ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

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NEWS FROM BRUSSELS

Transport challenged in EU Air Quality Review

(Source: ECG, 26th September 2012) On 24th and 26th September, the European Parliament hosted several events *(attended by ECG)* on the upcoming Air Quality Review. Representatives of European Parliament (EP), European Commission (EC), European Environment Agency (EEA) and related NGOs gathered to publicly discuss the release of the latest EEA analysis on air quality in Europe. The main reason for this publication is linked to the Directive 2008/50/EC on Ambient Air Quality and Cleaner Air for Europe, according to which, the EC shall review in 2013 the provisions related to certain pollutants. The “Air Quality in Europe — 2012 report” reveals that the main pollutants decreased, yet the main polluters (Energy, Transport & Agriculture) still cost the European citizens €169bn yearly. Not all Member States comply with EU and UN agreements on emissions ceilings. In many countries, air pollutant concentrations are still above the legal and recommended limits that are set to protect human health. Sulphur dioxide however became a success story. Emissions have been reduced significantly in recent years thanks to EU legislation requiring the use of emissions scrubbing technology and lower sulphur content in fuels. 2010 was the first year that the EU urban population was not exposed to SO_2 concentrations above the EU limit value. In his intervention, EC Commissioner for Environment Janez Potočnik highlighted that the Air Quality Report is a timely reminder of how revising Air Quality Directive might curb the depletion of natural resources which undermines future health and competitiveness. It was mentioned on several occasions that US and China are much further in terms of air quality legislation, monitoring requirements, less emitting products and industrial processes. Hence, a close collaboration is envisaged with Commissioner for Industry and Entrepreneurship Antonio Tajani to avoid unnecessary burden on the industry. Addressing emissions at source counts among the priorities expected to be tackled. In a written Opinion, the Committee of the Regions recommends inter alia a strengthening of EU emissions policy by tightening up the Euro standards for vehicles with regard to NO_2/NOx and particulate matter and by tackling emissions from shipping. Given the alarming data provided by the World Health Organisation and the pressure put on the transport sector, a comprehensive review is expected to be completed by 2013 labelled “the EU year of Air.”

Brussels to launch shipping emissions monitoring system

(Source: Euractiv.com, 02nd October 2012) The European Commission announced on Monday 1st October that it intends to introduce an emissions monitoring system in early 2013, in a bid to curb the environmental footprint left by the shipping industry. The Commission said in a statement it would outline “a simple, robust and globally feasible approach towards setting a system for monitoring, reporting and verification of emissions based on fuel consumption.” This was "the necessary starting point” for further action on greenhouse gas (GHG) emissions, it said, flagging market-based mechanisms. These could include a maritime emissions trading scheme (ETS) or bunker fuel levies. Elina Bardram, the head of the EU climate department's international carbon markets unit, said that setting up a market-based emissions-reduction system could save €15bn annually by 2030, and increase employment in the sector. "We can set this up more quickly than for aviation," she said. But there is intense opposition to such a move from other departments in the European Commission which are unhappy about the ongoing trade spat with China over bringing aviation emissions into the ETS. Introducing a similar market-based mechanism for shipping emissions would be "too difficult, too politically charged", a senior official in the EU's transport directorate said. "We need to keep [any scheme] IMO-related," he said, referring to the International Maritime Organization. The

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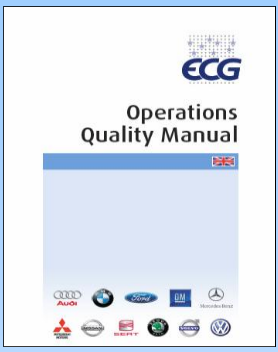

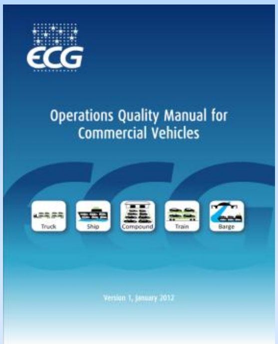

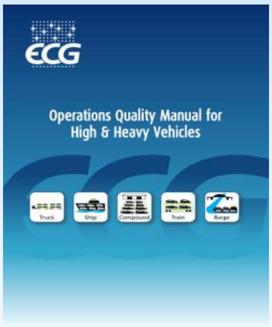

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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"monitoring, reporting and verification system," or MRV, announced jointly the 1st October by Transport Commissioner Siim Kallas and Climate Action Commissioner Connie Hedegaard stopped shy of announcing new market-based mechanisms. It also stressed the need to work with the IMO towards a global deal, and was made with one eye on the start of a week-long IMO conference this week in London, according to EU sources. “It does feed into their process so it makes sense”, an EU official said. “We just realised that what everyone needs is MRV and that will feed into what the IMO is doing," the official said, adding that for the second step - the market-based mechanisms that the EU will propose - "you'll have to stay tuned.” The timing of any forthcoming market-based measures may depend in part on the experience of the MRV proposal, and any emissions reducing proposals put forward by the IMO. The EU statement praised the shipping group for its decision last year to impose energy efficiency measures. The IMO’s Energy Efficiency Design Index will only come into force in 2015. But Hedegaard and Kallas warned that the index alone “will not be enough to ensure shipping emissions are reduced fast enough” to meet the EU's 2020 targets. An IMO report itself said that the index measures would only cut emissions by about 23% and that the sector's greenhouse gas levels could rise without further market-based measures. “The shipping industry itself is best placed to take the lead in delivering fast and effective greenhouse gas emission reductions”, the EU statement said, adding “the Commission is ready to play its part, in the EU and at IMO level.

Positions

Green pressure groups Transport and Environment and Seas at Risk said in a joint statement that they were "disappointed" at what they viewed as a "new postponement to cut shipping emissions". T&E's shipping programme manager, Bill Hemmings, and a policy advisor at Seas at Risk, John Maggs, said: "green groups are disappointed because emissions monitoring doesn’t address the main issue at stake: reducing GHG emissions from ships". The statement said: "The EU has thus far not taken any measures to tackle GHGs from the shipping sector, and progress within the International Maritime Organisation on a global market-based measure has stalled amid arguments over technology transfer and global climate change policy." The environment groups said there was enormous potential to improve fuel efficiency in shipping, claiming that at least a 20% reduction in emissions would be "cost-free", but that industry barriers were preventing action. They also called on the Commission to monitor pollutants other than just carbon dioxide, including sulphur oxide and nitrogen oxide, and the need to impose stricter verification standards for such pollutants over 2015-2016.

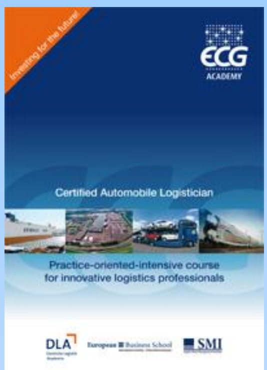
ECG Note: The joint statement of EC Vice-President Siim Kallas and EU Commissioner for Climate Action Connie Hedegaard on emissions from shipping can be found under the “Press Releases” section of this ECG News issue.

EVs – what does the automotive industry have to say?

(Source: ECG, 04th October 2012) On 2nd October, the Alliance of Liberals and Democrats (represented by 3 Members of the European Parliament: Mrs I. Bilbao Barandica, Mrs N. Griesbeck, and Mrs G. Meissner), hosted a seminar on “Future challenges for the automotive industry” *(attended by ECG)*. The event gathered representatives from the Automotive Intelligence Center (AIC), the HIRIKO project, OEMs, and consultancies. Pedro Luis Uriarte, Economia Empresa y Estragia (EEE) Managing Director, gave a general overview of the Basque Region and its automotive industry performance, including the electric car as a promising prospect for future business. Ines Anitua followed with a presentation of AIC insisting on innovation as the answer to a smart and sustainable mobility, over capacity, and global competitiveness. Carlos F. Isoird, Business Development Director at HIRIKO, shared a new concept of mobility with foldable electric cars. Oriol Saperas, from AIC Scope, pointed to several issues that need to be addressed before electric vehicles (EVs) start to be massively produced: the need for OEMs to make alliances with battery suppliers; “mobility internet”;

ECG Academy

Course 7 will commence in October 2012.



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 Logistician, which is an accredited qualification

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integration in the smart grid; improved parking management; total transformation of the transport DNA (electric driving, wireless communication, auto-pilot etc.) He reminded that EVs low numbers are due to the specificity of customers that are willing to adopt them i.e. ~30 years of age, environmentally sensitive, with middle income, living in urban environment. Though with different strategies, both OEMs present (PSA Peugeot Citroën and Volkswagen) agreed on the following: - growth in EVs usage is drawn by offer; - the EU support schemes for the market uptake of EVs need to be standardised; - there is a direct connection between the EVs sales and government financial support and regulatory obstacles; - infrastructure needs to outgrow its embryonic phase; - lower emission areas should be open for EVs/hybrids. The conclusion on which everyone agreed was that customer behaviour is radically changing. There is a need for a systemic approach where car manufacturers and suppliers would work together with training and research institutes, banks and insurance companies. To succeed in promoting EVs, OEMs should re-think their strategy and strive to become service providers for integral mobility solutions.

AUTOMOTIVE INDUSTRY

Fiat to extend break at Panda minicar plant

(Source: Automotive News Europe, 02nd October 2012) Fiat will stop production at its plant in Pomigliano, Italy, for two more weeks at the end of October because of a weak European market. Fiat will place workers at Pomigliano, where it makes the Panda minicar, on a temporary layoff scheme from 29th October to 9th November, a company source said. Fiat has sent workers home from many of its Italian plants on temporary layoff this year because of slack demand. At Pomigliano, workers will end a two-week layoff on 5th October. Fiat CEO Sergio Marchionne said last month the European car market's five-year slump made it "more likely" there will be co-ordinated plant closures across the continent. However, he said he would not close factories in Italy despite a plunging domestic market.

PSA to halt Slovak production for 21 days

(Source: Automotive News Europe, 29th September 2012) PSA Peugeot-Citroën will stop production in Slovakia for 21 days in the fourth quarter due to weak demand. PSA builds the Peugeot 208 and Citroën C3 Picasso models in the western Slovak town of Trnava. "The Trnava assembly plant of PSA Peugeot Citroën Slovakia decided to reduce number of production days due to the falling demand," PSA Slovakia said on Friday 28th September. The company has already shut production in Slovakia for 12 days this year. It said no job cuts were planned in Slovakia. The Trnava plant has an annual production capacity of 300,000 vehicles. The company built 177,000 cars in 2011, with France, Germany, Italy and Spain being the key export markets. Slovakia, the euro zone's second-poorest economy, is strongly driven by exports from the country's car industry centred around assembly plants of Volkswagen, Kia and PSA. Any production disruption in the sector could have a significant effect on the economy's performance, expected by the finance ministry to slow its expansion to 2.1% in 2013 from 2.5% this year on waning demand for its exports. PSA is currently losing €350 on every car sold in Europe.

Fiat may delay $1bn Russian factory, official says

(Source: Automotive News Europe, 01st October 2012) Fiat may delay building a factory in St. Petersburg, Russia's second-biggest city, because of overcapacity in Europe, an official said. Fiat planned to open a €850m facility with annual capacity of 120,000 units in 2013 but the carmaker has not contacted the regional administration for three months and has not presented an investment plan,

ECG AGENDA

►**ECG Academy Module I**, on **10th - 12th October**, in Prague, Czech Republic

►**ECG Conference** on **11th - 12th October** in Prague, Czech Republic

►**ECG Maritime and Ports Commission** will be held on **24th October**, in Brussels

►**ECG closed 1st & 2nd November** – Public holidays

►**UK & Ireland Regional Meeting** on **13th November**, in Birmingham, UK

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

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

►**ECG closed** on **1st April**

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

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

Sergey Vyazalov, St. Petersburg's deputy governor, said. "The company has enough capacity in Europe to deliver cars to the Russian market," he said. "So I expect it will delay the project for several years." Fiat is working on its strategy to expand in Russia and is defining details with Russian banks, CEO Sergio Marchionne told reporters on 28th September in Paris. "There is a boom in the market, we made the right choice to enter it with our Jeep brand," Marchionne said. New-car sales in Russia grew by 15% to 1.9m in the first eight months from the same period a year earlier, according to the Moscow-based Association of European Business. Fiat brand sales dropped 74% to 5,054 as the Jeep brand sales tripled to 2,957 vehicles. Fiat's Italian car plants are running at 50% capacity.

VW's Slovakia unit faces strike over pay demand

(Source: Automotive News Europe, 02nd October 2012) Volkswagen Group may face a strike at its Bratislava plant after offering employees half the pay increase demanded by the factory's unions. The plant, which opened in 1991 and has never had a strike, builds the Volkswagen Touareg, Audi Q7 and Porsche Cayenne SUVs, alongside the Volkswagen Up, Seat Mii and Skoda Citigo minicars. Last year, it produced 210,400 cars and in the first half it made 209,400, an increase of 122% from a year earlier. Volkswagen is offering a pay increase of 3.2% starting in January 2013 and two single payments of €100 each, it said. The unions are asking for a 6.8% increase, the company said. "We are confident that we will reach a deal this year from which all our staff will profit," Boris Michalik, Head of Labor Relations at Volkswagen Slovakia said. Vladimir Machalik, a Volkswagen Slovakia spokesman, confirmed that the Head of the Works Council said that he is ready to negotiate and is also making preparations for a strike. "In the short term a strike shouldn't be a big deal for Volkswagen as the company is anyway adapting its production to lower demand, but of course it will depend on the length of the strike," said Michael Punzet, an analyst at DZ Bank in Frankfurt.

Magna may lose Mini production

(Source: Automotive News Europe, 02nd October 2012) Magna International is likely to lose production work with Mini as parent BMW looks to concentrate output of new-generation Minis in the UK and the Netherlands. BMW plans to build cars for its Mini brand at Mitsubishi's NedCar factory in the Netherlands to ease capacity constraints at Mini's plant in Oxford, England. Magna's car manufacturing subsidiary, Magna Steyr, currently builds the Mini Countryman SUV and later this year will also begin producing the Paceman, a sportier coupe version of the SUV, the seventh derivative of the Mini. A BMW spokesman said in the mid-term the company is looking to concentrate Mini production in Oxford and NedCar. He said the Dutch plant in Born would offer improved logistics versus Magna Steyr's plant in Graz, Austria, since it was closer to Mini's supplier base, which is largely situated in the UK. In England, Mini operates the Oxford vehicle plant as well as an engine factory in Hams Hall and a steel press in Swindon, where it employs about 5,500 people. BMW said it has been happy with Magna Steyr's performance and production quality. The automaker sees Magna Steyr as "an important, strategic production partner with whom we would like to continue working together in the future." A spokeswoman for Magna Steyr said the company has manufactured cars for BMW since 2003 and looks forward to further business beyond the Mini since it would be a "key contribution to the production and development site in Graz." Mini cars will be built at the NedCar factory starting 2014 by Dutch group VDL, which has signed a deal to buy the factory from Mitsubishi for a notional €1. Mitsubishi is ending production of its Colt minicar and Outlander SUV at the plant at the end of the year. NedCar has an annual capacity of 200,000 units on a two-shift basis. VDL aims to turn the plant into an independent car manufacturer for third parties, just like Magna Steyr, under the name VDL NedCar. Theo Toussaint, executive vice president at VDL, said the BMW order is big enough to make a slight profit. "Contracts run for

Events in Brussels

- "European Transport Forum" on 16th October 2012 (http://europeantransportforum.eu/home/events/details/11-ETF2012.html)
  ECG will attend

- "European Logistics Summit" on 17th October 2012 (http://www.logistics-summit.eu/)
  ECG will attend

- European Electric Vehicle Congress, on 19th- 22nd November (http://www.eevc.eu/)
  ECG will attend

- TEN-T Days by EC, on 27th-28td -29th November 2012 (http://tentea.ec.europa.eu/en/news__events/events/2012_ten-t_november_events.htm)
  ECG will attend

five to seven years so we have plenty of time to get more business," he said. VDL declined to comment on projected production volumes and which Mini models NedCar will build. Kay Segler, head of the Mini brand, said the company will announce shortly its production plans for NedCar. "We are currently discussing this with NedCar," he told Automotive News Europe at the Paris auto show last week. Segler said Mini's plant in Oxford currently builds "five vehicles, 22 hours a day" and cannot do much more. Mini needs extra capacity for the additional models it plans, he said. Mini sales have increased by 8.3% to 192,652 vehicles in the first eight months thanks primarily to the success of the Countryman, whose sales were up 23% to 63,817, making it the brand's second-most popular body style.

EUROPE

DB Schenker opens four new gateways to Russia

(Source: LloydsLoadingList.com, 01st October 2012) DB Schenker Logistics is now sending its European land transport consignments to Russia via Berlin, Krakow, Riga and Helsinki. These new gateways are closely linked with the rest of the operator's European network and its hubs and allow additional transports to St Petersburg and Moscow to be carried out. Board member responsible for land transport Karl Nutzinger said: "The new structure is part of our sales campaign which emphasises our special focus on Russia, the CIS states and the Baltic states." The company said the new services being offered for Eastern Europe also included solutions that were "especially environmentally friendly", such as short-sea shipping and intermodal transport via Riga, where DB Schenker has a transhipment terminal to connect to Russian broad gauge. As the logistics service provider for Volkswagen and Škoda, DB Schenker Rail recently transported the 1,500th container train to Volkswagen's Kaluga location in Russia.

Joint venture between DFDS and Louis Dreyfus Armateurs completed

(Source: Multimodal.org.uk, 26th September 2012) DFDS and Louis Dreyfus Armateurs (LDA) have completed a joint venture agreement and formed a new company combining DFDS' Channel operations and LD Lines' ferry operations. DFDS' ownership share of the new company will be 82% and LDA will own 18%. The joint venture is expected to add around DKK 100m of revenue (to DFDS) in Q4 2012, while the profit impact in the same period is not expected to be material. The activities of LD Lines will be integrated partly in the existing business unit Channel, and partly in a new business unit France & Mediterranean. The routes operated by the Joint Venture are Dover-Dunkirk, Dover-Calais, Portsmouth-Le Havre, Newhaven-Dieppe and Marseille-Tunis. The new business unit is responsible for managing the Mediterranean route between Marseille and Tunis and providing sales and customer services for the Channel routes in France and Spain, thereby contributing to increasing the market share in these markets. In addition, the new business unit is responsible for driving the sale of the freight and passenger services of DFDS' entire route network in France and Spain. The planned integration process has now been kicked off and is expected to be completed by the end of 2013, including integration of all business systems. The integration is expected to enhance operational efficiency as LD Lines' operations are transferred to DFDS' business systems and group-wide functional services (IT, finance, HR, technical).

Commission sends reasoned opinion on Spanish recruitment of Dockers

(Source: European Sea Ports Organisation - ESPO, 27th September 2012) The European Commission has sent a reasoned opinion to Spain, in which it finds the

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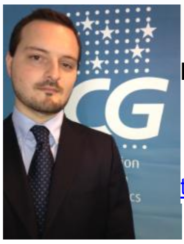

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regime organising the recruitment of port workers in breach of EU Treaty rules. A Spanish law is obliging cargo-handling companies in several Spanish ports to financially participate in the capital of entities that manage the provision of port workers, so-called 'pools'. This system does not allow cargo-handling companies to resort to the market to employ their staff, unless the workforce proposed by these pools is not suitable or not sufficient. Cargo-handling providers from other Member States wishing to establish themselves in Spain might be discouraged from doing so because of the barrier this provision raises on the market for cargo-handling services. Treaty rules on freedom of establishment fully apply to the activities carried out by the entities in charge of recruiting port workers. The European Union requires the elimination of restrictions on freedom of establishment. In particular, the Treaty precludes any national measure which, even though not discriminatory on grounds of nationality, is liable to hinder or render less attractive the exercise of the freedom of establishment that is guaranteed by the Treaty. The Commission's request takes the form of a reasoned opinion under EU infringement procedures. If Spain fails to inform the Commission within two months of measures taken to ensure full compliance with EU law, the Commission could refer the case to the EU Court of Justice.

Rising fuel prices not main cause of haulier bankruptcies

(Source: LloydsLoadingList.com, 27th September 2012) Rising interest rates and falling volumes are far more likely to drive road freight operators out of business than the increasing cost of fuel, according to the latest research from Transport Intelligence (Ti). Ti's research, contained in its latest report, European Road Freight Transport 2012, examines a range of factors influencing the performance of European freight companies. This included investigating any link between fuel price rises and company failures. The rising cost of fuel is one of the biggest political issues transport operators and governments face. In Europe, it was the reason for a wave of fuel blockades in the early 2000s, with operators protesting that increases in the oil price were driving companies out of the market. However, the research shows that there is no evidence for this. Utilising official governmental statistics as a source, it seems that there is a much closer link between company failures and interest rates increases, than there is to the cost of fuel. In fact, says Ti, a much more important cause of company failure is not input costs or rates, but rather volumes. Ti found that there was a high inverse correlation (-0.73) between retail sales and insolvencies – ie, the higher the volumes, the lower the number of companies dropping out of the market. The research also looked at the link between a diesel price index and a European road freight rate index. The correlation coefficient of 0.85 (with 1.0 being a perfect fit) suggested that the relationship was very strong. This seems to show that despite received wisdom, hauliers are very good at passing on fuel cost increases to their customers, and one reason why increasing fuel costs do not lead to more company failures. Commenting on the findings of the research, John Manners-Bell, CEO of Ti, himself a former industry practitioner said: "It may seem surprising that fuel costs are not the major cause of company failure, especially given the industry campaigns we've seen over the years. However our research shows that interest rates and weakening volumes are far more difficult for operators to deal with. From an industry perspective, policymakers should focus on stimulating growth, but without risking inflationary pressures or the higher interest rates that would result."

Wincanton says lorry road user charge too low

(Source: Motortransport.co.uk, 27th September 2012) Wincanton has slammed the government's forthcoming Lorry Road User Charge (LRUC) for not doing enough to level the playing field between UK and foreign operators. In a blog on its website the largest UK-owned operator said that the widely reported charge of £10 per day for foreign lorries to run on British roads "ought to be four or five times that amount" to "have any real impact". Later this month the government will publish draft legislation containing details about the LRUC. Last month new

transport secretary Patrick McLoughlin confirmed the government's commitment to the LRUC, saying the charge is needed to "create a level playing field, increasing UK competitiveness and boosting growth". However Wincanton said: "We face a price differential of up to 15% when compared against some foreign hauliers who pay their drivers less, buy cheaper fuel outside the UK, and who generally have lower maintenance thresholds, leading to their lower operating costs". The firm has also voiced its concerns about "unwanted red tape" when it comes to the administration of the scheme – asking who would "shoulder the burden" of the cost of implementing the LRUC. "What would happen to the money after it is collected by foreign haulage companies?" the blog added. "It ought to go towards increased policing of foreign hauliers to ensure that both the vignette and cabotage rules are adhered to, and that the true rate of non-compliance is understood and addressed". A corresponding cut in Vehicle Excise Duty (VED) has been proposed to off-set the cost of the LRUC for UK hauliers but Wincanton warns that the unconnected removal of the reduced pollution certificate in 2016, a year after the latest date proposed for the introduction of the LRUC, will result in additional costs and a fall in residual values – leaving operators out of pocket at the same time as some fleets will have to pay more under new VED bands.

REST OF THE WORLD

Mercurio Pallia Logistics wins award for excellence

(Source: GEFCO Newsletter, 02nd October 2012) Mercurio Pallia Logistics has been named the winner in the Operational Excellence – Fleet Maintenance and Management category in the India Road Transportation Awards 2012 (IRTA). Vipul Nanda, Chairman and Managing Director of Mercurio Pallia Logistics, and Puja Nanda, Director, accepted the award at the ceremony held on 20th July at Mumbai (formerly Bombay). Presiding at this event sponsored by the automobile tyre manufacturer CEAT were Shri Jitin Prasada, Minister of State for Road Transport and Highways, and Pawan Goenka, President of Mahindra & Mahindra Automotive. In 2011, Mercurio Pallia Logistics won the IRTA award for excellence in the Personnel Management category. Mercurio Pallia Logistics, part of the GEFCO group based in India, specialises in automobile and two-wheeler transport.

WWL adds service to Chile

(Source: Automotive Logistics News, 03rd October 2012) Norway's Wallenius Wilhelmsen Logistics (WWL) has added a monthly ocean service call to the port of Antofagasta in Chile, as part of its service along South America's West Coast. Starting this month, the latest service will add to WWL's current calls at the ports of Guayaquil in Ecuador and Callao in Peru. The company said that the main cargo transported will be primarily a mix of heavy equipment and break bulk. "Due to major infrastructure developments and construction expansion, as well as mining and energy projects, the demand for equipment to support improvements in western South America is undergoing significant growth," said Rich Heintzelman, Executive Vice President and Head of Commercial for Wallenius Wilhelmsen Logistics Americas. "WWL is excited to offer a monthly service to Chile in order to meet these growing demands," he added. Among some of the major projects underway in Chile stimulating this demand is the Escondida copper mine in the Atacama Desert in northern Chile. Elsewhere in South America, WWL has resumed its service to the port of Zarate in Argentina. The forwarder was forced to suspend services there at the end of May because of severe congestion that had prevented it from being able to unload cargo. During May there were approximately 17,000 vehicles packed into the 230,000-square metre main storage area awaiting clearance and seven vessels waiting to unload 10,000-15,000 more cars. Previous issues with delays in customs processing as well as vehicle processing at the port have been resolved according to WWL and services to the port have been resumed as per normal schedule. Zarate is a very busy port with almost every manufacturer trading in Argentina using the terminal.

Carmakers aim for greater accuracy in delivery

(Source: Automotive Logistics News, 03rd October 2012) Old habits die hard in the automotive logistics industry and according to Greg May, president and CEO of Car Delivery Network, you either decide to change them or the market will do it for you. Delegates at last week's Automotive Logistics Global conference in Detroit learned about the latest changes being made at the carmakers, including GM and Chrysler, and how technology was transforming the supply chain and providing greater visibility in the delivery of vehicles from the factory to the dealerships. GM's Anthony Clevio, operations manager at GMNA and Intercontinental Logistics, revealed that big changes were underway at the company to enhance the quality of information made available to dealers via its Autowork bench application. Clevio said that previously the system was only able to show a limited number of events in the vehicle delivery process: when it left the assembly plant and when it was due to arrive at the dealer, leaving a two-to-three week timeframe in-between. "The big change that took place last year was to include all of the logistics events in our workbench applications for our dealers," said Clevio. "They can now see every movement of the vehicle from the factory to its delivery, including the handling and the carrier that is associated with it." The next change will be to introduce what

Clevio called a "dynamic ETA", to give the dealers enhanced accuracy on the arrival of the vehicle. "Today the dealer has visibility about where the vehicle is but they don't have an ETA and it is certainly not dynamic, so that is our next big step," he said. Clevio said that the push to transform the visibility of the delivery process would be driven by the fleet side of its business, where accurate delivery information is more important than the retail side of the business. "They want the asset in service as soon as it gets to the dealership," he said. "If they don't know when it gets there, they have to react accordingly and make sure it starts generating revenue when it gets there." Speaking for the dealers, Wes Lutz, President of the Michigan Automobile Dealers Association, said accurate delivery information and a reliable ETA was crucial and can mean the difference of making $800 gross profit per vehicle or not. "I'm assigned to move cars at a certain pace and if we don't have reliable information it makes a huge difference to our financial business model in the dealership," he said. Lutz said there were lags in the system with periods up to five days without notification, which is a problem for dealers with 30-day sales programmes. "We receive really good reports right now showing where our vehicles are, but they are just not accurate," said Lutz. The efforts to remedy this lack of accuracy now being made include information about damage. "This year we have set up a damage prevention group in vehicle operations to focus on more accurate and timely ways of knowing firstly when the vehicle is going to be delivered to the dealer and how it is delivered, including transport damage awareness," said Chrysler's Erika Mercado-Gratton, Damage Prevention and Claims Manager. When Chrysler receives notification of delivery, that notification is already between two and five days old according to Mercado-Gratton. Chrysler is now working on enhancing its electronic proof of delivery to answer when and how the vehicles are being delivered, adding greater visibility to the last leg of the delivery process. Mercado-Gratton went on to detail how the company had recently completed a two-week trial in the Southeast region of the US and received good feedback from the carriers, dealers and the drivers. "So right now, what we need to do at Chrysler logistics is try and get more carriers on board in other regions and we are trying to get carriers on the West Coast and Midwest regions," she said. The need for greater visibility was part of a general but urgent need to improve performance in the vehicle-carrying segment. Chrysler's Head of Worldwide Vehicle Transportation, Steve Tripp, stressed that innovation and efficiency would still have to play a significant part in outbound development, particularly for a trucking and rail sector that generally runs around 40% empty on average. "Those who don't find that extra two-tenths of a cent per mile in fuel efficiency, or don't find more backhaul efficiency, will slowly shrink in business," said Tripp. Landstar's Senior Vice President of Corporate Sales Solutions, Scott Grady, added to the urgency for greater efficiency by revealing that there was a high rate of empty mileage and generally poor asset utilisation across the inbound freight network. He said that the average trailer is running 82% full. "Back in the 1990s, 80% was the right number," he said. "But today, with higher fuel and equipment costs, it is no longer a good enough number," added Grady. In an effort to find answers to these problems on the trucking side of the business Bill Shroeder introduced a new carrier interest group called the Auto Haulers Association of America, which was founded two months ago by companies including Proficient Auto Transport, Amerifleet and Brothers Auto Transport amongst others. Shroeder, who is general manager of the group, said that the group's mission is to promote sharing of information and the establishment of shared best practices for improved operational performance amongst small to medium-sized car carriers in North America. He said that products and services include a website that pushes out news about trucking supplied by a comprehensive list of group members with forums to discuss issues raised by day-to-day operations and a focus on standards and services, such as driver recruitment and training, and operational and financial tools.

To read more on the 13th annual Automotive Logistics Global conference, please click on the following link: http://www.automotivelogisticsglobal.com/

NYK revises down profit forecast

(Source: Automotive Logistics News, 03rd October 2012) NYK has revised its financial outlook for the first half of 2012 and now expects to lose ¥10.5bn (€103m) because of investment losses and low rates according to a report from market analyst IHS. The Japanese forwarders initial statement for the period foresaw profits of ¥7.5bn. According to IHS, NYK blamed a ¥10bn loss in investment securities for revised figures. Addressing company employees at an event this week celebrating 127 years of service, NYK's president Yasumi Kudo said that first half fiscal year results were expected to be solid in the car carrier division supported in part by a recovery in exports from Japan and Thailand. "Automotive sales have been steadily increasing in Asia and the emerging nations," said Kudo, "we need to focus more resources on expanding our auto logistics business in these regions which is also the scope of 'More Than Shipping', including businesses such as ro-ro terminals, pre-delivery inspection facilities and inland transport. However, he said there were concerns that European demand for freight transport could decline even further during the second half of the year. He added that future prospects for increases in seaborne cargo volumes looked "dim" and the company would have to step up cost reduction measures focused mainly on fuel costs and efficiently deploying the fleet. The company said in August that it was decreasing planned investment in its container and car carrier fleets under its medium-term management plan, "More Than Shipping 2013," which aims to diversify further into value-added services and higher margin activities relative to shipping, including logistics and freight forwarding.

To read the rest of the article please see http://bit.ly/Wtj9rw

PRESS RELEASES

Co-operation agreement between the Grimaldi Group and NEL

(Source: Grimaldi Group, 02nd October 2012) The Grimaldi Group and NEL join forces by announcing the start, as from 3rd October 2012, of a close co-operation on the Brindisi-Igoumenitsa route. The co-operation between the two maritime operators covers both operational and commercial matters.

Operationally, the agreement foresees the introduction of daily departures to be offered from Brindisi to Igoumenitsa for the transport of any type of rolling equipment (cars, vans, trucks, etc.) as well as passengers. Departures from Brindisi will be every day:
- from Monday to Saturday at 19:00h with arrival in Igoumenitsa the following day at 04:00h.
- on Sunday at 13:00h with arrival in Igoumenitsa at 22:00h.

Sailings from Igoumenitsa will be every day at 01:00h on Monday with arrival in Brindisi at 08:00h.

The vessels deployed will be the “Sorrento” and “Florencia”, two modern ro/pax ferries, built respectively in 2003 and 2005. Each vessel can transport, at a service speed of 23 knots, over 950 passengers, 2,250 linear metres of rolling cargo and 170 accompanying cars.

Commercially, NEL will flank Grimaldi’s organisation in Greece (Minoan Lines, a Grimaldi Group company) in the promotion of the joint service in Greece, Turkey and the Balkans.

Through this move, the Neapolitan Group, world leader in ro-ro transport and main maritime operator between Italy and Greece, and the Mytilene-based Greek operator NEL consolidate further their position in the South Adriatic Italy-Greece maritime routes.

In the framework of this co-operation, both companies commit to deploy additional tonnage between Brindisi and various Greek destinations in the summer period in order to satisfy the needs of holiday-makers bound to Greece.

To mark the start of this fruitful partnership, a special discount of €100.00 from the official pricelist will be granted to any truck or trailer booked between the 3rd and the 9th October 2012 in order to persuade new customers to use the service.

Acumen unveils its longer semi trailers

(Source: Acumen, 05th October 2012) The Acumen Distribution has joined a select number of UK operators chosen by the Department of Transport to begin a ten-year trial of longer semi trailers. Acumen has been allocated four 15.6 metre trailers, which it is trialling in partnership with Johnson Control Automotive to help reduce CO_2 emissions.

The Freight and Logistics Division of the Department for Transport (DfT) has commissioned the study to examine the feasibility and impacts of allowing longer semi-trailers to operate within the British road haulage market. The primary objective of this study is to establish whether the introduction of longer semi trailers will deliver overall economic, environmental and communal benefits.

The 15% increase in volume carried by each longer semi-trailer has enabled Acumen to run three less trips per week on behalf of Johnson Controls Automotive on a regular Midlands – North East – Midlands roundtrip. This equates to 63,000 road miles per annum. This is clearly helping the environment, reducing fuel consumption, decreasing traffic congestion and providing greater operational efficiency.

“We have been focusing on our environmental policy for a number of years and have attained ISO 19001 and ISO14001 accreditation”, said Chris Doughty, Managing Director. “Being chosen as part of these trials has enabled us to take our environmental aspirations one step further”.

The current UK maximum semi-trailer length is 13.6 metres. Some vehicles, particularly those carrying lighter consumer goods, tend to reach their payload volume capacity before their gross vehicle weight (GVW) limit of 44 tonnes. Additional semi trailer length would enable such vehicles to carry more cargo within the existing GVW restrictions, even if the increase in the weight of the semi-trailer led to a reduction in the maximum payload weight carried. The purpose of the trial is to ascertain whether longer semi-trailers will provide operating efficiency gains and reduced environmental impacts if fewer vehicles are required to carry the same volume of goods

Joint statement on emissions from shipping

(Source: EC DG CLIMA, 01st October 2012) Vice-President of the European Commission Siim Kallas and EU Commissioner for Climate Action Connie Hedegaard issued the following joint statement on greenhouse gas emissions from shipping:

"Shipping is a global industry and needs global solutions to address its environmental footprint. As a result, we are all working towards an internationally agreed global solution to decrease greenhouse gas emissions from ships. The International Maritime Organisation made a significant and highly welcome step forward in July 2011 with the Energy Efficiency Design Index. But this measure alone – which is applied only to new ships from 2015 – will not be enough to ensure shipping emissions are reduced fast enough. Discussions about further global measures are on-going at IMO level, but we need intermediary steps to quickly deliver emissions reductions, such as energy efficiency measures also for existing ships.

At EU level, we consider several options, including market-based mechanisms. A simple, robust and globally-feasible approach towards setting a system for monitoring, reporting and verification of emissions based on fuel consumption is the necessary starting point. This will help make progress at global level and feed into the IMO process. It is therefore our joint intention to pursue such a monitoring, reporting and verification system in early 2013. At the same time, we will continue the debate with stakeholders on which measure can successfully address the EU's greenhouse gas reduction objectives.

The shipping industry itself is best placed to take the lead in delivering fast and effective greenhouse gas emission reductions – thereby cutting cost and making the sector fit for the future. The Commission is ready to play its part, in the EU and at IMO level.

For more information please read the webpage of DG CLIMA dedicated to this topic:
http://ec.europa.eu/clima/policies/transport/shipping/index_en.htm

'Connecting Europe' – business leaders and policy-makers support the Commission's €50bn plan for strategic infrastructure investment in transport, energy and internet

(Source: European Commission, 02nd October 2012) At a high-level conference in Brussels *(attended by ECG upon invitation by the Commission)*, business leaders and policy-makers strongly supported the creation of a Connecting Europe Facility as proposed by the European Commission for the European Union's new financing period 2014-2020. With up to €50bn the Connecting Europe Facility could become a key instrument for targeted infrastructure investment at European level to ensure the smooth functioning of the Single Market and boost sustainable growth, jobs and competitiveness across the European Union.

European Commission President José Manuel Barroso said: "We need an ambitious Connecting Europe Facility to invest in Europe's future growth and boost job creation. Too often, citizens and businesses are blocked by incomplete, inefficient or simply non-existent infrastructure networks. The 'Connecting Europe Facility' provides a European solution to a European problem with its focus on strategic infrastructure, its innovative character and its true European added value. This has been widely recognised at today's conference and I am confident that this message will also be heard in the capitals of our Member States."

During the event speakers and participants appreciated the innovative character and important added value that the Connecting Europe Facility would provide. The Connecting Europe Facility would help getting strategic infrastructure off the ground that helps "Europe to compete and to grow" in a globalised world, in line with the Europe 2020 strategy and the recently agreed Compact for Growth.

Without it, participants agreed, many necessary infrastructure investments in transport, energy and internet in the EU would not happen if dealt with purely at national level. This is particularly true in the on-going crisis, which hampers for example bank lending for infrastructure investment. Most participants expect significant private investments thanks to innovative financial instruments linked to the Connecting Europe Facility, like project bonds, and the longer term orientations and planning security it provides.

Many pointed to existing infrastructure projects supported through the EU that clearly demonstrate the benefits and added value of EU-level infrastructure investment like for example the recently inaugurated electricity connection between Ireland and the United Kingdom or compressors enabling reverse gas flows in central and Eastern European Member States.

High-performing, sustainable and efficiently interconnected trans-European networks were deemed essential for the full functioning of the EU's Single Market and the shift to a more sustainable low-carbon economy.

Some participants also emphasised the complementarity of the EU's cohesion policy with the Connecting Europe Facility, while emphasising the importance of cohesion policy for enhanced competitiveness of the entire European Union.

Participants agreed that the Connecting Europe Facility is a concrete expression of a new thinking and partnership that will benefit Europeans across all Member States, citizens and businesses alike as better interconnections would make work and travel easier, enhance competitiveness, business opportunities, and energy security, and make Europe's economy greener.

Many expressed the wish that the overall strong support for the Connecting Europe Facility coming from this high-level event could mobilise other important stakeholders and decision-makers and positively influence the course of negotiations in the run-up to the extraordinary European Council of 22nd - 23rd November 2012 dedicated to the Multiannual Financial Framework.

Background:
Following the proposals for the Multiannual Financial Framework of 29th June 2011, the Commission tabled the draft regulation for the Connecting Europe Facility on 19th October 2011. Negotiations are on-going in the Council and the European Parliament.

The 2012 June European Council agreed the Compact for Growth and Jobs which includes the removal of barriers in the Single Market and which refers explicitly to those sectors that are at the heart of the Connecting Europe Facility: transport, energy and internet. The European Council also agreed on the immediate launch of pilot project bonds.