ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

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NEWS FROM BRUSSELS

Commission announces Internal Market package for shipping and ports

(Source: ESPO, 08th October 2012) The European Commission is committed to deliver a Blue Belt package consisting of legislative and non-legislative measures by spring 2013 in order to establish a true Single Market for maritime transport. In this way, the Commission intends to promote maritime transport by no longer subjecting EU goods transported between EU seaports to administrative and customs formalities, which apply to goods arriving from overseas ports. Administrative simplification will be supported by ICT technologies which permit the tracking of ships and cargo as tested during the Blue Belt pilot project. Furthermore, the Commission refers to the ongoing EU Ports Policy Review and to how the availability, efficiency and reliability of port services will contribute to enhance the attractiveness of maritime transport. The Blue Belt package was announced as part of a set of priority actions identified in the Communication "Single Market Act II: Together for new growth", which was adopted by the Commission on 3rd October. The Single Market Act II sets out a set of priority actions which support four drivers for growth: developing fully integrated networks in the Single Market; fostering mobility of citizens and businesses across borders; supporting the digital economy across Europe; and finally, strengthening social entrepreneurship, cohesion and consumer confidence. The Commission considers that in a globalised world, the access to ports has to be organised in an integrated way and that port authorities have a crucial role to play in this context. The main areas in which the Commission has or will deliver EU action are namely, the obligations of Member States regarding the sound planning of ports and hinterland connections, the transparency of public funding and port charges, and administrative simplification efforts in ports, and reviewing restrictions on the provision of services at ports. No further information however is provided in this Communication regarding how the Commission intends to address the areas not yet covered. Regarding the timing, the Commission is committed to deliver all key legislative proposals by spring 2013 and calls on the European Parliament and the Council to fast-track all key legislative actions and adopt them as a priority by spring 2014.

To read the EC Communication "Single Market Act II: Together for new growth" please see: http://ec.europa.eu/internal_market/smact/index_en.htm

EP TRAN Committee discusses Port State Control

(Source: TRAN Committee, 11th October 2012) On 8th – 9th October, the European Parliament's (EP) Transport Committee (TRAN) discussed the Maritime Labour Convention (MLC). The Rapporteur, TRAN Chairman Brian Simpson, explained that it represented the first comprehensive maritime labour code for more than 1.2 million seafarers worldwide. It covers the minimum requirements for seafarers to work on board a ship. The current proposal will make it possible to verify that the relevant standards are applied on board all ships calling at EU ports, regardless of the seafarers' nationality or the ship's flag. This was welcome as a means to limit social dumping, which undermines working conditions and penalises ship owners who are offering decent working conditions. Mr. Simpson added that some of his proposed amendments sought to make clear that minimum international standards should not be allowed to undermine higher existing European standards. Others aligned the text of the Directive more closely with that of the MLC. A further series of amendments would ensure that information was transmitted to the International Labour Organisation to promote the spread of best practice. There were also proposals to strengthen clauses concerning the confidentiality of complaints. A final set of amendments dealt with delegated and implementing powers. Shadow Rapporteurs broadly supported the

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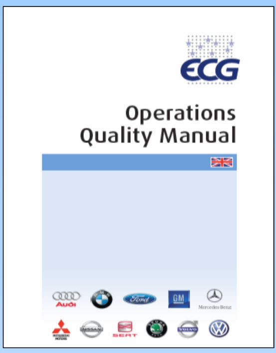

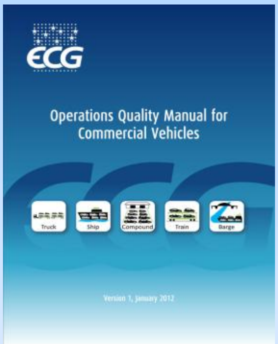

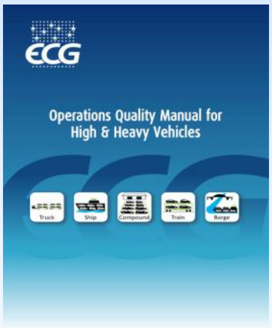

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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Rapporteur’s approach while cautioning that the requirements should not be too burdensome. They also shared the Rapporteur’s view that inspectors would require greater training on labour issues; the European Maritime Safety Agency could play a valuable role here.

Europe asks Greece for clarification on shipping tax system

(Source: EUbusiness.com, 03th October 2012) The European Commission asked Greece on Wednesday 3rd October to clarify the workings of the tax system for its key shipping industry which is run by some of the wealthiest people in the bailed-out country. "The Commission is currently looking at the tonnage tax and has asked for details from Greece," the office of European Competition Commissioner Joaquin Almunia said. The tax is levied on the tonnage a ship carries in place of a tax on the shippers' profits, reportedly to the great advantage of Greece's shippers and undercutting state income from one of the country's prize economic assets. The system was set up in 1953 when the Greek shipping industry, one of the largest in the world, was rebuilding after World War II. Greek press reports said earlier that the Commission request was driven by pressure from Germany whose shippers are losing market share. The Commission denied that was the case, saying it was part of an investigation to ensure that competition rules on the shipping industry were being respected across Europe. Greece has until 30th October to reply. Greek firms control 16.2% of the world's "deadweight tonnage" shipping capacity, followed by Japan with 15.8%, with the industry accounting for around 6.0% of the country's economic output.

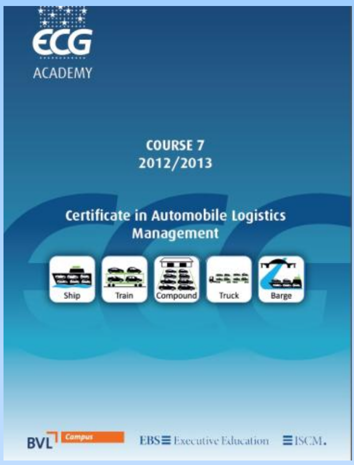
AUTOMOTIVE INDUSTRY

European car market needs EU-led restructuring, says Marchionne

(Source: Automotive News Europe, 11th October 2012) Europe's car market will not really recover without EU-led co-ordination of capacity cuts, Fiat and Chrysler Chief Executive Sergio Marchionne said, in an apparent back-track on comments he made at the Paris auto show last month. Marchionne, who also heads European automakers association ACEA, has repeatedly called for Europe-wide action on closing plants and cutting jobs, but has faced stiff opposition from rival carmakers that are also members of the industry group. Renault chief Carlos Ghosn said last month he saw zero chance of a government-led restructuring of the industry. Marchionne, who in July accused Volkswagen of being too aggressive and undercutting competitors, said last month that ACEA's Board agreed all members would reach their own decisions on issues such as plant closures. However, on Wednesday he said joint action was required. "I am concerned that if we don't find a collective will to resolve this at a European level this is going to become a permanent crisis," he said. ACEA said sales have fallen in Europe for the past five years and new-car registrations were likely to be down by between 8% and 10% this year. Too many factories making too few cars have hurt company profits in Europe, although there is a sharp split, with French, Spanish and Italian producers in the mid-market fighting overcapacity, while German carmakers benefit from higher margin vehicles and healthy exports. Marchionne, in Brussels to meet EU officials including Industry Commissioner Antonio Tajani, believes the European Commission should co-ordinate cuts. "If the French government were to help one specific carmaker and were not to help us or another carmaker, it would breach the rules of the European treaties," he said, stressing that carmakers were not seeking money or financial support for this. "It is better left to the European Commission, whose primary responsibility is the single market. If it doesn't intervene now it will violate its obligations to the single market." Marchionne also said the Commission needed to delay signing free trade agreements (FTA), like the one concluded last year with South Korea. ACEA says the value of car imports from Korea rose 53% in the 12 months since

ECG Academy

Course 8 will commence in October 2013.



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that deal was signed, while the value of EU car exports to Korea fell 4%. ACEA is sceptical about the benefits of an FTA with Japan. Marchionne said an FTA with the United States would help Fiat and Chrysler a lot, but would probably not be beneficial to other European carmakers. More broadly, he said that the sector needed first to cut capacity before opening the market up to imports, likening the situation to having a flooded basement and pumping in more water with a garden hose to ’fix’ it. "Let the European car industry make its adjustments. This is not the time to embrace free trade," he said.

VW widens finance edge after Fiat, PSA downgrade by Moody's

(Source: Automotive News Europe, 11th October 2012) Volkswagen Group widened its auto financing edge in Europe after Moody's Investors Service lowered the debt ratings on Fiat and PSA - Peugeot Citroën to six levels below VW, the region's biggest carmaker. Fiat and PSA both were cut one level to Ba3 from Ba2 by Moody's. The ratings service, which rates VW at A3, has a "negative" outlook on the Italian and French companies. Moody's also said PSA's financing arm, Banque PSA Finance, is on review for a downgrade. VW's financing muscle helps it offer better deals to dealers and consumers. The German carmaker's share of the European market through August rose to 25% from 23.2%, while Fiat and PSA's fell, according to the ACEA trade group. The Moody's downgrades, which were announced Wednesday, affect about €14.9bn of debt, including about €9.3bn from Fiat and €5.6bn from PSA, Moody's said. Moody's said PSA's efforts to shore up its finances "may not be sufficient" with western European vehicle demand poised to fall a further 3% next year and pricing pressure increasing. Fiat is burdened by a deteriorating home market and lacks access to funds held by its Chrysler unit to offset cash drain in Europe, Moody's analyst Falk Frey said Wednesday. In response, Fiat CEO Sergio Marchionne said: "The downgrade doesn't reflect Fiat's financial conditions globally. They highlight an issue that impacts the whole industry, not just Fiat." PSA and Fiat have been hard hit by the effects of the European debt crisis on the region's auto demand, which is set to fall to a 17-year low in 2012. The French and Italian carmakers rely on their home region for the bulk of sales and lack major operations elsewhere to soften the blow. PSA, which was already cut to three levels below investment grade by Fitch Ratings last month, has agreed to sell a 75% stake in its **GEFCO** logistics business to raise cash as it burns through about €200m a month. The Paris-based manufacturer's credit grade was cut by all three main rating services in July after the company reported a €662m first-half loss at its automaking unit. PSA's downgrade may soon trigger a further lowering of its fully owned banking unit, Banque PSA Finance (BPF). "I'm expecting the downgrade to happen very shortly, as Moody's made it clear that it would keep its two-notch gap between BPF and PSA," Pierre Bergeron, a credit analyst at Société Générale, said. "The move would increase financing costs of BPF and hit its operational margin." BPF's downgrade to one level below investment grade would narrow its pool of investors, as mutual funds may shy away from a high-yield investment, Bergeron said. PSA is determined to retain full control of BPF, dismissing calls by bondholders to sell a stake. PSA Chief Financial Officer Jean-Baptiste de Chatillon said the auto lender can boost funding through securitization in the event of a downgrade. Moody's said that the bank's "creditworthiness is inherently linked" to PSA's because of "intricate strategic, commercial and financial ties." Industry insiders don't expect a recovery in Europe's car market any time soon. Full-year industry-wide car sales will drop 8% to 10% in the region this year, the ACEA said on Wednesday. Marchionne, who is ACEA president, said: "With sales on a downward trend for the past five years running, most automobile manufacturers are losing money in Europe at the moment. The outlook is far from rosy." He declined to confirm a target for his company to break even in Europe by 2014, saying that he will give a "new view" by the end of October. Earlier this week, Marchionne said Fiat will lower its forecast for the European auto market when updating its five-year plan at the end of the month. Fiat is set to lose €700m in the region this year. Volker Krueger, an

ECG AGENDA

► **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

analyst with LMC Automotive, said: "Car demand in western Europe will probably remain below pre-crisis levels until at least 2019."

Marchionne to update Fiat-Chrysler plan due to Europe woes

(Source: Automotive News Europe, 09th October 2012) Sergio Marchionne, who heads Fiat and Chrysler Group, will revise two-year growth plans for both automakers later this month to reflect the slump in European auto sales. To assume that Fiat's outlook for Europe is going to be confirmed "is nonsense because the market won't be there," Marchionne said. "We will be updating our forecasts for 2013 and 2014 as a consequence." Marchionne faces pressure from politicians in Italy, including Prime Minister Mario Monti, after the Turin-based automaker backed off its initiative Fabbrica Italia. Under that plan, Fiat was to spend €20bn to boost production in Italy in exchange for labor concessions. European car sales fell 8.5% in August for an 11th straight monthly decline and several auto executives said last month that a European rebound was unlikely within two years. That raised questions about Fiat's ability to meet targets laid out in its five-year growth plan that was announced in 2010. Marchionne outlined a separate five-year plan for Chrysler in late 2009. Marchionne will outline his new 2013-2014 forecast for Fiat-Chrysler on 30th October, he told reporters here on Monday. "You will see an update of what we think will happen in 2013 and 2014," he said before delivering a speech on creative advertising at Ohio State University. Chrysler, which exited government-funded bankruptcy protection in 2009 under the management control of Fiat, has become Fiat's main source of strength as auto demand in Europe contracts. The combined Fiat-Chrysler group now makes more than two-thirds of its profits in the United States. Since 2009, Fiat has boosted its stake in Chrysler to 58.5% from 20% after meeting a series of performance targets set by the U.S. Treasury. Fiat would like to increase its stake in Chrysler by buying shares now owned by the United Auto Workers' retiree health-care fund, known as VEBA (voluntary employees beneficiary association), which owns 41.5% of the company. Fiat is seeking to exercise a call option to boost its Chrysler stake by 3.3% but Fiat and the VEBA are now at odds over what those shares are worth. The trust is looking to maximize the value of its Chrysler stake to cover escalating healthcare costs for the U.S. automaker's retirees. Marchionne said in June that Fiat would pay less than €200m for the added holding that's in dispute in the Delaware Chancery Court. "When we signed the damn thing in 2009, it was clear," he said. "Today, now that things have changed and we're making some money, it's incredible how differences of opinion arise." Marchionne said Fiat will "show up" to exercise its call option every six months, as allowed by the 2009 bankruptcy documents. He will attempt to buy another small stake in Chrysler from the VEBA in January.

Peugeot cuts production of 208 subcompact on weak European market

(Source: Automotive News Europe, 08th October 2012) PSA-Peugeot Citroën is cutting output of the Peugeot 208 subcompact because of slowing demand in Europe's weak auto market. Peugeot is reducing production and its sales outlook for the 208, a company spokesperson said without giving further details. The spokesperson could not confirm media reports that Peugeot plans to sell 140,000 units of the 208 this year instead of the 175,000 it had planned. On Friday 5th October, the Wall Street Journal reported that Peugeot will reduce the hourly production rate of the 208 at its factory in Poissy, west of Paris, to 35 from 52, starting on 10th October and cancel one of the Poissy plant's three shifts in early December. A representative from the CGT union said that Peugeot will cut its night shift for the production of the 208 at Poissy at the end of November. Peugeot also plans to eliminate 850 temporary worker positions at the site by the end of the year, according to the union representative. The Peugeot spokesperson said the brand still expects to have a share of 10% in the subcompact segment in Europe by the end of next year, but said overall industry volumes in the sector should be lower compared with forecasts from earlier this

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

year. Earlier this year, Peugeot forecast that it would sell 550,000 units of the 208 worldwide and 420,000 units in Europe in 2013. Deutsche Bank analyst Gaetan Toulemonde said 208 sales have been hit by the economic downturn. "The overall Europe market is weak and the second half of this year will be weaker than what was expected a few months ago," Toulemonde said. "It is unfortunate that the car was launched at a time when the market was so weak." Peugeot launched the 208 in April. The brand sold 74,487 units of the model in Europe up to the end of August, according to market researchers JATO Dynamics. JATO data ranked the 208 as Europe's third best-selling car in Europe in August after the VW Golf and VW Polo with sales of 14,721 for the month. PSA is closing its factory at Aulnay near Paris and cutting jobs as its European sales fall heavily during the Euro zone crisis. The automaker's passenger car registrations were down 13.4% to 1.03 million in the EU and EFTA markets in the first eight months in a total market that fell 7% to 8.6m, according to industry association ACEA. Peugeot brand sales were down 14.5% to 551,379 while Citroën's volume declined 12% to 473,861.

EUROPE

WWL takes control of ALS

(Source: LloydsLoadingList.com, 09th October 2012) **Wallenius Wilhelmsen Logistics** has acquired a 60% stake in Abnormal Load Services, a specialist in out-of-gauge supply chain solutions. ALS will become an integrated part of the WWL product offering as Wallenius Wilhelmsen Logistics Abnormal Load Services (WWL ALS). The operator said: "The creation of WWL ALS closes an important network gap in terms of offering high-quality, consistent and competitive transport and distribution solutions for high and heavy wheeled/tracked equipment such as agricultural and construction machinery. Erik Noeklebye, WWL Head of Region Europe, added: "Today OEMs are forced to look at the supply chain in a fragmented fashion due to a lack of integrated service providers. Ocean transport, land transport, technical services, plant handling, etc. are often contracted separately, forcing the OEM to involve a lot of resources to manage a fragmented supply chain, driving costs up and quality down. "Through WWL ALS, we will be able to offer these customers seamless finished vehicle logistics solutions with one customer interface and a global presence." ALS CEO René Van De Vin said: "This opportunity makes perfect sense as both companies serve a global client base. By combining our skills and resources we will open up further opportunities for WWL and ALS customers, prospective clients, suppliers and employees."

Vantec secure contract with Nissan in Russia

(Source: Automotive Logistics News, 10th October 2012) UK-based logistics and transport provider, Vantec Europe, has won a two-year contract in Russia to provide Nissan's car plant in St. Petersburg with warehousing and transport services from June 2013. The value of the contract has not been disclosed. Vantec Europe will be working in partnership with Russian transport provider **Major Auto Trans** for the provision of services. The vehicle carrier already moves Nissan vehicles from both the plant and the port of St. Petersburg to various regions in Central Russia. Martin Kendell, managing director of Vantec Europe, will be leading the new contract, which promises 80 new jobs in St. Petersburg as well as a boost for engineering jobs for the company's Sunderland operation in the UK. Vantec is already carrying out project work ahead of the contracts official start. "This is a very significant milestone for Vantec Europe as we continue to grow our business not only here in the UK but also within Europe," said Kendell. "It is a testament to the hard work and commitment of our workforce that we are now considered for this significant new business." The Russian contract follows Nissan's announcement that it plans to double its manufacturing

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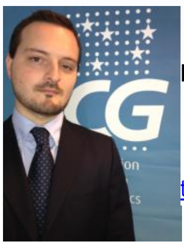

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capacity in Russia to 100,000 vehicles by 2014. It also follows on from the announcement that Vantec is creating more than 80 new jobs following new contracts from Nissan and one of its local suppliers in the UK. The new positions are in addition to 230 created as part of a £22.5m investment the company is making in a new 45,000-square metre warehouse at the Turbine Business Park in Sunderland next to Nissan's Sunderland plant. It is the largest investment made by Vantec in its 20-year history in the region.

FTA man joins DfT for lorry charge development

(Source: Commercialmotor.com, 04th October 2012) The Freight Transport Association's (FTA) chief economist has been seconded to the Department for Transport (DfT) to help civil servants create a lorry road user charge. Simon Chapman will advise and support the Department over the next two years as it attempts to introduce a £10 per day charge on foreign hauliers using the nation's roads. Chapman has previously worked with the FTA on attempts to introduce a road user charge, but this is the first time the government has worked closely with the trade association in this way. “We have always had a good working relationship with the DfT, even if we haven't agreed with them; it's what our job is,” said FTA managing director of policy and communications, James Hookham. “This is something he's skilled and experienced in and is what the DfT could particularly use at this time. “You have got someone working there and aware and conscious of what factors will increase the likelihood of what will emerge being practicable and cost effective and that's exactly what we hope.” Chapman, who will remain on the FTA payroll, will also help inform the debate on how private investment could be used to fund road infrastructure projects.

Skills for Logistics lands £1.14m grant

(Source: LloydsLoadingList.com, 09th October 2012) Skills for Logistics (SfL) has been awarded £1.14m, under the third phase of the UK Commission for Employment and Skills' Employer Investment Fund (EIF3), to deliver a programme for transition from military to civilian logistics for up to 1,000 people leaving the armed forces. Through its EIF3-funded Military Transitions to Logistics programme, SfL will provide a route into the sector for ex-armed forces personnel, principally through existing and newly established Local Logistics Community Networks (LLCNs). Mick Jackson, CEO of Skills for Logistics, said: “The sector has a requirement for skilled labour, particularly to fill acute driver shortages. Skilled labour exists within the armed forces, but does not or cannot transfer effectively into civilian job roles. It is this market failure we seek to address. “Of the 25,000 apprenticeships awarded in the sector between August 2004 and July 2011, 12,000 were to apprentices in the armed forces. SfL's solution will ensure these logistics skills transfer into the sector by providing service leavers – who already possess formal qualifications and relevant military experience – with the necessary work experience, on-the-job training, interview practice and formal interview feedback to better equip them for a career in the civilian world.” Via the EIF3 investment, the SfL strategy includes developing information advice and guidance tools specifically aimed at service leavers and their subsequent employers; developing a framework for work placements including employer-led and delivered civilian appropriate training for driving, warehouse, traffic office and logistics' administrative roles; and establishing one new LLCN to test the roll-out of work placements, including on-the-job training and guaranteed interviews and feedback, as well as delivering the same in existing LLCNs. Jackson added: “These steps will transform our sector, providing a bridge between employers and skilled ex-service personnel, delivering 1,000 work placements by the end of the programme, and 5,000 by 2016, with 250 employers committed to the programme.”

Global freight volumes suggest uncertainty

(Source: OECD - ITF, 10th October 2012) The latest global freight data collected by the International Transport Forum at the OECD through June 2012 highlights continuous economic uncertainty: external trade by sea and by air, measured in tonnes of goods moved, remains stagnant below pre-crisis levels; diverging performance across European economies - Germany shows resilience; dependency on Asia as the locomotive of global growth remains; trade with Asia picks-up after signs of levelling off in the previous quarter; road and rail freight in the EU area fall further while rail freight in USA and Russia grow above pre-crisis levels.

To read the complete Statistics Brief please click on the following link:
http://www.internationaltransportforum.org/statistics/StatBrief/2012-10.pdf

Logent moves vehicles for Volvo

(Source: Automotive Logistics News, 10th October 2012) Volvo Car Corporation is handing over the distribution of vehicles from its Torslanda facility to Logent Automotive Logistics, a subsidiary of Swedish logistics provider Logent. Logent already provides yard management, customs handling and port and terminal operations for Volvo at the port of Gothenburg. The Automotive Logistics subsidiary will now distribute vehicles to the greater Stockholm area, Mälardalen and northern Sweden. "The increased co-operation covers control, co-ordination and shunting, ie yard management of about 200,000 finished cars at the Torslanda plant," said Logent in a statement. "Further, Logent will be responsible for all customs and documents handling in connection with export flows from both the plants in Torslanda (Sweden) and Gent (Belgium)." Logent will also provide an intermediate international helpdesk and a transport booking function. "More and more frequently our customers are requesting highly complex solutions involving multiple business areas at Logent," said Tobias Jonasson, sales and marketing director. "Therefore, Automotive Logistics will shortly be joined by similar concepts, wrapping different areas of logistics competence into total, industry-specific solutions." The partnership with Volvo Car Corporation also entails logistics consultancy, staffing solutions, customs brokerage and state of the art IT-support. The Torslanda plant, which is one of Volvo's largest plants, makes the V70, XC70, S80, XC90 and V60.

OBS Logistics supplies ePod system to EuLoS.eu

(Source: Automotive Logistics News, 10th October 2012) Logistics provider EuLoS.eu is investing in an electronic proof of delivery system from OBS Logistics designed to automate its current paper-based, manual pre- and post-delivery inspection recording and provide real-time traceability. Called Calidus ePOD, the system will provide a fully computerised auditing for each vehicle from point of collection to final delivery with the customer. "I've been in the automotive logistics business for more than 20 years and have seen other companies adopt various systems. I now believe it is the right time for EuLoS.eu to invest in this technology too as it will help us become more efficient for our clients and it will assist business expansion," said Chris Martins, EuLoS.eu managing director. "I was aware of the capabilities of other PDA-based systems, but OBS Logistics showed great interest in what we do and was very enthusiastic in helping to develop Calidus ePOD meet our needs. It is a very robust system and the company provides very good support." According to the company, vehicle defects will be photographed and shortages noted using the PDA and stored with the electronic inspection and delivery forms by the system. All paperwork that the customer requires is also tagged and traceable against the electronic records. The system will provide a robust, comprehensive and auditable file for each car making it easier to contest insurance claims for vehicle defects.

REST OF THE WORLD

Too much "hurry up and wait''

(Source: Automotive Logistics News, 10th October 2012) Unallocated volume, capacity problems and a more demanding and capricious customer base are just some of the pressures the finished vehicle sector is facing in North America, and according to Bill Kerrigan, director of KGI Global Consulting, there is still a lot of 'hurry up and wait' characterising intermodal movements there. While there are definite signs of efficiency improvements in the individual modes, including ocean and rail, the wider problem is down to a lack of interoperable discussion needed for the sort of intermodal flexibility market demand dictates and which will become more pronounced with the manufacturing move to the southern US and Mexico. Is part of the problem the fact that OEMs still prefer direct single mode services? While dwell times at the handoff points between modes continue to waste time and drive up costs OEMs moving large volumes continue to benefit from the efficiency of direct services. "We want to get direct service between hubs for the most part we have enough volume to go direct on rail and truck," said Jeff Dziereicki, GM's team lead for Vehicle, Ocean and Rail Procurement. "It becomes the most efficient way because it lowers the amount of touch points you have and maintains a higher level of quality." Speaking at the recent Automotive Logistics Global

conference in Detroit, Dzeiericki said that from an intermodal standpoint, the current network GM has suits its needs when capacity is there and creating a further gathering of product at different nodes doesn't suit the carmaker's exact needs. At the same time, however, there is plenty of evidence that capacity pressures in certain areas coexist with empty legs in others, with movements in and out of the ports being a good example. Rick Powers, director of marketing at the Port of Baltimore, noted that export volumes to the port were coming inbound on rail but that a lot of those rail cars were returning empty while at the same time empty trucks were arriving to pick up the imported new vehicles from the port. This is largely down to the regional nature of the business of shipping vehicles to the dealerships. "Every time we see that we think there has got to be a better way to handle this and reduce those empty miles," said Powers. He went on to say that the port had talked to importers in the past about looking at inland hubs so that the ocean vessels could discharge the vehicles direct to rail for shipment to an inland point where the trucks could then take over for the final leg. However, that talk has not amounted to much. "I don't think you can do it door-to-door but if you use that idea of an inland hub maybe that is a possibility, but there doesn't seem to be a lot of interest in that these days. The point was backed up by Timothy Butt, market manager – Automotive for rail provider Norfolk Southern, who said that something would have to change from the manufacturing side, namely a greater engagement with the comingling of vehicles, something he said the rail carriers were already doing. "There have got to be some savings in the network to be able to do that, to launch it off the court and use the assets that are already at the port to move the vehicle closer to the ultimate destination," he said. However, commitment to such a solution brings with it concerns about investment in the face of the often quickly changing nature of car-making. Mike Nelson, national manager of Rail Strategy and Operations at Toyota Logistics Services highlighted that OEMs have had to build in the flexibility needed to respond to market demand and so within six months a plant that had been building Yukons or Sequoias could suddenly be building Corollas or small Chevy Cruisers. "The challenge on the supply chain side is, if all of a sudden we as an industry go in an opposite direction, from smaller cars to larger trucks or vice versa, we are locked in, particularly on the rail side when it comes to investment," he said. "We may end up on the wrong side of the fence with a bunch of rail cars that we can't use because the market has changed." Nelson said that one of the things the company was looking for with its suppliers was flexibility. "It's a tough one. I'm not sure there is a good answer but it's out there and is something we have to take into consideration as we look at the supply chain of the future.

Hyundai and Kia thrive in China as Japanese brands stumble

(Source: Automotive News Europe, 8th October 2012) Hyundai Motor Company and affiliate Kia Motors Corporation forecast sales in China will exceed their targets as Korea's two largest carmakers benefit from a wave of anti-Japan protests in the world's largest vehicle market. The two carmakers will probably sell more vehicles in 2012 than the 1.25m they had projected, Hyundai said. Combined deliveries rose to 127,827 units last month, or 9.5% higher than the previous record set a year earlier, the company said on Sunday. Non-Japanese brands stand to gain as Chinese consumers shun products from Toyota Motor Corporation to Sony Corporation after a territorial dispute escalated last month, when Japan decided to purchase a group of islands claimed by both countries. JPMorgan Chase & Co. economists warned last week the political row between Asia's two largest economies will cause Japan's gross domestic product to contract this quarter. "Although the China sales results are definitely good news for Hyundai and Kia as a whole, the benefits from the anti-Japan movements aren't likely to last long," said Lee Sang Hyun, an analyst at NH Investment & Securities Co. "Also, Japanese automakers that resume production today will try to make up their losses." Nissan Motor Company, which has the highest market share in China among Japanese carmakers, saw September sales fall about 35%, while Toyota plans to cut October production 50% from a year earlier, the Mainichi newspaper reported on 6th October, without saying where it got the information. Mazda Motor Corporation reported on 4th October deliveries in the country tumbled 35% to the lowest in 19 months, while Mitsubishi Motors Corporation said a day later that Chinese sales plunged 63%. In September, traditionally a major shopping season in China, Hyundai and Kia sales in the country were driven by the Langdong and K2 models, respectively. Deliveries at Hyundai increased 15% to 84,188 units, and climbed to 43,639 units from 43,508 units at Kia. Hyundai's third Chinese plant, which opened earlier this year, may help the company increase production and sell more vehicles in China, though Kia won't be able to expand much further because its plants in the country are already operating at full capacity, NH Investment's Lee said. Japanese vehicle manufacturers cut output in China in August and officials at the companies said sales and production were poised to deteriorate in September amid the deepening territorial row which has become the worst diplomatic crisis between the two nations since 2005, when thousands of Chinese protested Japanese textbooks that downplayed wartime atrocities. The dispute escalated when Japan said on 11th September that it would purchase the islands, known as Diaoyu in China and Senkaku in Japan, from a private owner. Nissan expects anti-Japanese sentiment to hit September sales, Executive Vice President Takao Katagiri said on 5th October. The company will weigh the impact of the Chinese protests before deciding whether to revise its sales target there, Katagiri said. Japan's three largest automakers plan to cut production to half of normal levels in China, the Nikkei newspaper reported on Monday. Mazda, the first Japanese automaker to report China sales, said on 4th October deliveries in China dropped to 13,258 vehicles, meaning the company didn't even match its sales during the

aftermath of last year's tsunami in Japan and floods in Thailand. Mitsubishi's Chinese sales last month were the lowest since at least April 2011, when the company changed the way it counts China deliveries, spokesman Kai Inada said on 5th October.

PRESS RELEASES

New international standard for road safety management for employers

(Source: ETSC - European Transport Safety Council, 04th October 2012) “The publication of the new ISO 39001:2012 standard is a welcomed and much-needed development. We are happy to see that employers in SMEs, large-sized companies and public authorities now have a clear set of guidelines to help them improve road safety management,” said Antonio Avenoso, ETSC Executive Director. “Adoption of the new standard provides employers not only with a quality label, but it also shows they are responsible actors in their community as a whole on reducing road risk,” Mr. Avenoso added.

The ISO 39001:2012 standard requirements enable organisations that interact with road traffic to implement a management system that allows them to reduce the number of road deaths and serious injuries in collisions which they can influence. The standard can be adopted by a public authority or company and can also be used to cover transport services contracted in the supply chain. Any player with an influence on road safety should be able to use the standard as guidance in its efforts of contributing to safe road traffic.

“ETSC’s driving for work PRAISE (Preventing Road Accidents and Injuries for the Safety of Employees) advocated that investing in work-related road safety provides a sound business case. Moreover, occupational health and safety, of which road safety is an inseparable component, has to cover more than just the core business of a company. The new ISO standard on road traffic safety management is a great tool for even more employers, whether public or private, to take up the challenge,” said Ellen Townsend, ETSC Policy Director. One opportunity is for road safety considerations to be included as key criteria in public and private procurement tenders and contracts. By integrating this requirement other benefits, such as saving time and becoming more efficient, can be reaped. Large employers either public or private can influence policies in Small and Medium Enterprises (SMEs) when they subcontract out work further along the supply chain by insisting that subcontractors adopt the same conditions and standards in relation to driving for work.

ETSC also strongly encourages the EU and governments to support the new standard. They should set an example by adopting it themselves to increase the safety of their own employees. They should also encourage private sector employers through incentives to adopt the new standard.

Background

The PRAISE project handbook, detailing methods and good practice examples on how to tackle topical areas of work-related road safety can be found here:
http://www.etsc.eu/PRAISE-publications.php

More information about the ISO 39001:2012 standard, and the full text of its requirements, can be found here:
http://www.iso.org/iso/home/store/catalogue_tc/catalogue_detail.htm?csnumber=44958

Road transport: entry into force of the third generation of digital tachographs

(Source: EC DG MOVE, 03rd October 2012) A new digital tachograph activated from 1st October 2012 will have to comply with new requirements making it impossible to tamper with the recorded driving time using simple magnets. The new device will also calculate with more precision the driving time. This new generation tachograph results from a Commission Regulation adopted in 2009. As the tachograph rules are subject to continuous adaptation to technical progress, the Commission adopted new specifications of the digital tachograph in 2009.

These specifications have been introduced in two steps. The first step, applicable since October 2011, concern software changes that allow to better calculate the driving time by a more precise rounding-up of time driven, addressing the so-called "one minute issue". Each minute is now recorded as driving only if driving is the longest continuous period within the minute - for example, 31 seconds.

The latest update concerns tachographs activated from 1st October 2012. These new generation tachographs will in addition be fully tamper-proof against the frauds which use simple magnets. The new device works with a more resistant motion sensor and a second source of motion detection. Currently, three tachograph manufacturers have received the corresponding certification from the Joint Research Centre of the Commission.

Tachographs automatically record the driving time and rest periods of professional drivers. They ensure a uniform enforcement of the social rules in road transport and avoid accidents caused by the accumulation of drivers' fatigue, create a level playing field between operators and contribute to preserving the working conditions of drivers. Manipulating tachographs using magnets has until now been a rather common fraud and will not be possible anymore with this new generation device.

In order to decrease the other types of possible frauds and further simplify the use of the device by drivers and operators, the European Parliament and the Council are currently working towards adopting a new tachograph regulation following a Commission proposal from July 2011.