian new-car sales rise 26% in September

(Source: *Automotive News Europe*, 10th October 2011) Russian new-car sales rose 26 percent year-on-year in September to 48,495 units, the Association for European Businesses (AEB) said. The figure was less than the 32% growth rate for August. The AEB is forecasting a 28% rise in full year 2011 sales to 2.45 million, compared to 1.91 million in 2010. "The 26% increase for the month of September is in line with our recent expectations of a slowing but still strong growth for the remainder of 2011," David Thomas, head of the AEB's autos committee, said on Monday. In January this year, the AEB said that Russia could be on course to revisit sales levels last seen in 2008, before demand collapsed in 2009, which would allow it to challenge Germany for the title of European car-sales leader. Sales will likely jump another 23% in 2012 to about 2.9 million units, the Moscow-based trade group said at the time. Russia was on track to challenge Germany's automotive sales lead before the global economic crisis hit in 2009.

Renfe and Green Logistics Platforms sign a partnership agreement for the transport of goods

(Source: *El Vigia*, 30th September 2011) Renfe and Green Logistics Platforms (LPG) have signed a collaboration agreement with the objective of increasing freight traffic by rail. The document provides the basis for the parties to co-operate in traffic and logistics management and distribution of goods classified intermodal containers under the principles of safety and environmental compatibility. The agreement provides an optimization of classified freight through the network Renfe Freight services, the implementation of GLP platforms in different logistics nodes in Spain with rail access, and strict regulatory compliance and security logistics. GLP is a company owned 75% by Fitotrans and 25% by Nadica. It focuses on the design of logistic platforms and the integrated management for special container terminals, and other multimodal transportation, road, rail and sea. In this field, Fitotrans contributes as a leading chemical logistics operator in Spain and European benchmark in its sector with the highest SQAS (Safety and Quality Assessment Systems), recognized by the European Council of Chemical Industry (CEFIC).

BLG and Fesco team up in Russia

(Source: *Automotive Logistics News*, 12th – 18th October 2011) Germany's BLG Logistics has signed a joint venture agreement with Russian transport and logistics provider Fesco to develop automotive port handling operations at the port of St Petersburg and truck distribution within the Russian market. The joint venture will make an initial investment of €10m in the project including the development of facilities at St Petersburg with stevedore JSC Sea Port of Petersburg over a 95,000m² area. The investment will also include a fleet of 31 vehicle trailers. Projected annual throughput volumes of 60,000 units are expected at the port in 2011. The news comes as the latest new car sales figures for Russia from the Association for European Businesses show a 26% year-on-year rise in September touching 48,500 units. The AEB is forecasting a 28% rise in full year 2011 sales to 2.45m. Fesco's president and CEO, Sergey Generalov, said the joint venture would offer clients attractive automotive logistics services and develop into one of the leading players on the Russian market within five years. He also said the company would combine ocean transport and port handling of vehicles in the European part of Russia and in the Far East with rail and truck transport of both imported and locally assembled vehicles. Fesco has an extensive network of ocean, rail and road transport, including port and inland infrastructure for container, cargo and vehicle movements in Russia. It has annual capacity for 100,000 vehicle units. Both companies are eager to gain from the Russian automotive market's growth forecast, which is estimated to grow at an



Truck



Ship



Compound



Train



Barge

ECG AGENDA

► The **ECG Office** will be closed the **1st November 2011**

► The **ECG Maritime Commission** will be held the **3rd November 2011** in Antwerp, Belgium.

► The **ECG Office** will be closed the **11th November 2011**

► The **ECG High & Heavy Meeting** will be held the **24th November 2011** in Brussels, Belgium.

► The **ECG Board Meeting** will be held the **1st December 2011**

► The **ECG Land Transport Commission** will be held the **7th December 2011** in Wörth, Germany.

► The **ECG Board Meeting** will be held the **25th January 2012** in Brussels, Belgium.

average of 15% per year. Detthold Aden, chairman of the management board of BLG Logistics, added that the combination of Fesco's deep knowledge of the local market and diversified portfolio of assets and services, along with its push for innovation, made it a perfect match for BLG's strong position in the Europe to Russia trade. BLG Logistics recently signed another joint venture with the Chinese supply chain provider Cinko SCM to jointly operate a PDI centre at the port of Tianjin's ro-ro terminal. The new company is called BLG Cinko Autotec.

China's Chery plans exports to Europe after 2015

(Source: *Automotive News Europe*, 11th October 2011) The Chinese carmaker Chery Automobile aims to start exporting to Europe after 2015, a senior executive said. "Currently, we are still focusing on Russia and South America, among others, as our major export markets. Our goal is to start selling vehicles in Europe after 2015," Lu Jianhui, deputy general manager of Chery, told an industry forum in the southern Chinese city of Chengdu on Tuesday. Chery expects to ship 180,000 vehicles overseas this year, double last year's roughly 90,000 units, Lu said. The number would hopefully increase to 1 million units in 7 to 8 years, he added. Chery, which started selling cars overseas in 2002, is now China's biggest auto exporter.

Joint venture

Last month, a German newspaper reported that Chery had established a €1.5 billion JV with Israel Corp., to build three compact models to be sold in China and also exported to Europe from next year onwards. The vehicles will be developed by the Austrian supplier Magna Steyr. The JV, Chery Quantum Auto, will announce further details in November. Chinese companies have made efforts in the past to break into the European market, but a reputation for poor build quality and poor results in safety tests have led to low sales.

German OEMs to showcase 'Combined Charging System' for alternate powertrains

(Source: *Hybrid & Electric Vehicles News*, 12th October 2011) Germany-based automakers such as Audi, BMW, Daimler, Porsche and Volkswagen plan to showcase the Combined Charging System at the Electronic Systems for Motor Vehicles event, according to a press release by Daimler. The system has been developed in close co-operation with US-based OEMs Ford and GM. The charging system requires a single charging interface at the vehicle, which enables users to charge batteries by using existing charging methods—one-phase AC-charging, fast three-phase AC-charging, DC-charging at home or fast DC-charging at public stations. The universal charging system is a step by German automakers to reduce the complexity involved in the development and adoption of electric vehicles (EVs). Multiple connectors in the charging infrastructure and different charging inlets at the vehicle are not required for AC charging and DC charging. The system is designed to feature charging communication and ensure safety. The feature will help in reducing costs and facilitate EV deployment. The Combined Charging System is expected to be ready for deployment by mid-2012 followed by a launch in the market.

Grimaldi back to Capri for Euro-Med 2011

(Source: *Ship to Shore*, 3rd October 2011) For the 15th edition of its successful annual Euro-Med Convention, Grimaldi of Naples opted to go back to the location of the edition held ten years ago, at the marvellous Grand Hotel Quisisana where 320 guests came to hear the speeches of: Rosa Puig Vidal, Commercial Director of Barcelona Port Authority; Fotis Karamitos, Director Logistics, Maritime and Land Transport of the EU Commission; Tommaso Affinita, Managing Director of RAM (Rete Autostrade Mediterranee); Bartolomeo Giachino, Vice Minister of Transport. The congress gave Manuel Grimaldi, managing director of the Italian group together with his elder brother Gianluca and brother in law Diego Pacella, the chance to announce further development in its fleet and illustrate their winning



Upcoming events in Brussels

- European Transport Forum, 18th October 2011, Stanhope Hotel, Brussels (www.europeantransportforum.eu)
- European Electric Vehicle Congress, 26th – 28th October 2011, Diamant building, Brussels (www.eevc.eu)
- Innovation in Transport for Sustainable Cities and Regions, Polis & EESC Conference, 29th – 30th November 2011, Brussels (www.polisnetwork.eu)

strategy even in these tough days. These are dangerous times for the global economy and for the private businesses that supply so much of its life-blood. "Here at Grimaldi, we always are in fighting trim as we face into the coming storm. As ever, our approach is founded on three pillars: planning, design and financing. We are set to invest €3 billion euro in new vessels between 2010 and 2012. While keeping tight control on capacity in terms of design, we are focusing on vessels with maximum flexibility and minimum fuel consumption in order to improve our economic and environmental performance" said Grimaldi. "As for financing, we continue to rely on our own means where possible, reinvesting our profits and minimizing our dependence on the banks. We have 50% equity in every ship we order and despite investing heavily - both in new buildings and in raising our stake in Finnlines and Minoan Lines - we still have access to a €300 million credit line. We expect to record a profit again this year, with ACL performing better than in 2QW. Terminal operations like Lagos contributing strongly to the bottom line, and our deep sea lines also gaining ground". Like the Chinese, who express crisis and opportunity with the same ideogram, the Italian owner also sees this as a moment to seize. "We are poised to order five of the world's largest and most efficient con-ros to replace ACL's ageing vessels and expect to take delivery in 2013-2014 when we have no other financial commitments. We have launched a new Mediterranean Express service linking the Mare Nostrum with Dakar and other West African ports. And we have just won a multi-year concession for the Muelle Costa freight and passenger terminal in the key port of Barcelona". Grimaldi is aware the coming years will not be easy sailing. "We face regulatory, as well as economic, challenges, not least over proposed new limits on sulphur content in fuel that could drive up costs and move cargo off the water and back onto the roads. At the same time, we have reason to trust our business model, as well as the 'Cruises', the new 'Eurocargos' and the coming ACL giants, which are the i-Phones and i-Pads of our shipping world".

France registers sales of 300 EVs in September

(Source: Hybrid & Electric Vehicles News, 10th October 2011) France has registered sales of 300 electric vehicles (EVs) in its local market in September, according to a press release by Comité des Constructeurs Français d'Automobiles (CCFA), trade association of the French automotive industry. The EV segment represents less than 0.2% of the market in France. However, it is expected to expand with the launch of Renault's Fluence ZE. While marketing for the zero-emission vehicle is expected to begin next week, Renault is reported to have registered 109 units already in September. Also, recently, Paris has officially started its eco-friendly electric-car-for-hire scheme by rolling out battery-powered Bolloré BlueCars. In this regard, 51 Bolloré BlueCar were registered for the two-month trial ahead of Autolib's official launch in December. Apart from this, other EVs which have been registered include 62 units of iOn Peugeot, 39 units of Citroen C-Zero, 17 Nissan LEAFs, 13 units of Mia and 10 Smart Fortwo vehicles. According to CCFA's press release, since the beginning of this year, France has registered 1,428 EVs including 920 units from PSA. The hybrid vehicle segment increased 46% in September, representing 0.8% of the market. The segment was ruled by the Honda Jazz (455 registrations) followed by the Toyota Auris (380 units) and Prius (139 units).

Slovakia's auto industry fears collapse of eurozone

(Source: Automotive News Europe, 12th October 2011) The Volkswagen, Peugeot and Kia car plants along the main highway illustrate Slovakia's transformation from ex-communist backwater to eurozone success, the world's top automaker per capita. Slovakia's main highway is lined by factories owned by three big carmakers and scores of other firms that flooded into the country after 1998 when reformists ousted the authoritarian government that held sway after communism. The auto plants produced almost 700,000 cars in 2008 just before the global financial crisis hit, making Slovakia the world's biggest producer of vehicles per capita. Samsung and Foxconn also produce flat screen monitors and other

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electronics, a Whirlpool site cranks out white goods in the foothills of the Tatra Mountains, and thousands of workers sweat in the forges of U.S. Steel in the city of Kosice. But those industries took a major hit two years ago, the same year Slovaks adopted the euro, when falling demand in the currency bloc caused a nine-month spell of double digit drops in industry and pushed unemployment to a five-year high of 13%. Now, in a rare moment of harmony, workers and industrialists have joined forces to scold their politicians for holding up expansion of the European Financial Stability Facility (EFSF), the eurozone's bailout fund for countries in crisis. They fear a delay could cause another painful downturn. "The fact that we are exporting cars into the rest of Europe, the stability of the European economy is of the utmost importance," said Dusan Dvorak, a spokesman for Kia autos in Slovakia. Emil Machyna, head of the 200,000 strong industry, transport and services union OZ KOV, said: "Even though it is difficult and Slovakia is not in a good social situation, (the EFSF) is necessary. We need to stand in solidarity within the eurozone, save what can be saved and to not have a further impact on employment, a fall in production, or a new recession." So laborious is EU decision-making, that one dissenting voice among the 17 countries that use the euro could wreck the latest plan. It's a debate the rest of the world is following with concern. On Tuesday, the government of Prime Minister Iveta Radicova fell after a small party in her ruling coalition refused to back the plans. But the outgoing government still hopes to be able to carry through the measure as a caretaker administration by the end of the week with support from an opposition party.

Longer trailers get the green light for 10-year trial

(Source: *ifw*, 12th October 2011) News that some UK hauliers will be allowed to use longer trailers under plans announced yesterday has divided logistics firms. In what many consider a highly controversial decision, the UK Roads Minister Mike Penning broke the news after a consultation on proposals to allow a two-metre increase in the length of articulated lorries. The Department for Transport (DfT) is allowing a ten-year trial of up to 900 trailers at an increased length of 2.05 metres, and 900 at an increase of one metre. The longer lorries will operate within the existing weight limit of 44 tonnes. The government said the trial was aimed at boosting the economy, reducing road journeys and cutting pollution. The news was greeted with enthusiasm by the UK Freight Transport Association (FTA). Its Head of Engineering Policy, Andy Mair, said: "FTA research suggests that there are significant environmental and efficiency benefits on offer from deploying these vehicles." However, he added: "But it is not a vehicle for all sectors and will only be viable on journeys where the goods carried are high-volume, low-weight as vehicle fill can be improved. Consequently, the number of journeys will be reduced and the number of lorry miles cut." News of the longer trailer trial has been met with reservation by other groups. The Rail Freight Group (RFG) expressed "deep disappointment" at the decision. Policy Manager Maggie Simpson said: "The DfT's decision to proceed with trials of longer lorries is a blow to the rail freight sector, and raises questions about this government's commitment to greener transport." The RFG claimed that DfT research demonstrated that full introduction of longer lorries would have a devastating impact on the prospects for rail freight growth in the retail sector. Concerns have also been raised regarding safety, the ability to fully utilise the additional space, and the impact on small haulage firms. The government is now asking transport firms to apply for a permit to take part in the trial.

REST OF THE WORLD

GM's China sales rise 15% in September

(Source: *Automotive News Europe*, 10th October 2011) General Motors, benefitting from higher micro van sales and overcoming a sluggish broader



market, says its Chinese joint ventures sold 240,244 vehicles in China in September, up 15% from the same month last year. Shanghai General Motors -- the joint venture that markets the Buick, Chevrolet and Cadillac brands -- sold 115,733 units last month, up 15% year-on-year. SAIC-GM-Wuling Automobile, GM's JV that sells commercial vehicles, appears to be recovering from soft sales earlier this year. China's largest micro van maker said domestic sales surged 18% to 119,012 vehicles. GM's Wuling JV produces the Sunshine micro van, China's top-selling model. The price-sensitive micro van segment suffered a downturn this year after the government eliminated sales subsidies in December. Wuling cut micro van prices in May and offered further discounts in July, and sales began to rebound. The venture also entered China's passenger vehicle segment this summer with its first car, the Baojun 630 sedan. Due to relatively weak sales in the first half of this year, GM and its Chinese JVs sold 1,892,862 vehicles in China in the first nine months of this year, up 7%. But sales are starting to pick up in the second half of 2011 if September's results are any indication. While industry sales for September are not yet available, GM appears to be outperforming the industry. In August, industry sales of light vehicles rose 6%, pushing industry light vehicle volumes up 5% for the year, according to JD Power. Power forecasts sales for the full year will rise 3%. Other analysts are predicting an industry sale increase of 5% for the year -- a decided contrast to 2010, when automakers struggled to keep up with a 33% sales increase. FAW-GM Light Duty Commercial Vehicle was the only GM China venture that suffered a downturn in September. Sales last month slumped 27% from a year earlier to 4,821 units. GM China didn't release export figures for September.

Ford's China sales rise 40% in September vs. August

(Source: *Automotive News Europe* 11th October 2011) Ford's sales in China rose 40% in September compared with August. The automaker said it sold 28,669 vehicles in China last month. Ford also said it sold 385,957 vehicles in China in the first nine months, up 10% from the same period a year earlier. "China accounts for 60% of our Asia Pacific and Africa sales now and will be a leading part of our sales growth in the next decade. Ford's growth plan is now in high gear," Ford China CEO Joe Hinrichs said in a statement. "By 2015 we will have 15 new vehicles in China that offer a full line-up of high-quality, safe, fuel-efficient vehicles with smart technologies that Chinese consumers want and value." The company operates a car venture in China in partnership with Chongqing Changan Automobile and Mazda. It also holds a 30% stake in major Chinese light commercial vehicle maker Jiangling.

Chevy to market Spark mini EV in U.S.

(Source: *Automotive News Europe*, 11th October 2011) General Motors plans to introduce a pure electric version of the Chevrolet Spark mini car in the U.S. market, according to reports. GM unveiled it in June as the Chevrolet Beat EV that is sold in India, greencarreports.com said. It is an electric version of the upcoming 2013 Spark mini car that will be slotted below the Sonic in Chevrolet's U.S. product line-up. The Spark is expected to go on sale in the U.S. market in late 2012, after the launch of the redesigned mid-sized Malibu sedan. Greencarreports.com said the Spark EV was spied while undergoing testing in Michigan in September. The car will be a small, battery-powered vehicle designed for urban areas, a source familiar with the plans told The Detroit News. It's unclear when the Spark EV will go on sale. The News, which first reported the development, said an announcement is planned for Wednesday. GM hosted journalists on Wednesday at its Detroit headquarters to mark Chevrolet's 100th anniversary on Nov. 3. Greencarreports, citing industry sources familiar with GM's plans, said the Spark EV will be marketed mostly in California, and possibly other states that have adopted similar emissions standards. Volumes are expected to be small at around 2,000 units a year, the web site said. GM will join several automakers with plans to market all-electric vehicles as the U.S. government prepares to finalize tougher fuel economy requirements for light vehicles through 2025. Tesla Motors and Nissan Motor Co. are already marketing electric vehicles. Ford plans an all-electric version of the Focus compact car beginning in 2012. Toyota, Mitsubishi and Kia are also readying all-electric vehicles for sale in the U.S. In January, GM CEO Dan Akerson said the automaker was developing an all-electric vehicle for the U.S., giving GM another 'green' model to complement the Chevrolet Volt. The Volt is an extended-range sedan with a gasoline engine designed to run primarily on battery power. When the battery is depleted, the gas engine recharges the battery. It went on sale in December. In August, GM said the Cadillac Converj concept, a luxury coupe with extended-range electric vehicle technology, would be produced and marketed as the ELR. The automaker said the ELR program was just getting underway and declined to provide a timetable for its U.S. rollout.

Thai floods hit supply chain

(Source: *Automotive Logistics News*, 12th – 18th October 2011) Carmakers and suppliers are being affected by the devastating floods that have swept Thailand, with Honda suffering the most direct damage due its location in the central province of Ayutthaya, which has been badly hit. Disruption to parts supply from



supplier facilities there is also expected to affect production across the country. The floodwaters, which are the worst on record for 50 years, have swept across 60 of Thailand's 77 provinces over the past two months and are estimated to have affected 8.2m people, killing nearly 270. Latest reports anticipate that the flood could overwhelm barriers protecting the capital Bangkok as the government attempts to drain water out of Ayutthaya. In terms of damage to industry, the floodwaters have broken barriers at the Rojana Industrial Park in Ayutthaya, which is a major production cluster for parts manufacturing as well as being home to a Honda production facility. While it is too early to estimate the total cost of damage, hundreds of cars waiting for delivery to clients are reported to have been submerged in water and the plant, like the rest of the park, has been effectively shut down. The company produces as many 240,000 vehicles a year at the Rojana Park. Transport to and from the facility is also said to be problematic. "Honda's assembly plant in Ayutthaya is hard hit by the flood and is completely stalled," confirmed Dhanes Mekintharanggur, director of APL Logistics Thailand, a logistics provider for the company. Last week, the carmaker moved about 3,000 assembled cars from the estate to other areas but said that relocating its manufacturing facilities to elsewhere in Thailand would not be an easy matter. Thailand is a burgeoning centre of automotive production for some of the world's biggest manufacturers. Luckily for most, their assembly plants are found in eastern Rayong province, which has not been badly affected by flooding as Ayutthaya. The main regions of damage are in the centre, north and northeast. However, disruption to parts supply from Ayutthaya is expected to effect production across the country. "Although other OEMs' plants are primarily located in Bangkok or Eastern Thailand, their operations are impacted by a disruption in parts supply out of Ayutthaya," Mekintharanggur told Automotive Logistics. There are around 20 car part plants in the region affected by the floods, accounting for 10% of the total parts production of the country. What might also be of concern for the automotive industry, given recent shortages after the tsunami in Japan, is the impact on micro component supply, given the prevalence of electronic suppliers in the Trojana and Saharat Nakorn industrial estates. Thailand is expected to implement similar measures in dealing with inventory shortages to those that followed the March earthquake in Japan. For its part Mekintharanggur said APL Logistics was working intimately with its OEM customers to prepare and implement contingency plans that will minimise the impact. These include putting trucks on standby pre-loaded with parts in case of an urgent delivery requirement and transferring parts and finished vehicles to areas protected from the flood.

Obama intervenes in US rail dispute

(Source: *Automotive Logistics News*, 12th – 18th October 2011) The on-going dispute between 30 of North America's rail freight operators and 11 US labour unions took another step this week when the US Obama administration appointed a five-person Presidential Emergency Board (PEB) to investigate the conflict. "Rail freight is vital to our economy and our future," said President Obama. "It's in our national interest to make sure our freight rail system runs smoothly, since a disruption could affect businesses across the country and cause unnecessary damage to our already-fragile economy." The automotive industry, which has already had its sales forecast revised down by 1m units for 2012, is sensitive to this disruption. Toyota, which uses rail for incoming parts and components to its US plants (especially those sourced from Japan), as well as for the distribution of finished vehicles, said it was watching the situation but found it difficult to say yet what the total impact would be. Contract talks between the labour unions and the rail providers, which began in 2010, have been fuelled by the knowledge amongst workers that the railroads have increased revenue and profits over the last six consecutive quarters. Many feel they deserve a larger cut of the rewards than that on offer. It is understood that rising healthcare costs are also central to the talks. The rail providers, which include BNSF, CSX, Kansas City Southern, Norfolk Southern and Union Pacific, and are represented by the National Carriers' Conference Committee, contend that above-market wage increases of 17% over six years have been offered and that the additional demand would compromise the estimated \$12 billion the industry plans to spend this year on much-needed track improvements and other capital expenditure. A new five-year agreement was signed last month between the United Transportation Union, which represents about a third of the railroads' unionized employees, and the NCCC covering conductors, yardmen, brakemen, engineers (where UTU represents engineers), firemen/hostlers and yardmasters. Therefore, the UTU is not affected by the creation of the PEB. "The carriers successfully reached an agreement with the industry's largest union, the United Transportation Union (UTU) and its Yardmasters Department," said NCCC chairman A. Kenneth Gradia. "This agreement, which covers 40,000 employees is demonstrably fair and balanced by any objective measure. We look forward to presenting a compelling case to the PEB detailing why this agreement should serve as a pattern for settlement with the remaining 11 unions." Those unions were released from mediation on September 6 by the National Mediation Board, which resulted in a 30-day cooling off period while the Obama administration considered the appointment of a PEB. The decision to go ahead with one now begins a second 30-day cooling off period while the investigation takes its course and non-binding recommendations are due no later than



November 6. The PEB will provide a structure for the two sides to resolve their disagreements and hear evidence from both. Following its 30-day recommendation it will deliver a report to the President recommending how the dispute should be resolved. A further 30-day period will then be given for the two sides to consider the recommendations and seek a voluntary settlement.

China new-car sales rise for fourth month on discounts

(Source: *Automotive News Europe*, 13th October 2011) China's passenger-car sales rose at a faster pace for a fourth straight month in September, as automakers offered discounts and consumers bought cars ahead of a week-long national holiday. Deliveries of cars including sport-utility vehicles and minivans gained 8.8% to 1.32 million units last month, the China Association of Automobile Manufacturers said. Sales climbed 7.3% in August, 6.7% in July and 6.2% in June. Total sales of vehicles including buses and trucks rose 5.5% to 1.65 million units in September. Automaker shares extended gains in Hong Kong after the release of the data showed car sales grew at the fastest pace in seven months. Shares of companies including BYD Co. and Guangzhou Automobile Group Co. have declined this year on concern that the withdrawal of sales-tax breaks and rebates for rural buyers in January would reduce demand. "People have the impulse to buy vehicles ahead of a long holiday, especially for October as it's the best season for travel," said Han Weiqi, an analyst with CSC International Holdings Ltd. in Shanghai. "Discounts offered by automakers also contributed to last month's growth."

PRESS RELEASES

Avelon Autologistics Oy sells motor vehicle import services and repair operations to Assistor Oy Ab

(Source: *Avelon Autologistics Oy*, 6th October 2011) Avelon Autologistics Oy and Assistor Oy Ab have co-signed a deal for the transfer of motor vehicle import services and repair operations located in Turku and Nurmijärvi to Assistor. As a result of the transaction, the Turku and Nurmijärvi personnel of Avelon Autologistics Oy will switch to the employment of Assistor. The total number of personnel undergoing transfer is 68.

Assistor benefits from its know-how with new customers

Through the deal, Assistor will strengthen its position as the leading logistics enterprise in Finland and the Baltic region. Assistor's operations are based on modern quality and Enterprise Resource Planning Systems, which support customers' processes. Assistor has been awarded various quality awards several times.

"Avelon's operations will continue in Turku and Nurmijärvi as independent Assistor profit centres. We believe new employees and customers will continue to increase from our expertise in the field. As a supplier for an extensive group of customers, we're also capable of benefiting from the synergy advantages, through which the quality of our customer service and profitable operations are assured – even with the motor vehicle market being at a lower level than normal," Assistor's managing director Tom Wires adds.

Avelon trusts operational development with Assistor

"Success in today's market environment requires a strong local market position and close co-operation with customers. For this reason, we believe that Assistor will also have excellent prerequisites for future development of business areas related to the acquisition" Patrick Puscala says.

In 2010, Assistor delivered a total of over 120,000 motor vehicles to its customers in Finland and the Baltic region. Assistor's 2010 turnover was approximately 30 million euros, and the average number of personnel during the year was 300. Avelon's annual volume for the transferring business is over 20,000 vehicles per year. There are 68 people employed by the business operations undergoing transfer.



Ministers discuss revision of EU guidelines on the Trans-European Transport Network and the use of tachographs

(Source: Polish Presidency of the EU, 7th October 2011) The first formal TTE meeting during the Polish Presidency ended in Luxembourg on 6th October. Polish Minister of Infrastructure Cezary Grabarczyk chaired the session on behalf of the Presidency. Over lunch, the ministers discussed revision of EU guidelines concerning the Trans-European Transport Network (TEN-T). At a press conference that followed, Grabarczyk was hopeful that the debate would help determine the final shape of the relevant Commission regulation, the publication of which has been set for 19th October.

The Council adopted conclusions to the European Commission communication "The EU and its neighbouring regions: A renewed approach to transport co-operation". The document underlines the importance of cohesive transport links for the deepening of economic and political integration with neighbouring regions. The links can be improved by upgrading the standard of transport infrastructure. The conclusions highlight the existing co-operation in all types of transport, including intermodal operations. The Council welcomes moves to expand the Single European Sky project, eradicate maritime navigation barriers in Europe and its neighbourhood, boost the interoperability of railway systems and facilitate free movement of persons and goods thanks to streamlined procedures at border crossings.

The EC communication opens a new chapter in transport policy cooperation with the EU's Eastern neighbours. It implements an Eastern Partnership initiative on infrastructure, which is among the priorities of the Polish Presidency and the EU. Its fulfilment will be possible thanks to the development of transport links, enhancing economic integration, the mobility of citizens and stimulating investment activity.

The ministers, guided by questions addressed by the Polish Presidency to the Member States, initiated exploratory debate on the use of tachographs. The goal was to examine the system in force so as to identify and eliminate its flaws - including non-observance of the regulations on driver work hours, various manipulations and the high administrative costs.

On air transport, the Council adopted two decisions: it authorised the European Commission to conduct negotiations on a high-level accord between the Union and the European Organisation for the Safety of Air Navigation (Eurocontrol), and to open negotiations on a comprehensive air transport agreement with Azerbaijan. Both are important in the context of efforts to harmonise air safety regulations.

The Presidency also reported on the results of the transport ministers' informal meeting in Sopot on 5th-6th September, devoted to the acquisition of private financing for the development of transport infrastructure, with particular reference to the Presidency's conclusions adopted on that occasion. Next, the Presidency briefed participants about the ministerial conference on the Eastern Partnership, scheduled in Cracow on 24th-25th October. Minister Grabarczyk also took part in a meeting of the Visegrad Group (V4) and had bilateral talks with Siim Kallas, Vice-President of the European Commission and commissioner responsible for transport.

German state transport ministers: majority has reservations about mega truck trials

(Source: No Mega Trucks Campaign, 10th October 2011) The German state transport ministers decided not to allow trials of mega trucks without the involvement of the Federal Council (Bundesrat). The resolution was passed by the summit of state transport ministers last Wednesday in Cologne with eight votes for and seven against, with one abstention. It states:

"The summit of state transport ministers declares its reservations about the constitutional legality of the Federal Transport Ministry's (BMVBS) intention to define the framework of the trials and allow them to take place using an exemption provision pursuant to article 6 of the Road Traffic Act (§ 6 Straßenverkehrsordnung)."

In contrast with reports in the media stating that the transport ministers had apparently given the "green light" to the mega truck trials, it is still only a minority of states that are prepared to allow the trials to take place in their territory. A recently published legal assessment of mega truck trials carried out by Prof. Ulrich Battis, an expert on constitutional matters, pointed out that the Federal Council has to co-decide on mega truck trials carried out in Germany.



No Mega Trucks is a joint project of Friends of the Earth Europe, The European Transport Workers' Federation, European Automobile Clubs, Pro-Rail Alliance.