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## Shootings escalate - €100,000 reward!

### Shots fired at car transporters!

**YOU can help!**

Since 2008, shots have repeatedly been fired at car transporters and other trucks on German motorways. The investigations are now centrally conducted at Germany's Federal Criminal Police Office (Bundeskriminalamt).

The police need YOUR HELP to solve the crimes and request your assistance:

- Be vigilant and immediately report suspicious vehicles or findings

to Germany's Federal Criminal Police Office on telephone number **0049 611 55-16161** or to any other police station.

Please assist us – **your safety is at stake!**

The sooner you report identified damage or suspicious situations, the better the chances to capture the offender(s). Therefore,

- check your load **before** unloading the vehicles, in particular for damage resulting from shooting. If you have discovered damage resulting from shooting, do not **unload** but immediately inform the next **police station** or telephone the Federal Criminal Police Office: **0049 611 55-16161**
- Check your load during each stop!
- **Keep an eye** on the vehicles overtaking you. Be also vigilant about suspicious long overtaking manoeuvres!
- **Report any suspicious observations without delay!**

If you identify damage or wish to report anything suspicious, we need information on:

- your exact route
- the exact time and place of your findings
- your driving times and stops
- the time and place when you last checked your load
- in case your load is damaged: the exact position of the damaged vehicle on the loading platform and the loading direction

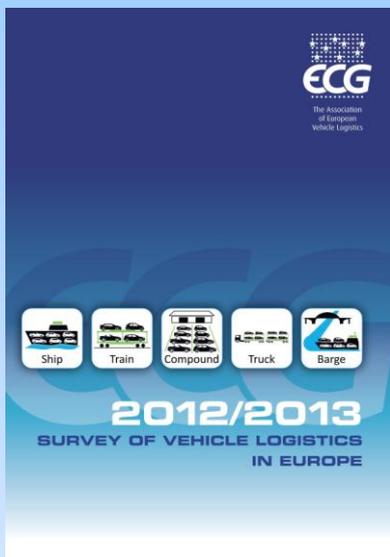
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**Shootings escalate - €100,000 reward!**

(Source: ECG, 21<sup>st</sup> November 2012) Since 2009 there have been more than 700 recorded incidents of trucks being shot at in Europe. The vast majority are car transporters and the actual shooting is believed to occur mostly or entirely in Germany, although most incidents are only discovered at the final destination which may be in another country. The latest report from the Bundeskriminalamt (BKA) - Germany's Federal Criminal Police Office - says that the culprit is believed to be a professional truck driver as ballistics indicates a high seating position. Many of the earlier incidents carried out with a .22 calibre weapon have been tied to a single weapon. Frighteningly a much heavier calibre 9mm weapon is now being used with an increased risk of injury or death. One recent shot passed through a sound barrier beside the motorway and the double glazed window of a house with the bullet found inside. Thankfully only one person, a truck driver, has been injured so far but a number of shots have penetrated cabs and these cases are now being treated by the German authorities as Attempted Murder. The reward for information leading to the apprehension of those responsible has also been increased from €27,000 to €100,000. Please make all your staff aware of the latest situation and publicise this information as widely as possible. These people must be caught before someone is seriously injured!

The official report from the BKA (in German) can be found on the ECG website together with flyers available in several languages. To access all these documents please click on the following link:

<http://www.ecgassociation.eu/PublicationsReports/Shootingincidents.aspx>

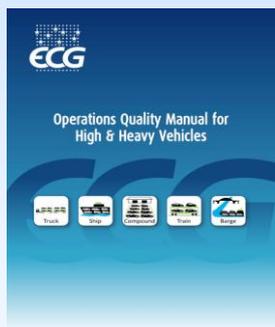
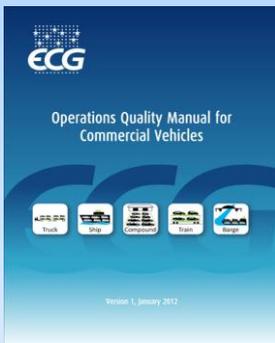
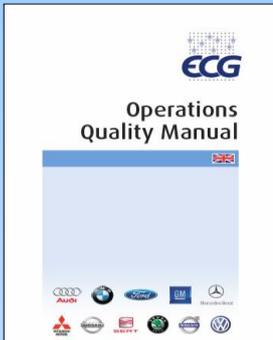
**NEWS FROM BRUSSELS**

**EU spending will boost ports and shortsea trades**

(Source: LloydsLoadingList, 16<sup>th</sup> November 2012) Proposed European Union infrastructure spending of €50bn will directly affect the continent's shipping, according to European Commissioner for Transport Siim Kallas. According to him, the Connecting Europe Facility (CEF) would help shipping to meet "the modernisation challenge", both by stimulating the shortsea sector and by modernising its ports. "Tapping the significant potential of shortsea shipping requires a better integration of ports in the intra-European logistic chains," said Kallas. "With the CEF, national authorities and ports will have an important funding mechanism for meeting the modernisation challenge." The proposed €50bn CEF is, however, part of the disputed 2014-2020 EU budget. In October, the Cyprus-held presidency of the EU proposed €50bn in cuts to the budget, specifying a reduction of around 20% to the proposed CEF. "Within this [proposed cut], the transport part bears the most severe reduction, about 30% as compared to the original Commission proposal," said Kallas. "This is highly disproportionate and by no means acceptable, neither for the Commission, nor for the European Parliament. The average cut for other budgetary lines is about 5% and many Member States appear to share this view too. As always, a compromise is likely to be found somewhere in the middle." If successfully ring-fenced in the EU budget, the wider aim of the CEF will be to improve Europe's internal transport infrastructure, contributing to competitiveness of European businesses and "reducing transport costs" and "generating jobs and growth". The proposed infrastructure spend comes at a time of austerity in many EU countries, but Siim Kallas is optimistic that "by ensuring adequate accessibility to ports, the CEF will provide a strong stimulus for expanding shortsea operations". "We need to spend our money better. The CEF has been designed with this principle in mind," he said. The Commission recognised how the challenge to European ports is based on the increasing size, and changing specifications, of many vessels. "Throughput will increase in the future, as will the size of ships. Advances in



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shipping design and technology have to be matched by adequate developments in ports," Kallas said. The Commission also forecasts a continued trend towards larger containerships and innovations in reefers, oil and chemical tankers, gas carriers and passenger vessels, all of which will strain the current ability of European ports to service EU seaborne trade. There is also the critical issue of the high cost of doing business with many European ports. "Today, for some trades, the cost of ports and terminals may exceed 25% of the total door-to-door logistic cost. Improving quality and efficiency of port services is a bare necessity for defending the international competitiveness of European industries," Kallas said. He also emphasised how seaborne trade remains "a catalyser of economic growth" and said that the €50bn CEF "should serve to attract private investment to ports, not only for new green-field investments, but also investments which help existing facilities to remain vital and modern." The proposed CEF spending will therefore be accompanied by other measures aimed at a better business environment for shipping, such as the review of EU ports policy and the Blue Belt initiative on administrative simplification, which aims to reduce bureaucracy in ports, Kallas said. Given the potential benefits to European shipping, and despite controversy over the EU budget, Kallas is optimistic about the CEF's prospects. "The Commission urges European leaders to be consistent. If they want the European economy to grow, they need to provide it with the appropriate resources," he said. "I trust the CEF budget allocation will, in the end, allow for the financing of the most important infrastructure projects to connect Europe."

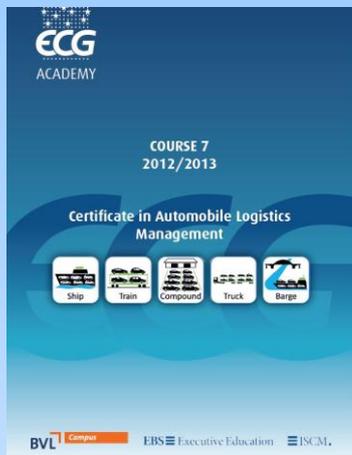
## AUTOMOTIVE INDUSTRY

### Fiat does not need access to Chrysler's cash, Marchionne says

(Source: *Automotive News Europe*, 16<sup>th</sup> November 2012) Fiat, which is planning to merge with Chrysler Group, does not need access to its partner's cash, which currently has limits on its use, said Sergio Marchionne, who is CEO of both companies. "There will have to be no covenants on the debt structure that exists within Chrysler and I think we have to get over 80% of Chrysler ownership for Fiat," Marchionne told reporters Thursday 15<sup>th</sup> November at a press conference in Detroit. Chrysler accepted restrictions on its cash when refinancing loans from the US and Canadian governments. Marchionne has said he plans to merge Chrysler with Fiat by 2015. The ability of Fiat, which owns 58.5% of Chrysler, to buy the rest is limited by a turnaround plan that Fiat announced last month. Fiat is in a court dispute with Chrysler's minority shareholder regarding the price that it has to pay to boost its ownership to almost 62%. The United Auto Workers' retiree health-care trust has said Fiat must pay at least \$342m for the holding, more than double the \$139.7m that Fiat has said that it owes. Fiat sued on 26<sup>th</sup> September 2012 in Delaware Chancery Court to confirm the price that it has to pay. The voluntary employee beneficiary association, known as VEBA, responded in a 13<sup>th</sup> November filing. "We read the agreement in a way; they read it in another. Let the judge decide." Marchionne said. The court may rule on the matter by the end of the year, he said on Fiat's quarterly conference call. As part of Chrysler's 2009 bankruptcy, Fiat was granted call options to purchase a portion of the VEBA's stake every six months beginning earlier this year through June 2016. The agreement covered 40% of the trust's holdings. Fiat reported €20bn of available liquidity at the end of the third quarter, down from €22.7bn as of June 30. Fiat presented a plan last month to turn around its European operations, which are generating wider losses and caused the automaker to cut its 2014 profit goal by 31% to €5.2bn. Other automakers in Europe, including PSA Peugeot Citroën, Ford Motor Company and General Motors Company's Opel unit, also are struggling as industry-wide vehicle sales in the region head for the biggest annual decline in 19 years. "If you look at the collective losses that we have, that Ford has, that GM has and that Peugeot has in the European arena, the correction is

## ECG Academy

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enough to choke a horse. There's a point in time in which the cash runs out," Marchionne said.

### GM Korea to shed jobs via voluntary retirement

(Source: *Automotive News Europe*, 20<sup>th</sup> November 2012) The South Korean unit of General Motors plans to cut its work force by launching a voluntary retirement scheme open to its 7,000 office workers, a company source said on Tuesday 20<sup>th</sup> November. The comments come just weeks after union officials said they were told production of a new Chevrolet model would move to Europe and four other regions. GM Korea spokesman Park Hae-ho confirmed the plan was aimed at "enhancing its organisational efficiency" and said it is the first time the company has made such a plan applicable to all its office workers, following an earlier scheme limited to senior office workers. Park did not disclose a target for the reductions, but said its 10,000 production workers will not be affected. The move is causing concerns about a restructuring at GM Korea, which is being squeezed by rivals Hyundai Motor and its affiliate Kia Motors, as well as by imported vehicles from Germany, Japan and other countries. The South Korean market is shrinking due to the global economic slowdown and as heavy household debt cuts demand. GM Korea is not the only carmaker to cut jobs in response. The South Korean unit of French carmaker Renault this year cut 800 workers, or about 15% of its work force, using a similar programme. GM's South Korean market share has fallen below 10% since 2008. The carmaker had a 9.4% share from January to October this year in the domestic car market while Hyundai and Kia controlled about 80%. GM Korea, which ranks third in South Korean car sales after Hyundai and Kia, started receiving applications for its latest plan on Tuesday 20<sup>th</sup> November and will close it on 14<sup>th</sup> December. Under the programme, workers will receive compensation of up to two years' salary, two years' school tuition support and a car voucher worth 10m Korean won (\$9,200), according to a company notice obtained by Reuters. South Korea is a small market for GM, but is one of its key production bases, exporting Chevrolet-branded cars to Europe and other regions and accounting for about a quarter of GM's Chevy production globally. In the first 10 months, Chevrolet sales in the EU and EFTA markets grew 1.9% to 150,402, according to data from the industry organization ACEA. In the same period, the automaker grew market share to 1.4% from 1.3%.

### Saab mulls speeding up re-launch plan

(Source: *Automotive News Europe*, 21<sup>st</sup> November 2012) National Electric Vehicle Sweden, the new owner of Saab, may speed up the brand's re-launch by offering a gasoline-powered 9-3 in 2013 rather than re-starting the brand in 2014 with the debut of an electric car, the company spokesman Mikael Oestlund said on Tuesday. "We are evaluating the possibility to start production around next summer of a 9-3 with a traditional powertrain," said Oestlund, who added that the decision was dependent on ongoing talks with Saab's former component suppliers. Mikael Oestlund said the company was considering the move to raise cash and maintain consumer awareness of the brand ahead of EV sales beginning in 2014, although he said the company had sufficient funds in place to start production of the vehicle and to implement its wider business plan for EV output. Oestlund added that despite its financial position, NEVS is open to attracting investment for Saab, but declined to say if the company had talked to any potential investors. "We are open for further investors that would also add more than finance, such as other competences or skills," the spokesman said. NEVS, which bought the Swedish carmaker earlier this year after it was forced into bankruptcy in 2011, had said its first car would be the 9-3-based battery-driven model underpinned by its Phoenix platform and built at Saab's factory in Trollhaettan, Sweden. Oestlund said all future vehicles built using the technology would be branded as Saabs, but added that the company would develop a new logo unrelated to the griffin emblem previously used by the automaker. NEVS is owned by Hong Kong-based renewable-energy powerplant builder National Modern Energy Holdings.



## ECG AGENDA

- ▶ **ECG Board Meeting on 27<sup>th</sup> & 28<sup>th</sup> November**, in Barcelona, Spain
- ▶ **ECG Academy Module II on 4<sup>th</sup> - 8<sup>th</sup> December** (TBC) in Bremen, Germany
- ▶ **ECG closed on 24<sup>th</sup> December – 1<sup>st</sup> January 2013** inclusive
- ▶ **ECG closed on 1<sup>st</sup> April 2013**
- ▶ **ECG closed on 1<sup>st</sup> – 9<sup>th</sup> & 20<sup>th</sup> May 2013**
- ▶ **ECG Spring Congress & General Assembly on 23<sup>rd</sup> & 24<sup>th</sup> May 2013** in Dublin, Ireland
- ▶ **ECG Conference on 10<sup>th</sup> & 11<sup>th</sup> October 2013** in Berlin, Germany

## Renault to create 1,300 jobs to boost Spain output

(Source: *Automotive News Europe*, 22<sup>nd</sup> November 2012) Renault plans to create 1,300 jobs in recession-hit Spain under a scheme to boost production at its local plants and after a deal with unions, the French carmaker said. Renault will assign its Palencia plant in Northern Spain two new vehicle platforms, one a derivative of the other, and shared with Nissan, the automaker said in a statement on Wednesday. The new platforms cover four vehicle bodies, allowing Renault to increase total annual production by around 40,000 units to 280,000 units. Over the 2014-2015 period, production at the company's engine and gearbox plants will rise to nearly 1.4m units per year, the statement also said. The Valladolid body assembly plant will also benefit from the "competitive performance reached through the recent work force negotiations, which extend and enhance the facility's options with regard to future assignments," the automaker added. The Spanish announcement comes as Renault opened negotiations on a French new labour deal it wants to seal by the end of January. Renault has demanded pay and working time concessions from its French workers and warned that the outcome of talks may affect future production plans, unions said earlier this month. Faced with a sustained slump in the European car market, Renault wants to align French wage and production costs with its plant in Palencia, Spain, and Japanese affiliate Nissan's Sunderland factory in England, Renault Chief Operating Officer Carlos Tavares said in September.

## EUROPE

### Finland: Mega trucks with 76 tonnes from 2013

(Source: *nomegatrucks.eu*, 19<sup>th</sup> November 2012) The Finnish government announced to increase the weight of Heavy Goods Vehicles (HGVs) to up to 76t. The truck height shall grow from 4.2 meters to 4.4 meters. According to the Finnish Ministry of Transport, the changes shall be effective from the beginning of 2013 and need to be approved by the European Commission. Finland already allows mega trucks with a weight of 60t and a length of 25 meters. The Finnish government acknowledged higher costs for road maintenance, but justified the increase of weight and dimensions with cost reductions for the logistics industry. Similar developments took place in other countries. Some years ago the mega truck weight in the Netherlands got raised from 50 to 60t. In Sweden trucks weighing 90t are being used, allegedly for testing purposes.

### European carrier performance rebounds for Daimler

(Source: *Automotive Logistics News*, 21<sup>st</sup> November 2012) Daimler has once again awarded its top performing vehicle logistics carriers in Europe during an annual ceremony and strategy meeting with providers held this past week at the Mercedes-Benz plant in Rastatt, Germany. Three road carriers were presented with prizes, while Daimler's logistics management also pointed to an overall improvement this year in its carrier performance index, reversing a declining trend in delivery and quality metrics over the past two years. The winner in the passenger car transport category was Akkermann Transport. Winning for the second year in a row for commercial vehicles was Spedition Braase. Finally, the most innovative supplier award – a new category – went to **Vega International**. The passenger and commercial vehicle transport awards are given to the top ranking carriers in Daimler's key performance indicator (KPI) monitoring system, which includes categories such as meeting the carmaker's specified pickup windows, maintaining fleet and equipment standards and low damage rates. The KPI scores also form the basis for Daimler's performance related pay scheme, which gives providers bonuses above a certain threshold while applying penalties if performance is too low. Dr. Holger Scherr, head of global transport logistics for cars, trucks, vans and buses at Daimler, praised the European carrier community for an overall improvement in their quality indicators after several years when the



## Events in Brussels

TEN-T Days by EC DG MOVE, on 27<sup>th</sup>-28<sup>th</sup>-29<sup>th</sup> November 2012

([http://ec.europa.eu/transport/media/events/2012-11-save-the-date\\_en.htm](http://ec.europa.eu/transport/media/events/2012-11-save-the-date_en.htm))

*ECG will attend*

European Transport Business Summit – “Connect to Compete” by EC DG MOVE, on 27<sup>th</sup> November 2012

([http://ec.europa.eu/transport/media/events/2012-11-27-business-summit\\_en.htm](http://ec.europa.eu/transport/media/events/2012-11-27-business-summit_en.htm))

*ECG will attend*

“Beyond just fossil fuels: future sustainable energy options for road transport.” Event by Forum for the Automobile and Society, on 27<sup>th</sup> November 2012

(<http://www.autoandsociety.eu>)

*ECG will attend*

Conference on Fair and Efficient Road Pricing by EC DG MOVE, on 5<sup>th</sup> December 2012

([http://ec.europa.eu/transport/modes/road/events/2012-12-05-road-pricing\\_en.htm](http://ec.europa.eu/transport/modes/road/events/2012-12-05-road-pricing_en.htm))

*ECG will attend*

Transport Policy Event by ACEA, on 6<sup>th</sup> December 2012

([www.acea.be](http://www.acea.be))

*ECG will attend*

“Achieving the goals of the White Paper on Transport: how civil society can help with delivery?” by the European Economic and Social Committee on 7<sup>th</sup> December 2012

(<http://www.eesc.europa.eu/?i=portal.en.events-and-activities-achieving-the-goals>)

*ECG will attend*

### Not in Brussels but of interest:

“Barge to Business” conference on 12<sup>th</sup> & 13<sup>th</sup> December in Rotterdam

(<http://bargetobusiness.eu/conference>)

average metrics had fallen precipitously. “The European carriers have launched a positive trend this past year, which I had been hoping for,” he said. Dr. Georg Hohlweg, responsible for outbound logistics performance, revealed that the improvements had been notable in areas including quality control, better loading factors and a big gain in meeting pickup times. Part of the latter improvement was the result of Daimler widening the time windows, which Hohlweg said had helped a number of carriers to meet 100% of the pickup windows for a three month period or longer. Scherr said that this change in the pickup requirement had been made following close consultation with carriers. “Making the time window bigger was not just generosity on the part of Daimler but showed a willingness to learn,” he said. But while Daimler managers praised the carriers’ improvements, there were still poor results in some areas, with many of the problems coming from the subcontracted drivers and trucks from other carriers that some of Daimler’s primary providers have used. “The performance of carriers’ subcontractors is unsatisfactory,” said Scherr. Hohlweg pointed to cases where subcontractors had damaged a car’s tyres as a result of non-standard lashing, incorrectly loaded vehicles and used older trucks. “Despite a relatively small amount of subcontractors used among our providers, we find that up to 40% of the problems caused in distribution come from subcontractors,” said Hohlweg. Much of the previous declines in carrier performance in 2010 and 2011 had also been attributed to subcontractors. The financial difficulties faced by many European carriers had led many to delay investments in their fleets or to cut transport capacity in the face of declining volumes. With Daimler one of the few brands whose production has increased in Europe, some carriers had evidently struggled to cope with the increases, or else had to hire subcontractors. Scherr also made a familiar complaint that the company would like to see more of its products being hauled with Daimler trucks. “Our top management always asks us about that,” said Scherr, whose boss is the Board Member responsible for commercial vehicles. “We don’t like carriers transporting our products with other brand-named trucks.” Despite some of these issues, and considering that the economic situation in Europe has been worse in 2012 than last year, the logistics team acknowledged that carriers had shown considerable adaptability to difficult business conditions. However, with Daimler recently unveiling an ambitious growth offensive that will see ten new models launched by 2015, and the goal of nearly doubling vehicle volumes from their 2012 volume by 2020, managers for vehicle logistics expressed the need for logistics providers to improve performance further and to become even more flexible. “Our product offensive is still in its infancy and we will add many new fascinating new vehicles to our product range in the coming years,” said Scherr, pointing to the recently launched A-Class at Rastatt as well as the new Antos delivery truck. “By pulling together, we can overcome this challenge and continue to deliver vehicles to our customers undamaged and on time.” Egon Christ, head of global vehicle transport, urged providers to extend their global and regional reach as the carmaker increases its production footprint in Europe as well as other parts of the globe. “Carriers shouldn’t wait for Daimler to invite them to find a logistics solution in a new market like Russia or India. This is their core business, not ours,” he said. “The providers should adapt more of a ‘push’ rather than ‘pull’ approach to develop new services.” Daimler managers also detailed network, operational and organisational changes that will impact its outbound vehicle logistics over the coming years, including combined tenders between passenger and commercial vehicles and the introduction of new multimodal hubs. This year marked the 13<sup>th</sup> time that Daimler presented the European Carrier Award for passenger cars. Akkerman Transport, based in Moormerland, Germany, received the award thanks to regular loading checks in plants, a minimal damage rate and an advanced trucking fleet, according to Daimler. Spedition Braase, from Fokbeck, Germany, won the commercial vehicle award thanks in particular to its reliability in picking up vehicles at the plant and by its punctuality in delivering to dealerships. Austrian-based Vega, which won the inaugural innovation award, was credited with have developed an in-depth employee training film about axle



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shipments, as well as having created new protection measures during transport. For example, the company used a special kind of bubble wrap for trucks moving long distances in Eastern Europe and Central Asia.

### IRU awards Avtologistika

(Source: *Automotive Logistics News*, 21<sup>st</sup> November 2012) The International Road Transport Union (IRU) has presented its 10<sup>th</sup> annual awards for Best Eurasian Road Transport Operator at its recent general assembly in Geneva, Switzerland. The awards, presented by IRU President, Janusz Lacny, are organised jointly with the CIS Transport Coordination Council, to acknowledge outstanding performance in road transport management, including the development and implementation of social and environmental best practices. The awards were presented across three fleet size categories with Russia's I.P. Metelkov taking the award for the first category covering companies with up to 10 vehicles and Moldovan provider Bercoltrans taking the second category award for companies with fleets of between 11 and 50 vehicles. The third category award for companies with more than 50 vehicles went to Kievskoye ATP, a Ukrainian member of **Avtologistika**, an international group of companies which is dedicated to the automotive sector. Russian transport provider Selta was nominated for a Special Certificate for the "dynamic development" of their company. Selta operations started in 1999 with just 15 vehicles and now has a fleet of over 4,000 vehicles providing services for a range of sectors. According to IRU, this year, the jury paid particular attention to Euro norm compliance, financial stability, as well as the professional training of staff.

### Russian Railways to keep "most" GEFCO staff after sale approval

(Source: *Just-auto.com*, 19<sup>th</sup> November 2012) Russian Railways (RZD) says its recent purchase of 75% of PSA Peugeot Citroën's **GEFCO** logistics division will see "most" of the current management and staff retained, although it does not rule out 'efficiency' changes. Competition authorities in Russia confirmed on 19<sup>th</sup> November they had given the green light to RZD to buy the GEFCO shares for €800m, although their counterparts in France have yet to voice similar approval. "We will keep the headquarters in France, the CEO and most of management and staff," Russian Railways President, Vladimir Yakunin, said. "That does not mean later, some changes might be decided with our French partners, to make GEFCO more efficient." The Russian Railways President also gave some insight into why RZD was so keen on buying a majority stake in GEFCO, having had recently to sell its freight subsidiary, PGK, as part of a privatisation drive to liberalise the Russian economy. As PGK brought in Rub20bn per year in profits to RZD, the railway operator said it had to find new revenue sources and settled on GEFCO, once it became aware PSA wanted to sell. The relationship had already existed to some extent through RZD's supply of Peugeot's factory near Moscow, while the Russian company also wanted to reinforce its growing role in transportation between Asia and Europe. "Our priority is the development of freight activity between Asia and Europe, with us in between," said Yakunin. "Russia, Belarussia and Kazakhstan expect to create a common rail logistics business. GEFCO, all the while remaining an independent subsidiary at the heart of RZD, will be an integral part of this new Asia-Europe rail corridor that we are going to put in place" Yakunin added. RZD would also look at co-operating with French rail operator SNCF and to that end would open an office in Paris. PSA is looking to tie up all the elements of RZD's share investment by the end of next month and will use the finance to pay off debt.

**ECG Note:** Automotive Logistics News also reported on this issue. Please click on the following link to read the article:

<http://www.automotivelogisticsmagazine.com/NewsItem.aspx?aid=1570#story>



## Autoport handles Toyota trial with Vehnet

(Source: *Automotive Logistics News*, 21<sup>st</sup> November 2012) Toyota has recently completed a trial project for vehicle throughput at the Turkish Autoport terminal near Kocaeli, with operator Arkas Group. The trial involved 1,500 imported vehicles and 475 exports, and is the biggest vehicle handling project terminal has handled since it opened in June 2008. Ocean forwarder **UECC** delivered the vehicles. The Autoport terminal, which is located in Yeniköy in Northeast Turkey, where 80% of the country's automotive production is carried out, is the first (and currently the only) purpose-built car handling terminal in Turkey with facilities situated on 160,000m<sup>2</sup> of land and an additional 60,000m<sup>2</sup> available for expansion. It is capable of handling 400,000 vehicles per year and has storage space for 6,000 passenger cars. The terminal uses the Advance yard management systems supplied by industry software specialist Vehnet. "This project has enabled us to prove beyond doubt that Autoport operates to the high international standards that customers are accustomed to on a global basis," said Ozgur Kalelioglu, Director of Port Services at Arkas Holdings. "Thanks to the hard work and dedication of everyone involved, we were able to deliver on our promises, both in terms of visibility, operational efficiency and cost." Vehnet worked closely with Arkas to support the Autoport operation, providing the software to handle routine maintenance, customs clearance, discharge and storage, as well as back-office functions. "We are delighted for Arkas and congratulate the team on their success," said Steve Jones, Vehnet's Managing Director. "Everyone was deeply impressed with the facility and with the operation, and we are proud to have played our part." The next phase of development at the terminal will be to add a processing facility for the provision of pre-delivery inspection (PDI) and other services according to Kalelioglu. "Our IT system is already configured to extend into workshop management, so we will continue to look to Vehnet to work in partnership with us going forward," he said.

## Turkish LSP buyout consolidates Borusan offering

(Source: *Automotive Logistics News*, 21<sup>st</sup> November 2012) Turkish logistics provider Borusan Lojistik has signed an agreement to take over fellow Turkish provider Balnak Lojistik. The merged companies, which both offer services for the automotive and commercial vehicle sectors amongst others, could become the country's leading logistics provider. Borusan purports to operate the first and only multi-brand bonded automotive warehouse in Turkey as well as the only multi-brand pre-delivery inspections (PDI) services. It offers 235,000m<sup>2</sup> of space for vehicle storage and processing able to accommodate nearly 9,000 vehicles. PDI capacity is for around 400 vehicles a day. This year Borusan launched its own heavy transport service with an investment of \$3m in 20 special haulers and 20 lowbed trailers. The company offers oversized load services machinery and equipment for use in the construction, energy, mining and marine project sectors amongst others. Balnak also provides dedicated services for vehicles, including two-wheelers, farming equipment and parts through its warehouse in Gebze. It also handles CKD shipments and end products between pre-production and production stages. Once the merger is approved by the Turkish authorities, Borusan Logistics' sales for the full year 2012 are expected to be around the \$600m and the firm will have more than 4,000 employees and serve 10,000 clients.

## Hauliers urged to recruit from the UK Armed Forces to plug skills gap

(Source: *Commercialmotor.com*, 16<sup>th</sup> November 2012) The head of Skills for Logistics (SfL) has said a new scheme aimed at recruiting ex-services personnel into the road transport industry is "absolutely not" just for large operators in the sector. Speaking earlier this month at the official launch of SfL's Military Transitions to Logistics programme at London's Imperial War Museum, the sector skills council's chief executive Mick Jackson said the initiative would benefit everyone. "This is absolutely not just aimed at larger employers," said Jackson during a question and answer section after the formal presentation. "We have 50 to 60 companies signed up but only around a third are the 'bigger' companies." Jackson said the programme extended out to local employers and suggested there was no reason even the smallest hauliers could not get involved, albeit employing perhaps just one or two ex-services personnel in keeping with their requirements. SfL has set up the new programme with £1.4m of funding from the UK Commission for Employment and Skills' Employer Investment Fund. It has charged itself with attracting up to 1,000 people leaving the services into a job within logistics by the end of what is in effect a pilot in March 2013. The programme provides a specific route into the sector for ex-Armed Forces personnel. As well as selling logistics as a career, it includes a two-week placement with an operator and interviews and structured feedback. "Those in military logistics have the knowledge but need help getting into and adjusting to civilian logistics," said Jackson.



## REST OF THE WORLD

### Mercedes begins assembly of M-Class SKDS in India

(Source: *Automotive Logistics News*, 21<sup>st</sup> November 2012) Daimler's Mercedes-Benz division has started production of its M-Class SUV in India following the delivery of semi-knockdown (SKD) kits from the US that began this autumn. It is first time the carmaker has assembled M-Class in the country and it now joins C-Class, E-Class and S-Class luxury sedans production there. Around a 100 of the vehicles will be produced per month. The M-Class kits are being shipped from the company's plant in Tuscaloosa, Alabama for assembly at the Mercedes Chakan plant, near Pune, and sale on the local market. In early 2013, the German carmaker will also begin assembling the GL Class SUV at Chakan along with the entry level B-Class sports tourer. The company has further plans for SKD shipments of the M-Class and GL-Class in Thailand (Samutprakan plant) and Indonesia (Wanaherang plant). The company first made the announcement about the Chakan SKD exports back in August this year and at the time Dr. Wolfgang Bernhard, Daimler's Board Member responsible for Manufacturing and Procurement, Mercedes-Benz Cars & Mercedes-Benz Vans, said the company expected high growth rates in the emerging markets was looking at extending its local production. A fully assembled M-Class shipped to India costs around \$200,000 to buy there because of the tariffs and fees. By comparison, Mercedes can sell the same 2013 M-Class sold in the US for between \$47,270 and \$96,100. Daimler said it will also start assembly of the GL-Class from SKD kits in Indonesia in the course of 2013. **BLG Logistics** is assembling the kits for shipment. The logistics provider co-ordinates the sequencing of vehicle parts for Mercedes' just-in-time vehicle assembly in Tuscaloosa from a separate facility and has now added an 8,400m<sup>2</sup> warehouse for handling kit assembly for the Asian nations.

### JLR signs up with Chery for China output

(Source: *Automotive Logistics News*, 21<sup>st</sup> November 2012) Jaguar Land Rover has signed a joint venture agreement with Chinese carmaker Chery for production of Jaguar and Land Rover vehicles at a new \$1.7bn facility in Changshu near Shanghai, due for completion in 2014. It will be the first time that the company has manufactured vehicles from the ground up outside of the UK. In addition to JLR brand vehicles, the partnership, called Chery Jaguar Land Rover Automotive Company, will also produce domestic brand models tailored specifically to local customer demand said the company in a statement. It will have an annual output capacity of 130,000 vehicles at start up. "We are delighted to have reached this milestone, achieved thanks to the understanding and foresight of the Chinese authorities and we want to thank them for recognising the potential of our joint venture in the fast-growing Chinese market," said the companies in a joint statement. "Together, we will now begin working in close collaboration on our partnership plans to harness the capabilities of our respective companies, to produce relevant, advanced models for Chinese consumers." The news of the go-ahead on the joint venture follows an announcement in September that China's National Development and Reform Committee (NDRC) had given the go-ahead for local production of the Evoque and Freelander, either of which could be first out of the new factory. There is also word that these will be followed by a saloon, most likely to be the XF or XJ. As well as the manufacturing facility, the new company will be investing in a new research and development centre and engine production facility, with local sourcing of components indicating that there will be little, if any, supply of components from the UK. This raises questions about the quality of locally-sourced parts according to IHS Automotive. "Maintaining the quality of locally-sourced parts has been a problem for most foreign OEMs operating in China," said a spokesperson for the analyst. "Foreign suppliers operating in China have a reason to be there." Adding to the point Mohan Sodhi, Professor of Operations and Supply Chain Management at Cass Business School noted that it was the first time JLR will be producing outside the UK, which raised issues of how quality would be maintained across the two locations. "This risk is mitigated perhaps by Tata's own experience but it still remains a significant one," said Sodhi. The project also includes the creation of a new partnership brand to assemble models tailored specifically for the Chinese market, including the marketing and distribution, though JLR would not comment further on these plans. Currently, JLR imports all of its vehicles to China, but import duties are high for UK premium vehicles. Sales of JLR brands in China were reported to have climbed 80% in the first 10 months to October 2012, reaching 60,000. In the 2011 calendar year, the carmaker saw sales increase more than 60%, driven mainly by the Jaguar XJ and XF models, and strong demand for the fuel-efficient Range Rover Evoque. Removing import duties through local production is expected to make it more competitive in the Chinese luxury market. According to forecasts from IHS Automotive, once the plant is in operation, JLR is likely to increase in-country sales from the 60,000 recorded over first 10 months of this year to 100,000 per annum, though JLR did not verify this. The move is also expected to boost the international expansion and strategic development for Chery Automobile. Prior to the deal with JLR, Chery was the only major Chinese brand without a joint venture partner.



## Ultra-small EV, new charging and sharing services in Japan

(Source: Cars21.com, 20<sup>th</sup> November 2012) The joint effort of Nissan and its rare earth magnet supplier led to a development of the “grain boundary diffusion” technique reducing dysprosium needed for neodymium magnets by 40%. Dysprosium is the rare earth used to increase heat-resisting property of neodymium magnets necessary for electric motor production. Nissan announced that the updated Leaf will be equipped with this new electric motor. Next year in February, one of the biggest retailers in Japan, Aeon, with more than 400 large shopping malls will start the first pilot membership-based free battery charging service at its Aeon Lake Town. After initial registration, the members will be provided free charging for their EVs on presenting their card to the charger’s reader. Three charging spots are located at the parking lot; two out of three available slots are equipped with a fast charging device. Aeon will evaluate the pilot project and based on the results the membership-based free charging could spread rapidly to other 25 stores equipped already with charging stations. Japanese companies Toyota Tsusho and Sage announced an EV sharing service with Toyota’s small EV COMS at three locations in Tokyo and Nagoya area. All data from the use of rented EVs are recorded and stored in the cloud data storage. At the time of online reservation the system can, upon the definition of destination, predict whether the remaining battery capacity is sufficient or estimate the length of necessary charging based on data recorded during previous journeys. Japanese car manufacturer Honda announced a new ultra-small EV “Micro-commuter Prototype”. The concept of the prototype is based on a Variable Design Platform. The platform has a battery, motor and controllers placed under the floor and in the rear section, which makes it possible to adapt various body and interior design according to end user’s needs. The prototype is equipped with a motor of maximum output of 15Kw. On a full charge the ultra-small EV can travel about 60km. The concept will be tested in Japan in 2013. Part of the experiment will be also the integration into Honda’s V2H system.

## PRESS RELEASES

### Ports call upon EU leaders to safeguard transport infrastructure budget

(Source: European Sea Ports Organisation - ESPO, 21<sup>st</sup> November 2012) On 22<sup>nd</sup> and 23<sup>rd</sup> November the European Heads of State and Government are to decide on the Multi-Annual Financial Framework (MFF), the overall European budget for the years 2014-2020 and the budgets to be allocated to its different policies.

European sea and inland ports realise that all governments are facing budgetary constraints, but they urge European leaders not to touch the envelope of €31.7bn foreseen for Europe’s transport infrastructure investments under the Connecting Europe Facility (CEF).

European Federation of Inland Ports (EFIP) Director Isabelle Ryckbost said: “The new TEN-T policy is the result of more than two years of negotiations with all Member States and stakeholders. The proposed TEN-T budget is based on a concrete plan. There are not twenty ways to meet the growing transport demands and connect countries, modes and nodes in a sustainable and efficient way. It would be a shame if the European leaders are cutting in this budget and plan. In that case, the governments will have to prepare a “plan B” and look for other, probably more difficult and costly means to meet Europe’s targets in terms of growth, sustainability and jobs.”

“The fight for the budget now seems to be between transport and other policies such as cohesion and agriculture. We should however keep in mind that transport infrastructure projects do not only serve the transport industry and its stakeholders”, said ESPO Secretary General Patrick Verhoeven, “a seamless European transport network in the first place strengthens the internal cohesion of the EU and facilitates many other sectors, including agriculture. Seaports are for instance the main gateways for EU exports of agricultural products. Using EU funding to integrate ports in the TEN-T therefore also benefits cohesion and agricultural policy.”

Already in spring EFIP and ESPO took the lead in a campaign set up by 28 European transport organisations to secure the TEN-T budget. Both organisations have also encouraged their members to sign the declaration that was initiated by Commission Vice-President Siim Kallas a few weeks ago.

**ECG Note:** ECG also co-signed the open letter “32 billion Euros for transport” as well as VP Kallas’ CEF declaration.

To see the open letter please find it on the “Press Releases” page of the ECG website:

<http://www.ecgassociation.eu/Media/PressReleases/PressReleases2012.aspx>

To read VP Kallas’ CEF declaration please see:

[http://ec.europa.eu/commission\\_2010-2014/kallas/connecting-europe-facility/index\\_en.htm](http://ec.europa.eu/commission_2010-2014/kallas/connecting-europe-facility/index_en.htm)



## Commission promotes smooth transition to the new European driving licence

(Source: European Commission, 19<sup>th</sup> November 2012) On Monday 19<sup>th</sup> November 2012 the European Commission adopted technical changes to the Directive on driving licences in order to provide more flexibility and a smoother transition to the new driving licence regime. The amendment aims to avoid unnecessary administrative burden to citizens or industry. There are around 300m European citizens having a driving licence, most of them will be concerned about this new Directive.

Directive 2006/126/EC on driving licences will introduce as from 19<sup>th</sup> January 2013 a single European driving licence model as well as new driving licence categories. The amendment adopted covers four areas:

- EU-wide harmonised codes on the driving licence indicate specific entitlements to drive. The amendment updates these codes on the driving licence and takes into account the 'acquired rights' under the previous rules.
- It gives clarification for the driving test on categories C and D vehicles equipped with hybrid or semi-automatic transmission systems. This aims to avoid restrictions for such drivers in the future and to include certain elements related to eco-driving.
- Non-professional drivers of C1 vehicles (i.e. craftsmen, firemen, motor-home drivers) will benefit from lighter testing than professional drivers. This means that non-professional drivers will not be tested on topics related to commercial transport operations, driving and resting time as well as the use of the tachograph.
- It modifies the requirements for the motorcycles used for the practical driving test, taking into account the existing models of motorcycles on the market. This will enable for instance the use of electric motorcycles for the test. The Commission has initiated the necessary to adopt a legal provision by the first quarter of 2013 that gives Member States the possibility to continue to authorise the use of current category 'A' motorcycles until 31<sup>st</sup> December 2018, thus avoiding economic burden to the training industry.

Directive 2006/126/EC on driving licences will fully enter into force on 19<sup>th</sup> January 2013. This means that instead of having over 100 driving licence models, all driving licences issued from 19<sup>th</sup> January 2013 onwards by Member States shall follow a harmonised EU model, which is in form of a plastic card.

The new card will reduce the possibilities of fraud by introducing security features and administrative validity periods. Category A and B will have an administrative validity between 10 years and 15 years, whereas category C and D have one of 5 years.

The new European driving licence will also protect vulnerable road users by introducing progressive access for powered two-wheelers. The system of progressive access implies that driving experience with a less powerful motorcycle is required before driving a more powerful one. Mopeds will also constitute a separate category called 'AM'.

## Escola Europea de Short Sea Shipping organises the 8<sup>th</sup> edition of the LIFE Rail course

(Source: Escola Europea de Short Sea Shipping, 20<sup>th</sup> November 2012) The first week of November witnessed the 8<sup>th</sup> edition of the LIFE Rail course, organised by the Escola Europea de Short Sea Shipping. The LIFE (Logistics Intermodal Freight Enhancement) Rail course aims to provide today's logistics and international trade professionals with training in intermodality in rail transport.

In total, 25 professionals participated in the course. They came from the Spanish transport sector and from the Spanish port authorities, among others. To help with the financing, the school also gave out 4 scholarships to students from the Transport and Management Master at the Oviedo University.

Alberto García Álvarez from FFE – RENFE, Álvaro Rodríguez from Puertos del Estado, Jose Ángel Méndez from RENFE – LOGIRAIL, Ramón Moraleda from ADIF, and Eduard Rodés along with Adriana Díaz from the Escola Europea de Short Sea Shipping were professors and they introduced the participants to intermodality in relation to rail transport.

The course was deemed successful by all of the participants – students and professors alike. The outstanding organisation of the course has been pointed out by the students. LIFE Rail's continued success depends largely on the enthusiasm and support of past students. This year's LIFE courses will be concluded in December, when the 2<sup>nd</sup> edition of LIFE Rail Portugal will take place. In total, in the last trimester of the year, 5 LIFE courses will have taken place. LIFE logistics project, carried on by the Escola and co-funded by the EU's Executive Agency for Competitiveness and Innovation (EACI), is set to complete in March 2013.