ECG News

ECG – The Association of European Vehicle Logistics

Issue 12.41, 15th – 19th October 2012

CONTENTS

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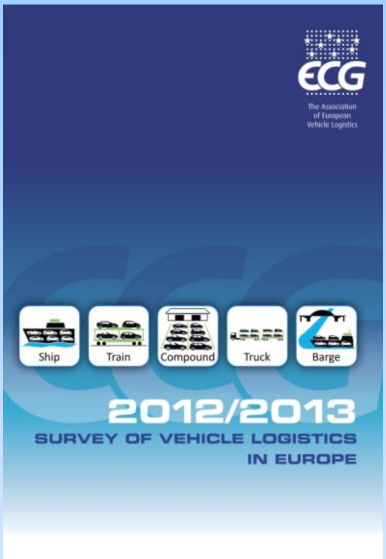
The new ECG Survey of Vehicle Logistics 2012-2013



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

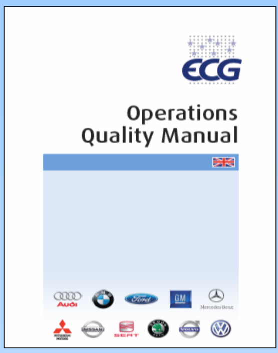
To order a copy of the new ECG survey please click on the following link: http://www.ecgassociation.eu/PublicationsReports/ECGBiennialSurvey.aspx

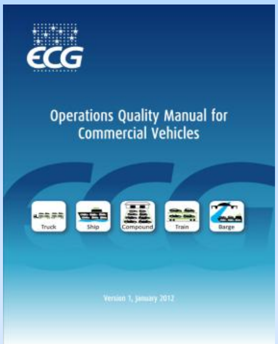
NEWS FROM BRUSSELS

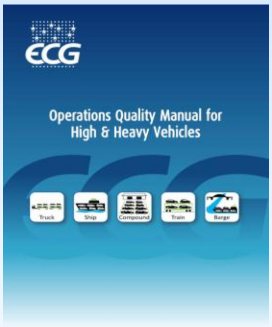
ECG Annual Conference in Prague a success!

(Source: ECG, 18th October 2012) On 11th and 12th October 2012, ECG held its Annual Conference in the centre of the beautiful city of Prague in the Czech Republic. Around 230 people from across the industry attended the pre-conference networking dinner in the Marriott Hotel which provided an opportunity for participants to meet in an informal atmosphere. The next day the conference itself was opened by ECG President Costantino Baldissara who delivered a welcoming speech in which he urged governments to support car production and sales, and advocated the reintroduction of scrappage schemes to counter the fall of car sales in Europe by renewing its current ageing vehicle park. He also advocated that public authorities should introduce fiscal and financial incentives to encourage global automotive alliances to shift part of their worldwide production (back) to Europe. More specifically he mentioned export incentives and tax breaks for auto production and also called for a "fair and equitable co-operation between carmakers and logistics operators" while noting that the important relationship between the two was already improving. The ECG President then pointed out that the main problem for LSPs, especially in this crisis context, was the lack of confidence in the future which was preventing any further investments by the sector. This observation finally led him to ask Europe's car companies to give their logistics providers "real long-term commitments to future employment." In the first plenary session, Christopher Ludwig, Editor of the Automotive Logistics & Finished Vehicle Logistics magazines, moderated a panel which gathered together ACEA's Working Group - Automotive Logistics spokesperson Egon Christ and ECG Vice-President Wolfgang Göbel who gave a joint presentation about the ongoing meetings between both organisations, as a tangible sign of co-operation between the automotive and the finished vehicle logistics sectors. To complete the session, Jan Maly from PricewaterhouseCoopers and Ben Waller from ICDP - the International Car Distribution Programme - gave presentations which provided global statistics and forecasts on both sectors, notably concerning vehicle flows by geographical region. Two parallel sessions followed, one of them focusing on the current legislative issues faced by the sector at EU level and tackling hot topics such as weights and dimensions, cabotage and road charging. The panel was constituted by the European Commission's Kristian Hedberg, Head of the Land Transport Unit at the Directorate-General for Mobility and Transport (DG MOVE), Michael Nielsen, from the International Road Transport Union (IRU) and Joannes Van Osta from JCB. The other parallel session addressed the current volatility affecting the finished vehicle logistics sector. Capacity management, investment and vulnerability of trailer supply were among the topics discussed, together with the necessary improvement of the communication between OEMs and LSPs. The panellists of this session were Stefan Nilsson from Volvo Construction Equipment, Cyran Vanderhaeghen from Toyota Motor Europe, Günther Percht from Kässbohrer Transport Technik and Egon Christ speaking for Daimler. The intensive morning programme ended with another two parallel sessions. One entitled "Vehicle Logistics Around the World" aimed at urging carmakers, importers and LSPs to share experiences and knowledge of different markets around the globe. The speakers were Altan Aytaç from Tofas (Fiat) Turkey, Uwe Schmitt from John Deere, Kirill Petrunkin from Autotechnoimport and Wolfgang Göbel speaking for Horst Mosolf. Focusing on "Operations" the purpose of the other session was to underline some of the practical challenges currently faced by the sector. Network engineering, driver shortages, urban deliveries, emission zones, ICT applications and non-standard fuel tanks were among the main issues put forward by Manuel Medina from SEAT, Ray MacDowall from ECM (Vehicle Delivery Service), Ruud Vossebeld from Inform and Tom Antonissen, EU Affairs Manager at ECG. The future of vehicle logistics was debated after lunch during

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







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

For comments or inquiries please contact: info@ecgassociation.eu
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the closing plenary session which dealt with such topics as regulatory changes forthcoming at the EU level, the future of European mobility policy, the role of technology and Intelligent Transport Systems (ITS) and the particular importance of innovation in the sector. Mike Sturgeon, Executive Director of ECG, moderated a panel composed by Kristian Hedberg from the European Commission, Ben Waller from ICDP, Björn Klippel from TIM Consult and Jean-Marie Souvestre from STVA. To conclude the session, as well as the conference, ECG President Baldissara emphasized the pressing need of new investments in the finished vehicle logistics sector and reiterated the request to OEMs to aim for longer term commitments with LSPs in order to secure their future viability. Mr. Baldissara ended by expressing a general sentiment that this year's ECG Annual Conference was "one of the best organised in the past years."

The ECG Press Release, issued earlier this week, can be found under the "Press Releases" section of this ECG News issue as well as on the dedicated webpage: http://www.ecgassociation.eu/Media/PressReleases/PressReleases2012.aspx.

External press coverage of the Annual Conference can be found on the webpage "ECG in the News": http://www.ecgassociation.eu/Media/ECGintheNews.aspx.

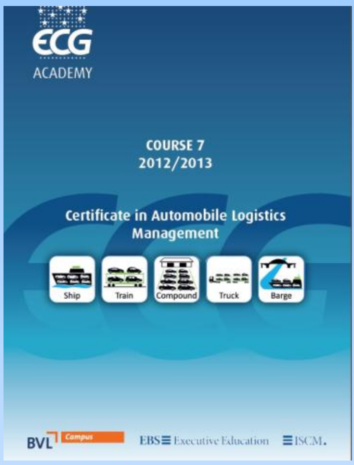
A full report as well as pictures of the conference are available on the website http://www.ecgconference.org/.

Industrial revolution brings industry back to Europe

(Source: European Commission, 10th October 2012) Europe needs to reverse the declining role of industry for the 21st century with the aim to deliver sustainable growth, create high-value jobs and solve the societal challenge that we face. Immediate action should contribute to reverse the current downward trend from its current level of 15.6% of EU GDP to as much as 20% by 2020. Therefore the Commission proposed a number of priority actions to stimulate investments in new technologies, to improve the business environment, to access to markets and to finance, particularly for SMEs, and ensure that skills meet industry's needs. Europe's industry is well placed to assume this role: Europe is a world-leader in many strategic sectors such as automotive, aeronautics, engineering, space, chemicals and pharmaceuticals. Industry still accounts for 4/5 of Europe's exports and 80% of both Europe's exports and of private sector R&D investment comes from manufacturing. If confidence comes back, and with it new investments, Europe's industry can perform better and start growing again. This is the core message of a communication tabled by European Commission Vice President Antonio Tajani in Brussels on Wednesday 10th October. The actions proposed by this Communication should also contribute to reduce the competiveness gap across Member States and EU regions. European Commission Vice President Antonio Tajani, Commissioner for Industry and Entrepreneurship, said: "We cannot continue to let our industry leave Europe. Our figures are crystal clear: European industry can deliver growth and can create employment. Today we tabled the conditions for the sustainable industry of the future in Europe, to develop the investments needed in new technologies and to rebuild a climate of confidence and entrepreneurship. By working together and restoring confidence, we can bring back industry to Europe."
The pillars of the reinforced industrial policy are:
1. Investments in innovation: providing the right framework conditions for investments to rapidly return to pre-crisis levels, with a focus on six priority areas with enormous potential for growth and jobs in Europe: advanced manufacturing technologies for clean production, key enable technologies, bio-based product markets, sustainable industrial policy, construction and raw materials, clean vehicles and vessels and smart grids. Member States as well should play their part and should prioritise investments in these six areas.
2. Better market conditions: improvements in the functioning of the Internal Market and opening up international markets. The Commission will concentrate

ECG Academy

Course 8 will commence in October 2013.



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

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

Benefits:

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

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on selected themes where significant improvement can be achieved quickly: improving the Internal Market for goods, fostering entrepreneurship with regards to the digital single market which is expected to grow by 10% a year up to 2016, protecting intellectual property rights and further promoting the internationalisation of EU SMEs around the world, reaching 25% (from 13%) in the medium term.

3. Access to finance and capitals: to improve lending to the real economy by better mobilising and targeting public resources, including those of the EIB – which should allocate between €10bn and €15bn in additional lending for SMEs - and of the Structural Funds, and by unlocking private funds through the elimination of remaining obstacles for venture capital funds and the facilitation of cross-border operations by smaller companies.

4. Human capital and skills: equipping the labour force for industrial transformations, notably by better anticipating skills needs and mismatches. In this area, the Commission will in particular further promote co-operation of employers, workers and relevant authorities through the creation of European Sector Skills Councils and of Knowledge and Sectors Skills Alliances.

Background:

The communication responds to the important challenges the European industry faces as a result of the current economic crisis and presents a number of priority actions designed both to assist recovery in the short and medium-term and to ensure the long-term competitiveness and sustainability of European industry. It also reviews the situation of EU industry since the Commission's flagship initiative "An Integrated Industrial Policy for the Globalisation Era" adopted in October 2010 in the context of the Europe 2020 strategy.

For more information please see the Commission's memo here:
http://bit.ly/TEpSQO

For the dedicated website by the Commission's DG Enterprise and Industry, please see here:
http://ec.europa.eu/enterprise/initiatives/mission-growth

Oettinger tells VW he relaxed new CO_2 targets

(Source: euractiv.com, 12th October 2012) EU Energy Commissioner Günther Oettinger has written to Volkswagen CEO Martin Winterkorn, reassuring him that proposed EU regulations to cut vehicle CO_2 emissions will not harm the German automobile giant because of relaxed rules for "super-credits". In the leaked letter, Oettinger spelled out that proposed new limits on car CO_2 emissions had been loosened before the Commission's proposal was presented in July. The Commission proposals, he continued, "reflected not insignificant changes compared with the initial plan", in what will be seen as an attempt to assuage industry fears that the regulations would hit jobs and competitiveness in Europe. The draft new rules set a limit of 95g of CO_2 per km (g/km) for all new European cars from 2020. A standard of 130g/km has already been set for 2015. But under the Commission proposal, carmakers will be allowed to continue producing gas-guzzling cars by making use of "super-credits" earned from manufacturing electric vehicles. The base comparison year for emissions had also been set as 2009 and not 2006, so that less reduction would be needed. Oettinger told Winterkorn that "the discussion about our CO_2 policy for cars after 2020 will be completely open". In an annex to the proposals, he expressed satisfaction that there was "no indication, let alone obligation, to come forward with new binding targets" by 2014 for the post-2020 period. Asked Thursday 11th October about the existence of the letter, Oettinger's spokeswoman Marlene Holzner said that there was nothing unusual in it. But Franziska Achterberg, an EU transport policy adviser at Greenpeace Europe said that loosening of the super-credits regulation would "significantly weaken the target" for 2020 carbon emission reductions. Meanwhile the Dutch environmental consultancy CE Delft released a literature review on the same Thursday saying industry was "likely" to benefit from the proposals, even without the freedom of super-credits. The paper, published by green pressure

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

group Transport & Environment (T&E), claimed that industry could sleep sound as studies showed that auto fuel efficiency increases for internal combustion engines could spur direct employment in the car industry. This, it said, would be "due to the application of additional or more expensive components and through an increase in domestic and foreign demand". The report also said there could be indirect benefits to investing in greener cars such as the money saved through lower levels of fuel consumption, offsetting the higher price of hybrids and electric cars. A carbon target of 95g/km, CE Delft said, would mean savings of over €500 per person each year. "The switch to fuel efficient cars and advanced powertrains can be done in such a way that the total costs of car owner-ship (purchase costs and mileage costs) are reduced", CE Delft said, adding that this would induce a rise in consumer spending in other sectors of the economy. The findings were in keeping with a European Commission impact assessment which accompanied the recent proposals. But the CE Delft report conceded employment could fall in areas related to traditional car manufacturing, such as refining and fuel distribution. Any gains would be dependent on the competitiveness of the EU car industry, which T&E said could benefit from tapping into the demand for advanced, emissions-saving technology. Shifting consumer preferences - as well as changes to oil price, carbon credit restraints and the response of foreign competitors - would either strengthen or weaken this impact. CE Delft said a switch to electric vehicles was likely to reduce direct employment in some areas due to the "lower labour-intensity of the manufacturing process as compared to traditional manufacturing". A need for new, more capital-intensive plants and battery imports could have a negative impact on employment, but this would likely be outweighed by fuel efficiency gains, the report said. The European Automobile Manufacturers' Association (ACEA) said it had not seen the report yet but did not believe there was a direct link between increased fuel-efficiency and employment.

For the CE Delft report please see here:
http://www.transportenvironment.org/publications/ce-delft-literature-review-employment-impacts-ghg-reduction-policies-transport

AUTOMOTIVE INDUSTRY

GM mulls merging Opel with PSA's auto operations

(Source: Automotive News Europe, 15th October 2012) General Motors and PSA Peugeot Citroën are exploring ways to combine their European operations in a second phase of the alliance they forged earlier this year, sources said. One option is for GM's Opel/Vauxhall unit to merge with PSA's automotive operations in a joint venture, Reuters and the French newspaper La Tribune reported, citing sources who asked not be identified because the discussions are confidential. GM could take a 30% stake in the joint venture and inject up to $10bn into the new company, a source familiar with GM's thinking told Automotive News Europe. By taking a 30% stake, GM would not have to consolidate Opel's financial results, thus limiting the U.S. automaker's biggest financial liability, the source said. In February, GM and PSA forged an alliance for joint purchasing of parts and to share vehicle platforms for the development of several future vehicles. A person with knowledge of the talks said that discussions about a deeper tie-up began within weeks of the alliance's being signed. The companies have explored different scenarios for combining operations to eliminate costs, including a sale of Opel to PSA, a sale of PSA's automotive division to GM and other combinations, the source said. For months, GM Chief Financial Officer Dan Ammann and other executives have been sharing financial data with their PSA counterparts, including detailed information on labour costs for plant workers and engineers, the source said. "There's too much capacity, not just assembly plants but also white-collar workers," the source said. "This would be a way to take two companies and turn it into one and get rid of a lot of those resources." A GM

Events in Brussels

"Unbundling in the railway sector: does one size fit all?" Event by CER on 5th November 2012 (www.cer.be)

European Electric Vehicle Congress, on 19th- 22nd November 2012 (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

Transport Policy Event by ACEA, on 6th December 2012 (www.acea.be)
ECG will attend

spokesman said: "We're focused on earning the benefits of our alliance with PSA that we have identified." The companies have said that within five years they expect to share at least $2bn in annual savings from the purchasing and product-development alliance. GM, Ford Motor Company, Fiat-Chrysler, Renault-Nissan and other mass-market automakers have seen losses in Europe accelerate amid a worsening economy there exacerbated by the continent's debt crisis. GM has lost more than $16bn in Europe since 1999, including a $617m loss during the first half of this year. GM Vice Chairman Steve Girsky has been working on a restructuring plan for Europe since he was appointed chairman of Opel's supervisory board nearly one year ago. In July, GM CEO Dan Akerson named Girsky interim head of GM Europe following the reassignment of Karl-Friedrich Stracke. Girsky reiterated this month that GM has no plans to sell Opel, following reports that Fiat-Chrysler CEO Sergio Marchionne had an interest in acquiring it.

Daimler said to target €1bn in cuts to boost profit

(Source: Automotive News Europe, 18th October 2012) Daimler is planning to cut annual costs by at least €1bn in response to Europe's deteriorating auto market, a person familiar with the matter said. The spending reductions are aimed at boosting the German automaker's profitability, said the person, who asked not to be identified discussing internal plans that are not yet public. Florian Martens, a Daimler spokesman, declined to comment. Chief Executive Dieter Zetsche announced a "Fit for Leadership" efficiency program on 20th September and said he will outline details on savings at a later date. Zetsche, who also heads Daimler's premium brand Mercedes-Benz, said last month the company's passenger cars business in 2012 will not reach last year's operating profit of €5.2 bn, lowering an earlier forecast. He declined three weeks ago to reiterate the unit's goal of reaching a 10% margin by 2013. "We remain convinced that there is a significant risk that Mercedes earnings before interest and tax (EBIT) will decline next year," Arndt Ellinghorst, a London-based Credit Suisse analyst, said. He estimates an EBIT margin on the earnings of 8.3% for the brand next year. The automaker's stock has gained 16% this year, valuing the company at €42.1bn. Daimler is reducing spending as the European car market is poised for its steepest decline in 19 years. Industry-wide deliveries in 2012 will drop from 8% to 10%, according to a forecast by industry group ACEA. Daimler reached an agreement with its works council on Wednesday to cut production of the flagship S-class model at its biggest plant in Sindelfingen, Germany, to one shift from two before the new generation goes into production next year. Mercedes rival BMW, has shifted "tens of thousands" vehicles from Europe to the United States and Asia in reaction to slowing demand on the debt-ridden continent, Ian Robertson, BMW's sales chief, said on Wednesday 17th October. The sales gap between Mercedes and its competitors is widening. The brand's nine-month deliveries increased 5% to 964,926 vehicles. That compares with a 13% jump to 1.1 million cars at Audi, and a rise of 8.6% to 1.11 million vehicles at BMW. Daimler's cost reductions are focused on increasing profit by about €3bn, Manager Magazin reported on Thursday 18th October citing unidentified company executives. The exact sum is still being calculated, the German magazine added.

EUROPE

WWL buys controlling stake in ALS

(Source: Automotive Logistics News, 17th October 2012) Wallenius Wilhelmsen Logistics has bought a 60% stake in Abnormal Load Services Holding (ALS), a UK-based high-and-heavy-equipment logistics provider that specialises in 'out of gauge' transport and supply chain services. ALS will now become an integrated part of WWL, enhancing the Norwegian logistics provider's services for existing and new customers in the break bulk sector and benefiting ALS customers through WWL's established reach. The business will adopt the title Wallenius

ECG Office

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

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

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

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

William Dénous
Trainee
T: +32 2 706 8284
assistant@ecgassociation.eu

Wilhelmsen Logistics Abnormal Load Services (WWL ALS). "This opportunity makes perfect sense as both companies serve a global client base," said René Van De Vin, CEO at ALS. "By combining our skills and resources we will open up further opportunities for WWL and ALS' customers, prospective clients, suppliers and employees." WWL already provides transport and logistics services for high-and-heavy and break-bulk cargo. In May this year it made its first call to Adelaide in Australia on its route from Europe via North America based on a significant increase in high-and-heavy traffic to the region. ALS, meanwhile, has been in the business of moving 'abnormal loads' since 1980. WWL said the creation of the new division closes an important network gap in terms of offering consistent and competitive transport and distribution solutions for high-and-heavy wheeled and tracked equipment, such as agricultural and construction machinery. "Today OEM's are forced to look at the supply chain in a fragmented fashion due to a lack of integrated service providers," said Erik Noeklebye, WWL head of Region Europe. "Ocean transport, land transport, technical services [and] plant handling 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." In other news, WWL recently received its latest Mark V ro-ro vessel, the fourth to be delivered from Mitsubishi Heavy Industries. The vessel was named Salome by Anke Koeckler, Managing Director of Volkswagen Group Australia at a ceremony held in Sydney Harbour, Australia at the beginning of the month. "Salome is a welcome enhancement to our ocean service, reflecting WWL's effort over the years to develop our offering in response to the growing customer demand for supply chain solutions," said Rob Lord, WWL head of Oceania. The Mark V vessels are the newest and largest ro-ro vessels in the world, offering more than 50,000 square meters in deck area and a 12 meter wide ramp with a weight capacity of 500 tons, able to take on the sort of product mix typical of the break bulk sector while also accommodating volume vehicle shipments.

STVA Geodis station reduces CO_2

(Source: Automotive Logistics News, 17th October 2012) French rail provider STVA and its freight transport and logistics division Geodis have inaugurated a photovoltaic power station installed by EDF Energies Nouvelles at the Soptrans site at Le Boulou. The facility contains 33,000 rooftop photovoltaic panels over an area of 57,000 square metres making it one of the largest installations of its kind in France. The power station will produce 10 GWh of electricity a year, equivalent to the consumption of 4,000 households, and thus avoid 1,200 tons of CO_2 emissions said STVA. Geodis chairman and CEO Pierre Blayau said the installation illustrated the company's determination to meet its goal of achieving a 20% carbon saving by 2020. STVA and Geodis are looking at other photovoltaic panel projects at their logistics sites. In 2007, STVA was one of the first to sign the charter committing transport operators to reducing their CO_2 emissions. In July 2012, its subsidiary Ortrans, based near Lyon, won the silver trophy for sustainable logistics in the Rhone-Alpes region for its installation of a wood-fired industrial boiler at Amberieux.

DB Schenker Rail launches second weekly rail freight service between UK and Poland

(Source: multimodal.org.uk, 12th October 2012) DB Schenker Rail has strengthened trading links between the UK and Poland with the introduction of a second weekly rail freight service between the two countries. The new service left Barking in London on Monday 8th October for its destination of Wroclaw in Poland, hauling a range of manufactured retail goods. Since November 2011 DB Schenker Rail has been operating one weekly rail freight service between London and Wroclaw. The introduction of the second weekly train has met increased customer demand for additional rail capacity on this trading corridor between the UK and Poland. This train has also become the second regular rail freight service to use the High Speed 1 rail route, the only European sized railway in the UK. As

such, the train can be loaded with European sized curtain sided swap bodies, enabling greater volumes to be moved by rail and encouraging modal shift from road to rail. Alexander Hedderich, Chairman of DB Schenker Rail, said: "DB Schenker Rail is a pan-European rail freight operator and the strengthening of our services between Poland and the UK clearly illustrates the success of our strategy for European rail freight growth. Through effective trading corridors such as this one we are able to provide customers with the economic and environmental solutions that enable their use of rail freight to increase." Alain Thauvette, Chief Executive of DB Schenker Rail UK, said: "The introduction of this second service utilises DB Schenker Rail's pan-European rail freight network, offering customers integrated logistics solutions across the whole of Europe. Our aim is to continue attracting further customers to this route from London to Wroclaw to deliver our objective of five rail freight services per week departing the UK for Poland."

Volkswagen opens new logistics centre in Wolfsburg

(Source: transportintelligence.com, 15th October 2012) Volkswagen announced it has opened its new multimodal logistics centre in Wolfsburg, Germany. In future, the delivery of components and parts to Volkswagen plants and new and used vehicles to Volkswagen dealers in the region will be centrally controlled." The growth strategy of the Volkswagen Group poses steeper challenges for both production and logistics. It is our task to ensure the capacities required throughout the world with efficient processes and stable logistics chains. With our new Multimodal Logistics Centre, we are adapting our concepts in line with our requirements," explained Thomas Zernechel, Head of Volkswagen Group Logistics. "We have paid special attention to environmental aspects. In this way, we are contributing to the achievement of the Volkswagen Group's worldwide sustainability targets. On this occasion, I would like to thank everyone involved in the successful completion of the project." In the new material and vehicle logistics centre, Volkswagen is combining two key logistics functions at its Wolfsburg site. From the facility in the Fallersleben district of Wolfsburg, Volkswagen Logistics will in future be controlling the delivery of new and used vehicles in the regions of Wolfsburg, Hanover, Brunswick, Göttingen and Magdeburg. In addition, the centre will be responsible for the CKD (Completely Knocked Down) shipment of vehicle parts and components to the production facilities of the Volkswagen Group.

Fiat to reveal new industrial plan for Italy, union leaders say

(Source: Automotive News Europe, 16th October 2012) Fiat CEO Sergio Marchionne will announce a new, scaled-back investment plan for Italy on 30th October, along with third-quarter results and new financial targets, union leaders said on Tuesday. The combined Fiat-Chrysler group, which now makes more than two thirds of its profits in the United States, has put on hold a five-year, €16bn investment plan for Italy dating from 2010. "The industrial plan is being changed to take into account the different market conditions," said Fim-Cisl leader Giuseppe Farina after meeting Marchionne. The changes "will guarantee investment in new models and continued production" in Fiat plants. Fiat had no comment, and Marchionne left the meeting without talking to reporters. In 2010, Fiat promised the investments in return for greater labour flexibility. New labour contracts are now in place at its plants, but Fiat has meanwhile shifted some production to lower-cost countries and postponed investments in Italy, where car sales have slumped to their lowest levels in 40 years. That stalled investment plan has sparked fears that Fiat could close plans or cut staff in Italy, where it is the biggest private industrial group and employs more than 20,000 people. Marchionne has said he will not waste money by making investments during a five-year European market slump, and last month predicted Fiat would lose €700m in Europe in 2012. Marchionne was meeting with unions on Tuesday to update them on the company's investment plans, reiterating that he did not intend to close any of Fiat's five factories in Italy. The carmaker recently postponed the launch of its new Punto subcompact until 2015. Production at its Melfi factory, where Fiat makes the Punto, will shut down from 17th October to 9th November. Last month, a Fiat source had said the carmaker's board would not discuss an industrial plan on 30th October. On Tuesday 16th October, however, unions said the company would instead provide some details about how it intended to move forward with its investments in Italy. "Marchionne told unions that Fiat is working on a new industrial plan for Italy based on the current economic outlook, and that it will be presented on 30th October," said Roberto di Maulo, Secretary General of Fismic labour union, after a meeting with the executive. At Mirafiori, its flagship plant in its hometown of Turin, Fiat plans to start making a small Fiat-branded SUV at the end of 2013 and a small Jeep SUV in the second quarter of 2014. Work on installing the production lines has not begun and the company has not given a date for when the lines could be installed. An announcement on 30th October that the Mirafiori investment is going forward would help dampen criticism over Fiat's decision to delay the launches of new models until the economy improves.

REST OF THE WORLD

CEATEC 2012 showcases the latest EV technologies in Japan

(Source: Cars21.com, 12th October 2012) At the Combined Exhibition of Advanced Technologies (CEATEC) JAPAN 2012 held from 2nd to 6th October 2012 in Tokyo, Japanese manufacturers including Nissan, Toyota, Toshiba and Mitsubishi Electric showcased their latest EV models as well as cutting-edge battery and charging technologies. CEATEC is the largest consumer electronics show in Japan every year. The exhibition is a platform for Japanese electronics manufacturer to show their latest products and technologies. Nissan exhibited the NSC-2015 self-driving electric vehicle. Based on the Nissan Leaf electric vehicle, the NSC-2015 has been specially modified for unmanned operation. In the demonstration scenario in the show, the NSC-2015 demonstrated its capacity of parking all by itself. The car adopts a remote monitoring system that helps it recognise the surrounding environment through the use of an all-around view camera and 4G connectivity. The system thus saves time for the drivers. Drivers can also give the NSC-2015 instructions through an app on their smartphone, like making the car start up and drive itself from the parking spot to the driver. The smartphone app is not just a “remote control” but can provide drivers a complete view around the car via its cameras. Toyota showed off its single passenger electric vehicle. In the exhibition, Toyota offered visitors test drives of the COMS. The EV is only 240cm in overall length and 110cm in width. A full charge of 6 hours with a residential 100V power supply can give the EV a 50km cruising range for urban driving. The ultra-compact electric vehicle has a top speed of 60km/h. Since its launch in July 2012, a thousand units have been sold. In the booth, a concept version of the COMS was displayed which is equipped with motion sensors, interactive monitors, speakers and communication LEDs on front and back. The concept can recognise its owner from facial and other characteristics. It will then open and close the gullwing doors and rear door in response to simple gestures. The car can also communicate with the driver, provide information and enable remote control operation. The car showcased Toyota’s "cloud transporter system" concept that links EVs with smartphones and household systems to provide a variety of services. In the show, Toshiba exhibited its secondary battery SCiB. The battery system is designed for Honda's Fit EV, which will be released in 2013. SCiB batteries adopt a unique lithium titanate material for the negative electrode, making the battery be charged to 80% of capacity in 15 minutes. SCiB battery is much less prone to lithium metal deposition that causes short-circuit and battery deterioration even in harsh climate conditions. Even in temperatures above 40°C, SCiB battery still shows low deterioration characteristics and can offer quick charging. In collaboration with Honda, the SCiB battery is a part of the smart home system demonstration experiment. SCiB batteries are also used in the idling stop system in the new Suzuki Wagon R models. Mitsubishi Electric demonstrated its Integrated HEMS for photovoltaic and electric vehicle power sources in the show. The Home Energy Management System (HEMS) of Mitsubishi Electric can not only deliver optimal control of all electrical appliances in the home, but can also manage the charging of the battery in electric vehicles. During power outage on a clear day, the system can charge the electric vehicle with the power generated by the photovoltaic system and by using off-peak electricity to store power in the battery of the electric vehicle. Excess power generated during the daytime hours is used to charge the EV. This Smart House technology is compliant with ISO-certified ECHONET Lite. The PV/EV HEMS on show has been running at the Mitsubishi Electric Ofuna Smart House since May 2012. At CEATEC 2012, the system was also awarded second prize in the Lifestyle and Society Stage Category.

Brazil's new auto plan will help imports, too

(Source: Automotive Logistics News, 17th October 2012) The Brazilian government has launched a new automotive plan to stimulate growth and production in the country, which should open up the way for lower taxes on both locally produced and imported vehicles. Since the plan was announced earlier this month, foreign carmakers, including China's JAC and Chery, are among the OEMs said to benefit from the new measures, although there are questions about how effective it will be attracting new automotive investment. The new programme is designed to regulate Brazil's incentive programme for technical innovation and production expansion. The programme, which will run until the end of December 2017, will benefit domestic carmakers, dealers and those companies investing in the domestic vehicle sector and include certain tax credits and a reduction of Brazil's industrialised product tax, or IPI, subject to requirements. The benefits would be applied to qualified importers as well. Brazilian car sales have dropped this year following slower economic growth. A reduction in IPI tax had been used earlier this year to stimulate Brazilain car sales, although sales dropped again in September when the incentives were withdrawn. According to tax specialist Ernst & Young, to qualify for the tax benefits, companies are required to comply with various requirements related to the production process, such as improving vehicle efficiency (such as consuming at least 12.08% less fuel), producing a minimum percentage of the vehicle’s manufacturing processes in Brazil and making investments in R&D, engineering and local suppliers. In a press conference held earlier this month, Brazil's Trade and Industry Minister Fernando Pimentel said the government will offer tax incentives for companies that invest in science, technology and fuel efficiency. Moreover, the incentives are not just for firms that manufacture in Brazil; car importers can also benefit if they meet the rules, he said. But there are questions about how the programme will be applied and whether it would

make sense for global carmakers investing in Brazil. The local research and development requirements for a carmaker such as Volkswagen, for example, might not be interesting considering its investment elsewhere in the world, according to one source at a Brazilian-based automotive logistics provider. The five-year timescale of the benefits might also not be long enough to encourage more local investment in Brazil. Nevertheless, since the new plan has been announced, JAC has said it will resume its project to install an assembly plant in Camaçari, Bahia. Fellow Chinese carmaker Chery, which invested in a unit in Jacarei, Sao Paulo, also finds itself in a favourable position with regards to the new programme, according to market analyst Datamonitor. The impact of the incentives should be felt throughout the entire production line of the automobile industry in Brazil, Pimentel said during the press conference.

PRESS RELEASES

Co-operation vital to prospects of vehicle logistics sector

(Source: ECG, 15th October 2012) ECG President Baldissara calls for government action to spur car production, sales.

CO-OPERATION, between vehicle logistics providers and their car company clients, between government and the private sector, will be critical if Europe's automotive industry is to reduce a downward spiral in car sales, production and employment and assist in Europe's economic recovery.

Speaking at the ECG annual conference in Prague, association President Costantino Baldissara said it was vital to the industry's prospects that Europe's car companies provide their logistics providers with real long-term commitments of future employment.

"Our sector is not investing," he said. "The main problem is confidence: confidence in the future and in a sound business environment."

Noting that purchases of car transporters had fallen from pre-crisis levels of 2,300 a year to a mere 600 units a year today, he said that with the fleet ageing and the major truck-builders under severe financial pressure, there might not be the modern car-transporting capacity to meet demand when an upturn finally comes.

"Logistics cannot be seen simply as a cost to be cut," Baldissara said. "It has to be seen as a marketing advantage. The only possibility we have to minimise the damage we are suffering as consumer spending and car sales fall, is through fair and equitable co-operation between carmakers and logistics operators."

Thankfully, co-operation between LSPs and OEMs is improving. As ECG Vice-president Wolfgang Göbel noted in a joint presentation to the conference alongside carmaker representatives, recently instituted joint ECG/ACEA meetings aimed at improving logistics efficiency were already generating benefits.

Co-operation between public and private sectors was also critical to the drive for stability in a highly volatile time, Baldissara said. He urged governments to incentivise car production and sales in Europe in order to foster employment and economic growth, advocating the reintroduction of the scrappage schemes that had done so much to spur car sales as the crisis took hold.

"In one country after another, scrappage schemes worked," he said. Noting that such schemes resulted in the sale of an additional 500,000 cars in Italy in 2009, while sales in Germany jumped as a result by 18% to 1.2m in the first four months of that year alone, he argued that "we in Europe must act swiftly and decisively."

"If Italy, for instance, reintroduced its scrappage incentives of €1,500 per car, it would cost the country €18bn to replace the 12m old cars now on the road, but it would also generate €38bn in VAT income alone, as well as countless additional jobs, €49,000 per car in social and environmental benefits, and significant reductions in unemployment benefit.

Baldissara also urged Europe's governments to forge a new industrial policy designed to bring auto manufacturing jobs back to the Old Continent. He cited the example of President Barack Obama's rescue plan for the US auto industry, which had not only saved several major manufacturers from bankruptcy but made them more competitive. US car plants are now close to saturation.

Meanwhile Europe’s automotive plants remain under-utilised, despite the qualities – from favourable currency rates to a dedication to quality to a highly skilled workforce – that make production in Europe desirable.

In response, Baldissara said, “this is the perfect time for the European authorities to introduce fiscal and financial incentives to encourage global automotive alliances to shift part of their worldwide production to Europe. I am thinking here of export incentives or tax breaks for auto production.”

“Only by improving European production, can we gain the confidence to start a new and virtuous economic cycle. This could be the long-awaited positive shock that we are looking for.”

Hödlmayr continues successful expansion strategy

(Source: Hödlmayr, 15th October 2012) The Czech Hödlmayr subsidiary celebrates its 20th anniversary.

In 1992 Hödlmayr Logistics Czech Republic was founded as the fourth foreign company of the Hödlmayr Group after Germany, Belgium and Hungary, and is a 100% daughter of Hödlmayr International AG. Today Hödlmayr Logistics Czech Republic is an important hub in the international Hödlmayr logistics network.

With the founding of the Czech daughter company in 1992 the vehicle logistics specialist Hödlmayr set an important signal for further extension of the company. Following the entry in Hungary in 1990 the subsidiary in the Czech Republic meant the next successful step in the direction of East Europe.

”At first the young company was located in Kralupy on the Vltava in the North West of Prague. Due to considerable expansion a few years after the foundation the location had to move to Jenec, an area right next to the airport of Prague.“, tells Johannes Hödlmayr, CEO of Hödlmayr International AG, from the business start-up. After intensive modifications in 2001 the logistics centre with 2,100 paved storage area, a modern PDI (Pre-Delivery Inspection) centre including paint shop and contemporary infrastructure was opened. The steady growth of Hödlmayr Czech Republic made further increase of the storage area by additional 1,000 parking space necessary in 2008.

Important hub in Europe

Hödlmayr Logistics Czech Republic is an important hub in the international Hödlmayr logistics network, which covers large parts of Europe. In addition to international cross-border transports, distribution within the Czech Republic also plays an important role. In the area of transport as well as storage and PDS (Pre- Delivery Services) the same high quality standards is applied as in the whole Hödlmayr Group. The concept CIP (Continuous – Improvement – Process) developed by Hödlmayr for maintenance and optimisation of internal and external processes and interfaces has also been implemented in the daily work in the Czech Republic.