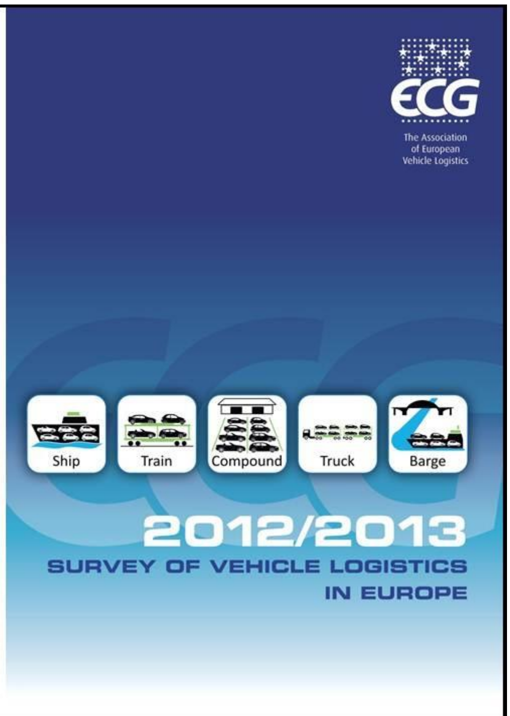
ECG News

Truck · Ship · Compound · Train · Barge

ECG – The Association of European Vehicle Logistics

Issue 12.48, 03rd – 07th December 2012

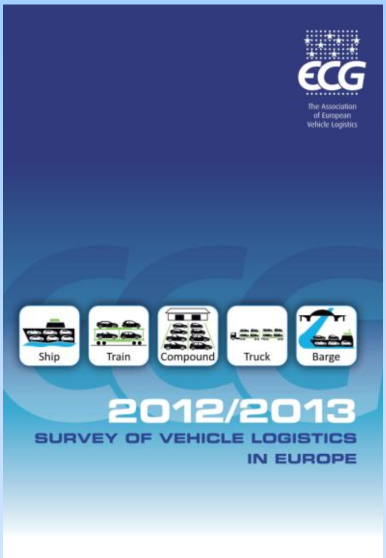
CONTENTS



ECG - The Association of European Vehicle Logistics, Diamant Building, Bd. Reyers 80, 1030 Brussels,
Tel: +32-(0)2-706- 8280, Fax: + 32-(0)2-706-8281, www.ecgassociation.eu

Now On Sale!

The new ECG Survey of Vehicle Logistics 2012-2013



From €100 for Members
From €250 for Non-Members

- Unique scientific publication, created by the sector to represent the reality of the industry in each single country across Europe, including Russia, Turkey and Ukraine.
- It combines global and European data and information on the automotive industry in general, and the finished vehicle logistics sector in particular.

To order a copy of the new ECG survey please click on the following link: http://www.ecgassociation.eu/PublicationsReports/ECGBiennialSurvey.aspx

NEWS FROM BRUSSELS

Car carrier and container ship collide, ECG deplores several deaths

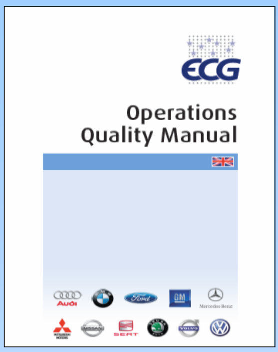
(Source: ECG, BBC & LloydsLoadingList.com, 06th December 2012) At 18:15 GMT on Wednesday 5th December, a collision occurred about 100km away from the Port of Rotterdam between a container ship on its way from Grangemouth in Scotland to Antwerp, Belgium and the car carrier “Baltic Ace” which was en route with a consignment of 1,400 Mitsubishi cars from Zeebrugge, Belgium to the Port of Kotka in Finland. The car carrier sank quickly after colliding with the container ship, the “Corvus J”. Out of the 24 crew members of the Baltic Ace, thirteen were rescued on Wednesday, five are known to have died and six more remain missing. A spokesman said the chance of finding anyone alive was "virtually zero”. The Corvus J was badly damaged but not in danger of sinking. Its 12-man crew was unharmed and had assisted in the search for the missing seafarers from the car carrier. The cause of the collision is not yet known but the manager of the Baltic Ace said he thought human error was to blame for the collision. A spokesman for the Port of Rotterdam said its activities would not be affected by the collision.

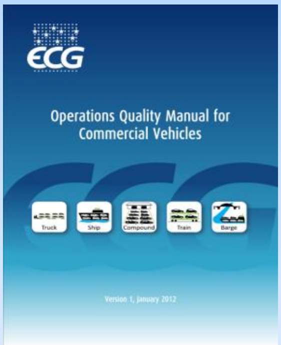
ECG Note: *ECG deeply deplores the loss of life on the car carrier Baltic Ace and wishes to send its condolences to the affected families, crew members and all others involved in such a tragic accident.*

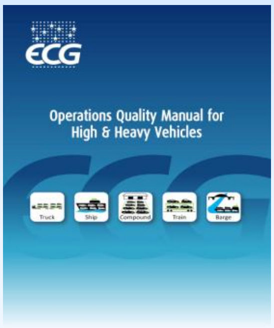
Battle looms over rail unbundling

(Source: European Voice, 29th November 2012) In the coming weeks, the European Commission is set to propose an overhaul of the EU's rail-market rules, which will include a requirement for train operators to be separated from track infrastructure managers. In so doing, the Commission is picking a fight with some very powerful interests. Over recent months, German rail giant Deutsche Bahn (DB), which owns and manages the infrastructure as well as running the trains, has been lobbying furiously against compulsory separation – known in industry circles as “unbundling”. Its French counterpart, SNCF, despite being separated from track infrastructure manager RFF since 1997, is taking the same confrontational line. In what some saw as a pre-emptive strike, the French government announced last month that it plans to re-merge SNCF and RFF in the coming year. Despite pressure to take unbundling out of the reform proposals, the Commission is determined to include it. The penultimate draft of the proposal, circulated to other Commission departments by DG Transport, would oblige Member States to start separating completely the functions of managing the tracks and running the trains. Full separation would be required by 2023. The Commission says that the previous three packages of rail liberalisation, which aimed at opening rail markets to new entrants, have failed to break the hold enjoyed by the national incumbents in many Member States. An infrastructure managed by DB will always give preferential treatment to DB trains, the argument goes. The 4th railway package will aim not just to separate the infrastructure managers from the train operators, but also to strengthen them. Tasks such as track maintenance, investment planning and timetabling, now often performed by train operators, would in future have to be carried out by the infrastructure managers. Under the proposal, the Commission would establish and chair a new infrastructure management network at the level of the European Union that would co-ordinate the national activities. The package will also standardise infrastructure managers' areas of activity. A European Rail Agency would issue all train-carriage authorisations in the form of “vehicle passports”, valid throughout the EU, as well as issue EU-wide safety certificates for operators. Currently rail authorisations and safety certificates are issued by each Member State. This process could take up to two years for each Member State and cost up to €6m. The Commission estimates that establishing EU-wide standards and certificates

The ECG Operations Quality Manuals for PCs and LCVs, CVs and H&H are available on-line!







- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

For comments or inquiries please contact: info@ecgassociation.eu
T: +32 2 706 82 80

would result in a 20% reduction in time to market and a 20% reduction in cost, saving companies €500m over five years. EIM, the European rail Infrastructure Managers association, has been asking for such EU-wide approaches for some time. "Dividing up responsibilities is inexpedient from both a cost and performance perspective," said EIM Executive Director Monika Heiming. "For example, this is the case where an infrastructure manager, despite official separation, doesn't have the necessary room for manoeuvre because a carrier is performing certain infrastructure management tasks. "Greater independence is also vital for transparency," she said. EIM strongly supports the strict separation between rail companies and infrastructure managers, to guarantee neutrality. The Commission is hoping that industry voices such as EIM will be able to convince Member States and MEPs of the merits of their proposal. But there is concern that DB and SNCF will dominate the discussion. Liberalisation and separation have been undertaken in some countries, such as the UK and Sweden. But British rail companies may have little interest in lobbying for a Europe-wide unbundling, as none of them are of a sufficient size to expand abroad.

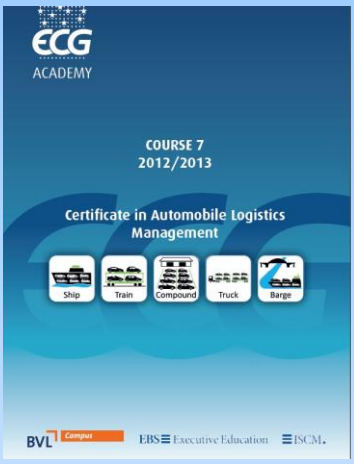
Commission releases over €1.2bn to fund key TEN-T projects

(Source: European Commission, 29th November 2012) The European Commission has launched two Calls for Proposals under the 2012 Trans-European Transport Network (TEN-T) multi-annual and annual programmes, making €1.265bn available to finance European transport infrastructure projects in all transport modes – air, rail, road, and maritime/inland waterways – plus logistics and intelligent transport systems (ITS), and all EU Member States. Commission Vice-President Siim Kallas, responsible for transport, said: "In making this considerable amount of funding available, the Commission aims for a competitive re-launch of the European economy, to sustain and support growth. By directing this money to TEN-T infrastructure, we are also continuing to help the realisation of the entire TEN-T network – bringing a tangible benefit to all European businesses and citizens who will reap the rewards of a more efficient, sustainable and effective European transport system." The TEN-T multi-annual programme traditionally finances the highest priorities of the TEN-T network. This year's multi-annual call focuses on six fields with €1.015bn of total indicative budget available:
- The 30 TEN-T Priority Projects: indicative budget €725m.
- European Rail Traffic Management Systems (ERTMS), enabling interoperability on the European rail network: indicative budget €100m.
- River Information Services (RIS), involving traffic management infrastructure on the inland waterway network: indicative budget €10m.
- Air Traffic Management (ATM), implementing the Single European Sky and ATM modernisation objectives: indicative budget €50m.
- Motorways of the Sea (MoS) providing viable alternatives for congested roads by shifting freight to sea routes: indicative budget €80m.
- Intelligent Transport Systems (ITS), including the European Electronic Toll Service (EETS), promoting inter-modality and improvement of the safety and reliability of the network: indicative budget €50m.

The annual programme complements the multi-annual programme and directs funding to four distinct priorities with a total indicative budget of €250m:
- Acceleration and facilitation of the implementation of TEN-T projects (studies and works for mature projects for all modes, as part of the projects of common interest): indicative budget €150m.
- Measures to promote innovation and new technologies for transport infrastructure and facilities contributing to decarbonisation or the reduction of external costs in general: indicative budget €40m.
- Support to Public-Private Partnerships (PPPs) and innovative financial instruments: indicative budget €25m.
- Support to the long term implementation of the TEN-T, in particular corridors: indicative budget €35m.

ECG Academy

Course 8 will commence in October 2013.



This practice oriented course takes place over **five modules**, 19 days of intensive training. The modules are held at different locations in Europe to give the participants insights into practical realities of the different elements that make up vehicle logistics.

It is targeted at both experienced practitioners and new entrants to the supply chain management.

Benefits:

- Acquiring a vast wealth of knowledge in an accelerated timeframe, but in as much depth as it is required
- Unique networking opportunities. Each course brings together over 20 individuals representing companies from across Europe
- The course culminates in the award of Certified Automobile Logistics Management, which is an accredited qualification

For more information please contact info@ecgassociation.eu

The TEN-T Executive Agency (TEN-T EA) manages the technical and financial implementation of the TEN-T programme, under the auspices of the Directorate-General for Mobility and Transport (DG MOVE). The TEN-T EA held an Info Day on 29th November 2012 in Brussels to help potential applicants better understand the call priorities, prepare their proposals and learn about the evaluation process. **The deadline for the submission of proposals is 28th February 2013.**

For further information on the Info Day and the 2012 Calls, please visit: http://tentea.ec.europa.eu/en/news__events/events/2012_ten-t_calls_for_proposals_info_day.htm

EU Transport Business Summit and TEN-T Days

(Source: ESPO, 30th November 2012) The Transport Business Summit and TEN-T Days took place from 27th to 29th November, highlighting the need to revitalise Europe's economy and ensure growth and employment in the current context of economic crisis and EU scepticism. Commission Vice-President Siim Kallas said that the weakening of the market element in Europe's economy is the main cause of increasing unemployment and decreasing competitiveness of Europe compared with other parts of the world. In his opening speech, Commissioner Kallas also underlined the key role of EU transport infrastructure policy for driving growth, creating employment and completing the European single market. In this context, the Commission's proposals on the TEN-T Guidelines and the Connecting Europe Facility (CEF) should ensure the completion of the Trans-European Transport Networks and, in particular, help financing the core transport network. Although some questions are still open under the co-decision procedure, the Commission believes that the main structure of the TEN-T Guidelines is already secured. This mainly concerns the dual layer of comprehensive and core networks and the corridor approach to implement the core network. Member States already expressed their support for this structure in the Council general approach agreement that was reached in spring. The EU Parliament is still going through first reading, but despite the considerable number of amendments tabled, the TEN-T and CEF proposals seem to find overall support. The TRAN Committee is expected to vote on both proposals on 18th December. The overall budget for the next Multi-annual Financial Framework (MFF) remains the unknown factor. Following the first negotiations last week, the European Council will discuss the budget again early 2013. The President of the European Council Herman Van Rompuy proposed to have the transport pillar of the CEF at €27bn, thus improving the Cyprus Presidency proposal of €22bn which is considered insufficient by the EU Parliament [*compared to €31.7bn originally proposed by the Commission*]. The next round of MFF negotiations [*in early 2013*] are expected to deliver the final transport infrastructure budget for the period 2014-2020.

For further information on the Transport Business Summit, please see: http://ec.europa.eu/transport/media/events/2012-11-27-business-summit_en.htm
For further information on the 2012 TEN-T Days, please see: http://www.tentdays2012.eu/home.html

ECG Note: *ECG was present both at the Transport Business Summit and the 1st of the 2 TEN-T Days. Detailed notes of both important events are available at the ECG Secretariat upon request by interested members (only).*

EU okays free trade talks with Japan while protecting cars

(Source: EUbusiness.com, 29th November 2012) European Union trade ministers agreed Thursday 29th November to launch negotiations on a mega-sized free trade deal with Japan while pledging to safeguard Europe's struggling carmakers. "We now have a clear mandate, confirmed by all the Member States," said Europe's Trade Commissioner Karel De Gucht after ministers gave the European Commission a green light to open talks on a Free Trade Agreement, (FTA), which could take several years to negotiate. Britain's Trade Minister Stephen Green

ECG AGENDA

►**ECG Academy Module II** on **4th - 8th December 2012** in Bremen, Germany

►**ECG office closed** on **24th December – 1st January 2013** inclusive

►**ECG/ACEA joint meeting** on **7th February 2013** in Brussels, Belgium

► **ECG Board Meeting** on **6th February 2013** in Brussels, Belgium

► **ECG Maritime and Ports Commission** on **14th February 2013** in Barcelona, Spain

► **ECG Annual Dinner Debate** on **19th March 2013** in the European Parliament, in Brussels, Belgium

► **ECG Board Meeting** on **20th March 2013** in Brussels, Belgium

►**ECG office closed** on **1st April 2013**

►**ECG office closed** on **1st – 9th & 20th May 2013**

►**ECG Spring Congress & General Assembly** on **23rd & 24th May 2013** in Dublin, Ireland

►**ECG Conference** on **10th & 11th October 2013** in Berlin, Germany

immediately welcomed "the first big step towards liberalising trade between two of the world's largest economies," which together account for more than a third of the globe's output. But he cautioned that the EU was "starting out on a journey that will be long, tedious and painstaking." It "could be three years, maybe more" before a deal and that "we could easily be talking about 10 years or more before we get full impact," he said. But carmakers quickly slammed what the European Automobile Manufacturers' Association (ACEA) dubbed "a one-way street' for Japanese automakers. France, whose flagship auto giant Peugeot Citroën is in trouble, said it agreed to the negotiations after winning assurances of a balanced deal. Its Trade Minister, Nicole Bricq, said Italy, Romania, Spain and Slovakia had joined a call for a safeguard clause to protect sensitive European sectors, including automakers. Britain's Green said the safeguards on the auto sector were "not expressed in specific numbers" or "constraints". De Gucht said Europe in a "like for like" stance would not reduce tariffs before Japan delivered on regulatory barriers. It was also ready to pull the plug on negotiations after a year if Japan failed to live up to commitments to remove non-tariff barriers. "Europe is going into these talks with its eyes wide open," he said, while adding that he was confident that Tokyo was ready to open up its market, recently having finally agreed to grant liquor licences for EU firms. "No other partner has ever gone as far as Japan before we sat down at the negotiating table," he said. The EU is looking to accelerate trade deals worldwide to give its struggling economies a shot in the arm. On Thursday 29th November, it moved closer to a trade deal with Canada and another with Singapore that ministers said could pave the way to others in Southeast Asia. De Gucht said an FTA with Japan could increase EU gross domestic product by almost one percentage point, boost EU exports to Japan by one third, and add 420,000 extra jobs across the bloc. But car and car-parts manufacturers are fearful the removal of tariffs would lead to a rise in Japanese car imports, pointing to a previous trade deal with South Korea that bumped up sales of their vehicles in Europe. "There is no justification for exposing the automobile industry, a major pillar of the EU economy, to an unbalanced FTA," said Ivan Hodac, head of ACEA which includes the likes of BMW, Fiat, Porsche, Peugeot Citroën and Volvo. Quoting a study, ACEA said EU car exports would increase by a mere 7,800 units by 2020 compared with extra Japanese exports of 443,000 units, meaning the loss of 35,000 to 73,000 jobs. But EU officials believe the car industry's troubles are due to the economic crisis and to over-capacity, not to competition from elsewhere. Other European manufacturers meanwhile have complained of failing to find a footing in Japan, which has a reputation for being a closed market defended by walls of non-tariff barriers -- the EU listed 31 such barriers. De Gucht argues that many European industries favour a deal tying the globe's largest market to the world's third-biggest economy. Among sectors he cited were food, drinks, chemicals, information technology, telecommunications, services and pharmaceuticals. Britain too has long been supportive, eyeing up to €33bn a year in extra GDP and an extra €43bn a year in additional export opportunities." Should the EU conclude all the FTAs currently being negotiated, it would boost EU GDP by more than 2% or €250bn, officials estimate. That would be the equivalent of economies the size of members such as Austria or Denmark.

ECG Note: *To read the ACEA press release on this matter, please go to the "Press Releases" section of the this ECG News issue.*

AUTOMOTIVE INDUSTRY

German carmakers brace for sales decline in 2013

(Source: Automotive News Europe, 04th December 2012) German new car sales could fall to the second-lowest level in more than two decades next year, industry association VDA said on Tuesday 4th December, as demand is hurt by the euro zone debt crisis. New auto registrations in Europe's largest economy may shrink

Events in Brussels

Dinner Debate on the 4th Railway Package in the European Parliament on 18th December 2012
ECG will attend

“4th Railway Package: effects on small and peripheral Member States” by the Community of European Railway (CER) on 21st January 2013
ECG will attend

Not in Brussels but of interest:

“Barge to Business” conference on 12th & 13th December in Rotterdam (http://bargetobusiness.eu/conference)

about 3.2% to around 3m cars in 2013 from an estimated 3.1m this year, the VDA said at a press conference in Berlin. That would be the second-worst annual result since 1991 after a low of 2.92m in 2010 when registrations of new vehicles plunged 23.4% after scrappage incentives introduced to support them ended, VDA statistics showed. "We must brace for the difficult situation in the euro zone to persist in 2013," VDA President Matthias Wissmann said. "That's why we're keeping to a subdued forecast." Germany has been holding up relatively well, given its largely resilient labour market and higher consumer confidence, while car markets in structurally weak southern European economies continue to suffer from budget cuts, tax hikes and joblessness. The French car market will tumble 13-15% this year, industry association CCFA said on Monday 3rd December, reporting new car registrations plunged 19.2% in November. By comparison, sales of new cars in Germany fell only 3% in November to 260,000 vehicles, extending the year-to-date decline to 2% or 2.88m, VDA said. Production of vehicles in Europe's largest economy may rise 1% to over 5.4m next year while exports may remain broadly unchanged at 4.15m units, VDA added.

UK overtakes France as Europe's N°2 car market

(Source: Automotive News Europe, 06th December 2012) The UK has overtaken France to become Europe's second-biggest car market following strong November and 11-month sales. New-car sales in the UK increased 5.4% to 1.92m vehicles through November, while volume in France dropped 13.8% to 1.73m. Sales in Germany, Europe's N°1 market, fell 2% to 2.88m. Private retail customers are driving the rise in sales in the UK, according to Paul Everitt, CEO of industry association SMMT. The SMMT said demand for small cars showed above-average growth during the January to November period. The Ford Fiesta has been Britain's top seller so far this year, but demand also has been high for the Ford Focus, which was the best-selling new car in November. UK sales rose 11.3% to 149,191 in November. French sales fell 19.2% to 144,694. German deliveries dropped 3% to 260,000.

Gaz to distribute LCVs with Mersa in Turkey

(Source: Automotive Logistics News, 05th December 2012) Russia’s largest commercial vehicle maker Gaz Group has set up an assembly facility and distribution network with Turkish truck builder Mersa Otomotiv in the Sarkarya province to make Gaz light commercial vehicles (LCVs) for the Turkish market. The facility will assemble models from semi-knockdown (SKD) kits of the GAZelle Business and Sobol Business LCVs imported from Gaz’s facility in Nizhny Novgorod, Russia. “Our co-operation with Mersa Otomotiv is a long-term project, which marks the beginning of the implementation of GAZ Group’s export strategy,” said Bo Andersson, GAZ Group President and CEO. “We are sure that the high economic efficiency of our vehicles, their suitability for severe conditions of operation in the commercial transportation segment, high payload and manoeuvrability will be highly appealing to Turkish customers. At the first stage of the project we will focus our efforts on the establishment of a flawless production system, and distribution and service network in all the regions in Turkey.” GAZelle Business model sales in Turkey will start in the Marmara region, which makes up 46% of the LCV market in Turkey. 10 GAZ Mersa Otomotiv dealerships will open in the region by the end of the year, increasing to 16 regional dealerships by the end of 2013 when the Sobol Business model joins the line up, by which time there are also planned to be 32 specialised service stations.

Daimler declines comment on report it will build cars in Mexico with Nissan

(Source: Automotive News Europe, 04th December 2012) Daimler declined to comment on a media report that it may build Mercedes-Benz cars for the North American market alongside Nissan's Infiniti brand in Mexico. The report, in the Frankfurter Allgemeine Zeitung newspaper, cited a senior source at Daimler as

ECG Office

Mike Sturgeon
Executive Director
T: +32 2 706 8282
Mike.sturgeon@ecgassociation.eu

Tom Antonissen
EU Affairs Manager
T: +32 2 706 8283
tom.antonissen@ecgassociation.eu

Gabriela Caraman
Research & Projects Manager
T: +32 2 706 8279
gabriela.caraman@ecgassociation.eu

Natalia Savvina
Office Administrator
T : +32 2 706 8280
info@ecgassociation.eu

William Dénous
EU Affairs Assistant
T: +32 2 706 8284
assistant@ecgassociation.eu

saying the two automakers planned to build a plant in Mexico to manufacture Mercedes small cars and Infiniti luxury vehicles, but added that no final decision had been reached on the project. "This is speculation on which as a matter of principle we do not comment," a Daimler spokesman said. In September, at the Paris auto show, Nissan and partner Renault agreed with Daimler to extend their industrial partnership that will see the next Smart micro-car and Renault Twingo built on a common architecture. From 2016, the companies will also start building a jointly developed four-cylinder engine. The Frankfurter Allgemeine Zeitung report comes a year after Japanese media first said that Nissan and Daimler were finalising plans for joint production in Mexico. The Nikkei business daily reported in November 2011 that the proposed plant would have an annual production capacity of around 200,000 vehicles and begin operation in the first half of 2014. It estimated that the total investment in the factory could top $1bn. Both Nissan and Daimler declined to comment at the time.

EUROPE

Cuxport celebrates million milestone with BMW

(Source: Automotive Logistics News, 05th December 2012) Cuxport, the port service provider, which is majority-owned by **Rhenus Logistics**, has managed the throughput of its 1mth BMW vehicle at its Cuxhaven facility on the German north coast. Dr. Ulrich Getsch, the Lord Mayor of the German port city Cuxhaven, joined representatives from BMW and car carrier **UECC** to celebrate the occasion when the milestone vehicle was delivered by rail for loading onto the UECC's Autoprogress car carrier as part of a consignment of 1,000 vehicles being delivered to Southampton, UK.

Car carriers feel euro zone slump too

(Source: LloydsLoadingList.com, 30th November 2012) The three Japanese giants and market leaders – NYK Line, Mitsui OSK and "K" Line – all highlighted the slump in European car demand in unveiling their second-quarter results for the July-September period. With the primary export market of Japanese and Asian cars being in Europe, consumer caution stemming from the euro zone crisis is worrying for car carrier owners and operators. Charter markets for pure car and truck carriers have seen rates reach around $26,000 a day for 6,500 car equivalent unit vessels. However, analyst RS Platou Markets reported in its third-quarter outlook in October that activity would "cool somewhat" as operators waited to see whether uncertainty in Europe continued. As in many other markets, the stagnation of the European economy has had a knock-on effect almost everywhere else. China, which a year or two ago was a boom story for the car carrier market, is now seeing a slowdown in appetite. "K" Line said in its quarterly results that it expected the slowdown in market growth in China "to enlarge". Despite recovering from the sharp decline in cargo in the April-June 2011 period following the Japanese earthquake and tsunami last March, quarterly volumes carried by the Japanese lines started to stagnate or decline this year. For "K" Line and MOL, the July-September period saw a slowdown in car volumes carried compared to earlier in the calendar year. "K" Line's volumes reached 905,000 units between April and June, the highest quarterly volume since the same period of 2008, but fell to 841,000 in the last quarter. One factor that "K" Line highlighted in its financial results for the period ending on 30th September was the gradual decline in the volume of cargo exported from Japan as manufacturers shifted production overseas to cope with the appreciation of the yen. Similarly, MOL's figures declined from more than 1m units in the January-March and April-June periods to 977,000 units in the last quarter. By comparison, NYK sustained the highest volume since 2008, with 860,000 units reported in both the April-June and July-September quarters. RS Platou said in its October quarterly markets review that "to be following global auto sales... is a mix of ups

and downs these days". Its equity analysts, who cover Norwegian Car Carriers' and Wilhelm Wilhelmsen's stocks, said that globally pure car and truck carrier demand was picking up in 2012, due to rising US automobile sales and the strong position of South Korean manufacturers in Europe, despite slowing overall sales. "Our estimates indicate a tonnage demand growth of around 10% in 2012, compared to the disappointing 2011," its report said. "Based on indications that auto sales may slow further in key markets, our prediction for 2013 is therefore a demand growth of around 6%. This would imply an annual average fleet utilisation rate of 86% in 2012 and 88% in 2013." Does this mean that the car carriers will do fine even if the European market continues to stagnate? Or will China's slowdown create a notable decline in demand? Either way, uncertainty surrounding the euro zone is not helping any of the major economies. The longer the crisis drags on, the more opaque the outlook becomes for consumer goods, car sales and therefore car carriers.

ECG Note: *The above article corresponds to the views of ECG members responding to the Q3 2012 Confidence and Cost Trend Quarterly Survey, as described in the latest ECG press release which can be found below under the "Press Releases" section.*

Finland gears up for 'super trucks'

(Source: LloydsLoadingList.com, 30th November 2012) The Finnish government has obtained parliamentary approval to allow heavy goods vehicles (HGVs) of up to 76t gross weight on its roads. Moreover, the legal height of trucks is to be increased from 4.2 metres to 4.4 metres. The new regulations, which require a final sanction by the European Commission, are set to take effect on 1st January 2013. The changes mark a more committed indirect support mechanism by government to aid a weakened Finnish transport sector, struggling under the weight of fuel costs, by helping to bolster profitability and reduce the cost-base of the country's hauliers. The new 76t limit has been sought by the transport industry in Finland since 2010. At present, the maximum permissible weights and dimensions of heavy vehicles allowed to operate on roads in Finland is up to 60t and 25 metres in length. Merja Kyllönen, Finland's Minister for Transport & Communications, said: "The government has taken a very close look at the financial pressures under which Finnish hauliers operate. This measure will help companies to improve efficiencies in their logistics and save on fuel costs. "Overall, this new measure will make Finnish transport companies more competitive," she added. The government, said Kyllönen, accepted that "super trucks" would invariably result in higher maintenance costs to Finland's primary and secondary road systems. However, the measure would also reduce environmental traffic emissions. "The added costs in road maintenance must be weighed against the superior advantages overall of allowing the operation of bigger trucks," said the Minister. A report by the government's Transport and Communications Policy Ministerial Working Group, which was presented to the Minister in October, estimated that the upward change to the maximum total weight of vehicle combinations would produce annual savings of €200m for the Finnish road transport sector. Of this amount, some €60m would result from logistics' related efficiencies and spin-off savings.

Signal at green for rail motorway through Alps

(Source: LloydsLoadingList.com, 04th December 2012) France and Italy have given the go-ahead for the creation of a high-speed rail link between Lyon and Turin. The cornerstone of the project is the construction of a 57km-long rail tunnel through the Alps from Saint-Jean-de-Maurienne on the French side to Susa, in Italy. Its cost has been estimated at €8.5bn with Italy (€2.9bn) and France (€2.2bn) set to contribute 60% to its funding. However, the project hinges on obtaining EU money for the remaining 40%. Environmentalists fiercely oppose the project, saying it will disfigure areas of outstanding natural beauty while underlining that existing rail capacity is underused. But advocates claim that when the rail motorway is fully-operational it will have the capacity to take at least 1m of heavy goods vehicles (HGVs) off congested Alpine highways annually. A transalpine high-speed rail link – the subject of discussions between the two countries over the past 20 years – would reduce journey times for trains operating between Lyon and Turin from 3½ hours to 1½ hours, and would put Paris just over 4 hours from Milan compared with 7 hours currently. However, it is unlikely to enter service before 2028-2029, and its full cost could reach €25bn. The French transport users federation, FNAUT, has thrown its weight behind the project. It said: "The construction of a low-altitude tunnel will allow the cost of rail freight to be significantly reduced and offer the necessary capacity for the transfer of existing HGV traffic to rail." An industry analyst said the viability of the project "rested essentially on a massive modal shift" from road to rail. "There would have to be incentives to encourage this transfer, while constraints would have to be put on HGVs continuing to use the road tunnels, such as an increase in tolls and operating restrictions at weekends and peak days for holiday departures."

REST OF THE WORLD

GEFCO China and the Shanghai Institute of Foreign Trade team up to train tomorrow's professionals

(Source: GEFCO Newsletter, 30th November 2012) **GEFCO** China will partner with the Shanghai Institute of Foreign Trade (SIFT) to improve the training given to SIFT students in the field of logistics and to increase its employees' skills. GEFCO China will offer internships to students from the Institute so that they can become familiar with the working environment at a global transport and logistics company like GEFCO. It will also hold orientation workshops for graduates who want to pursue a career in the logistics sector. In exchange, the SIFT will open its doors to GEFCO China employees to enable them to take advantage of the professional training provided by the Institute's professors. "We are delighted with the possibilities that this partnership offers to students wishing to pursue a career in the field of logistics," says Andrea Ambrogio, Managing Director of GEFCO China. Support for young talent is an integral part of the GEFCO group's corporate social responsibility policy. All across the world, GEFCO works with academic institutions to provide students and its employees with the resources needed to achieve their professional goals.

Qingdao port to import vehicles from 2013

(Source: Automotive Logistics News, 05th December 2012) China's State Council has recently said the Port of Qingdao in eastern Shadong province will begin functioning as a major car import terminal in 2013. It will be the only such facility in Shandong province to do so. A ro-ro terminal and auxiliary facilities are currently under construction and will be ready to receive vehicles by mid-2013 according to government sources. In addition, a checkpoint for finished vehicle imports is to be opened at Qingdao Qianwan Bonded Port Zone. At present, only five ports are allowed to handle vehicle imports: Qinzhou, Shanghai, Tianjin, Guangzhou and Dalian but with the rise in the number of cars now being imported, not least high-end models from Germany, those ports are experiencing notable capacity problems, hence the move to open up Qingdao as an additional port. Shadong province is already a major centre for the automotive industry and the use of Qingdao, it is argued, will allow the logistics costs of imported vehicles to be slashed, along with that of parts and components.

PRESS RELEASES

Europe's car transporters stuck in a rut

(Source: ECG, 30th November 2012) **Falling volumes and rising costs hit confidence and investment.**

Trapped between weakening demand for new cars and soaring costs, Europe's outbound vehicle logistics providers are increasingly unable to invest in the new capacity that will be vital once the automotive market finally rallies.

According to ECG's latest Confidence and Cost Trend Quarterly Survey for the third quarter of this year, just 13.5% of respondents said they expected their fleet size to increase in the next six months.

This is the lowest number on record, and compares with 40% who anticipated growth in third-quarter 2011. Fully 32.4% expect their fleet to shrink, down slightly on the 38% recorded in the second quarter of this year but otherwise, again, the worst number on record.

This follows a year in which fleet growth among ECG's members has slowed perceptibly, according to the survey, with those reporting an increase over the last year sliding to 34.3% from 43% in third quarter 2011. Some 23% of respondents said their fleets had shrunk over the last year, compared with just 2% a year ago.

According to ECG President Costantino Baldissara, "this perfect storm of falling auto demand, shrinking margins and soaring costs has grave implications for our sector and for the automotive industry as a whole. Starved of business, the manufacturers of car transporters already have their backs to the wall. Starved of investment, an increasingly aged fleet will be incapable of meeting the needs of a rising market once demand returns. The auto industry, and the European economy, risks missing a golden opportunity."

In response, Baldissara called on Europe's governments to reinstate the scrappage schemes that did so much to cushion the blow of the first stage of the economic crisis. "By incentivising European consumers to buy new cars, we can give a vital boost to a critical European industry and remove millions of older, dirtier cars from our roads."

The sector's will to invest is there. A healthy 51.7% said they intended to invest in trucks over the next six months, 41.4% in drivers – 47.2% reported experiencing driver shortages – and 20.7% in storage compounds. The restraints are formidable, however.

Market issues, rather than the availability of financing, are at the root of the problem. Some 83.3% said financing was available, even if most had difficulty securing it. At the same time, 69.4% said lack of confidence in future volumes was likely to restrict future investment, while 36.1% cited lack of confidence in securing long-term contracts and 69.4% concern over their ability to secure viable rates.

Falling demand for new cars, a product of a deeply troubled European economy, is having a devastating effect on the economics of vehicle logistics, and on the confidence of logistics services providers.

Just 14.3% of respondents expect volumes to increase in the next months, while 51.5% expect volumes to fall. Small wonder that only 5.6% feel optimistic about the next six months: a hefty 55.6% were pessimistic.

Costs are also remorselessly on the rise. Rising fuel costs hit 91.5% of respondents over the last six months, in most cases rising more than 10%. But other costs are also surging, from fleet maintenance and repair (with 86.1% of respondents noting an increase) to employing drivers (67.6%), major asset replacement (72.2%) to overheads (75.1%), insurance (58.4%) to finance (40%), tyres (68.6%) to tolls (68,5%).

Congratulations to the winners of the Automotive Supply Chain Global Awards

(Source: Automotive Supply Chain, 30th November 2012) The first ever Automotive Supply Chain Global Awards, aimed at recognising and rewarding exceptional achievements by companies and individuals involved in supplying logistics to the automotive industry, proved a resounding success in terms of networking opportunities and industry feedback.

Opening the ceremony at the Steigenberger Frankfurt Hof hotel, Editor and Chairman of the Judges, Sam Ogle said, "We have been overwhelmed by the response to these inaugural awards. "The volume of nominations was enormous, which made the job of deciding on the winners difficult. We look forward to succeeding years becoming even more difficult."

Host David Cardle, Managing Director of Frazer-Nash Associates, was joined on stage by Eurovision-nominated Ukranian singer, Arina Domski, who presented the trophies, culminating in the presentation of the Outstanding Achievement Award to keynote speaker, Bo Andersson of GAZ Group to honour his tireless work and excellent results since leaving General Motors.

The evening commenced with a short analysis on future supply chain production locations and current versus emerging markets from Michael Robinet, Managing Director of IHS Automotive.

After an inspiring keynote speech from Mr. Andersson, on the tough stance he has taken since joining GAZ Group in Russia as President and CEO, the four course meal and elegant ceremony was brought to a close at midnight by the singing and dancing talents of Ms. Domski.

The award to watch out for, as the 2013 nominations open in January, will be IT Innovation, which this year went to Yusen Logistics and Honda of the UK Manufacturing for their mutually beneficial relationship that resulted in adding value to the manufacturing process.

Speaking after the presentation, John Pursey, Business Unit Director at Yusen Logistics said, "The future for Yusen is very much to extend that working relationship with Honda, to continue to look to innovation to improve our supply chains, to add quality and to provide service benefits. "Also to help them, and us, remain competitive. This award is a great platform to move on."

Richard Marlow, Department Manager External Logistics of Honda of the UK Manufacturing added, "I think this is an award that recognises the value that the innovation and the technology that Yusen Logistics has put in place, that has really supported our business over quite the challenging period of the last two years."

Compliments should be extended to all finalists, as competition was great, but final congratulations go to the following companies and individuals:

• The Port of Zeebrugge for winning the Terminals and Ports Award, collected by Miel Vermorgen, Director Sales and Logistics.
• Nissan, North America for the Environmental Award, collected on its behalf by Dan Roovers, Vice-President Automotive Sales, ORBIS Corporation.
• Jaguar Land Rover for the Most Supportive OEM Award, collected by Margaret Beever, Senior Purchasing Manager and Al Jeory, Inbound Logistics Manager.
• Priority Freight for the Third Party Logistics Award, collected by Andrew Austin, CEO and Neal Williams, Group Managing Director.
• **Neptune Lines** for the Shipping Company Award collected by Nadine Dangleterre, Commercial Manager.
• TransContainer for the Rail Company Award, collected by Petr Baskakov, CEO.
• Stephen Harley, Executive Director for Global Material Planning and Logistics and NA Parts Supply and Logistics at Ford for collecting the Logistician of the Year Award.
• **Autologic** for collecting the Road Transport Company Award, which was presented to Mark Hindley, Commercial Director.
• Yusen Logistics and Honda of the UK Manufacturing for the IT and Innovation Award, jointly collected by John Pursey and Richard Marlow.
• CEVA Logistics for the Aftermarket Parts Logistics Award, collected by Iain Gardiner, General Manager.
• Susanna Webber of General Motors, Member of the Management Board, Adam Opel AG, Vice-President Purchasing and Supply Chain Europe for winning the Purchasing Executive of the Year Award.
• GBA Group for the Vehicle Purchasing Centre Award, collected by Captain Stephen Bland, Operations Director and Steve Dolby, Terminal Manager.
• Bo Andersson for his Outstanding Achievement Award.

ACEA takes note of the European Council's decision to allow the Commission to open free trade negotiations with Japan

(Source: ACEA, 29th November 2012) The European Automobile Manufacturers' Association (ACEA) has persistently argued that a free trade agreement (FTA) with Japan will have a negative impact on the European automobile industry. "Independent studies have shown that this deal is a one-way street as far as the automobile industry is concerned," said Ivan Hodac, Secretary General of ACEA. "This has already been our experience with the free trade agreement with South Korea which entered into force last year."

Indeed, according to an impact assessment conducted by Deloitte, an increase in EU imports from Japan will not be offset by an increase in European exports to Japan. This study demonstrates that EU car exports could go up by a mere 7,800 units by 2020, compared with additional Japanese exports to the EU amounting to 443,000 units. The consequent reduction in automobile production in the EU by the same amount would lead to between 35,000 and 73,000 job losses.

ACEA realises that there was political pressure on the Commission and Member States to open negotiations. However there is no justification for exposing the automobile industry – a major pillar of the EU economy – to an unbalanced FTA with a major competitor just a year after a similar deal with South Korea.

Trade policy and industrial policy need to be aligned to create the conditions for a strong industrial sector. Indeed, the European Commission's recent Communication on Industrial Policy identifies manufacturing as the backbone of European recovery. Furthermore, the CARS 2020 Action Plan for the automotive industry, launched earlier this month, states that decisions on whether to enter into new trade negotiations should be assessed in accordance with their impact on competitiveness. "Unfortunately this was not the case for this FTA," said Ivan Hodac. "It is now time that the EU starts moving from words to actions in order to defend its industry more strongly."

ACEA now awaits to see the final mandate document. It will closely watch the evolution of the negotiations in order to ensure the European automobile industry's two principal requests are met, ie that:

- Vehicles manufactured and type-approved in the EU are accepted in Japan without further testing or modification.
- European small cars are given the opportunity to compete on equal terms with Japanese kei-cars, small cars unique to Japan, which enjoy fiscal and other benefits, and in effect exclude imports from 35% of the domestic market.

"Without the effective elimination of key automotive non-tariff barriers and a mechanism to prevent the introduction of new ones, Europe should not proceed with the reduction of tariffs", concluded Hodac. "ACEA calls upon the European Commission, European Parliament and Member States to follow progress in these trade talks over the coming months and to halt the negotiations if measurable progress is not made to achieve the objectives set in the mandate."

Europe's commercial vehicle industry urges policy makers to reconsider unbalanced approach to transport modes

(Source: ACEA, 06th December 2012) The commercial vehicle industry again cautioned EU policy makers against the risk of pitting one transport mode against the other.

During an event organised on Thursday 6th December by the European Automobile Manufacturers' Association (ACEA), Harrie Schippers, President of DAF Trucks and Chairman of ACEA's Commercial Vehicle Board stated: "The increasing demand for transport and the need to protect the environment pose a challenge to the entire transport sector, our governments and the energy sector alike. Limiting mobility, however, is not an option, so more flexible transport solutions will be needed in the future."

All transport modes will therefore have to increase their supply, efficiency and environmental performance to meet tomorrow's transport needs. "Different types of goods will be more suited to different types of modes. That is why transport modes shouldn't be put in competition with each other by pushing for political 'modal shift' targets," stated Mr. Schippers. Rather, the crucial question of what it is we will be transporting in the future – and what modes are best suited to these cargos – needs to be urgently addressed when preparing a transport policy for the next decade. All too often this aspect is overlooked.

The goal in the Commission's Transport White Paper of shifting road freight over 300km to rail is not supported by any of the most recent independent scientific research, nor does it make sense from an economic or environmental point of view. Contrary to the common assumption, rail is not by default more environmentally-friendly than road. This was also the conclusion of a scientific report on "Efficient solutions for passenger transport", released by ACEA.

Road transport accounts for over 75% of all goods transported over land. If one considers the value of the goods transported, its contribution is even greater. "It is therefore not logical that the main infrastructure funding tool at the EU level – the Connecting Europe Facility (CEF) – excludes road works," went on Mr. Schippers. "We call on EU policy makers to redress the balance between transport modes."

Present also at this event, entitled "Moving with the times: How can policy reflect changing transport demands?", were Siim Kallas, European Commissioner for Transport, Günther Oettinger, European Commissioner for Energy and Andreas Renschler, CEO of Daimler Trucks .

Patrick Verhoeven leaves ESPO for ECSA

(Source: ESPO, 28th November 2012) ESPO Chairman Santiago Garcia-Milà informed members that ESPO Secretary General Patrick Verhoeven has decided to leave the organisation. Mr. Verhoeven has been recruited by the European Community Shipowners' Associations (ECSA) to succeed Alfons Guinier as Secretary General. Mr. Guinier will be retiring next year and Mr. Verhoeven's appointment was approved by the ECSA General Assembly on Thursday 22nd November.

"It is with much regret that I have to announce this news", said Mr. Garcia-Milà, "Patrick will however not be leaving us immediately. It has been agreed with ECSA that he will not formally take up his new position before the summer, which gives us time to find a successor and prepare the transition. It also allows us to say farewell and thank Patrick for what will be almost thirteen years of service during the General Assembly and ESPO Conference in Varna, at the end of May."

"Leaving ESPO was not an easy decision as I am leaving behind a wonderful organisation with close friends, both in the membership and the secretariat", said Patrick Verhoeven, "But at the same time, the opportunity to serve the shipowner community provides the right kind of challenge at this stage of my career. The change comes after working nearly twenty years for the European ports business, both at ESPO and at FEPORT before. Succeeding a man of experience and skill like Alfons Guinier will be a tough job, but I look very much forward to it, with both enthusiasm and modesty."

Both ECSA and ESPO underline that the decision in no way hampers the excellent relation between both organisations.