ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 13.01, 02nd – 04th January 2013

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Farewell John

It is with great regret that we must report the untimely death of John McLaughlin. As well as being a very highly respected journalist he had, for the last three years, acted as Press Advisor to ECG. After a very short and sudden illness John died on Christmas Day in Paris where he was visiting his sister with his family. John was without doubt a true gentleman in every sense of the word and his professionalism, integrity, wisdom and not least his humour had quickly made him an indispensable member of the ECG team. He will be sorely missed by all who knew him. John is survived by his wife, Lisa, and two sons and our thoughts are with them at this most difficult time.

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NEWS FROM BRUSSELS

New EC consultation on 2013 Review of the EU Air Quality Policy Framework

(Source: ESPO & EC, 11th December 2012) The European Commission (EC) has launched a public consultation on the best way to improve air quality in Europe. The aim of the consultation is to gather views on the review of the EU's Thematic Strategy on Air Pollution. With this consultation, the Commission also looks for the possible options identified by such review for a comprehensive air pollution policy package that would aim to ensure full implementation of the existing legal framework and make further progress to reduce the negative impacts of air pollution in the longer term. The web-based consultation comes as part of the ongoing impact assessment that is expected to conclude by summer 2013. Based on this, the EC will be making proposals by the end of 2013. The main regulatory instruments that are under examination are the Air Quality Directive (2008/50/EC) and the National Emission Ceilings (NECs) Directive (2001/81/EC). The Air Quality Directive sets the limits for the acceptable concentrations of air pollutants, while the NECs Directive regulates the total amount of pollutants' emissions per country. Although that nothing is certain regarding the outcomes of the review, unofficially, the following can be expected regarding the two legislative instruments: regarding the Air Quality Directive, the focus will most probably be on its better implementation and not on introducing stricter concentration values. Regarding the NECs Directive however, the EC appears determined to proceed with a legislative proposal introducing stricter NECs. Both the Air Quality and the NECs Directives are being explicitly addressed within the online questionnaire.

ECG Note: The consultation outcome will impact the air pollution legislation connected to the road and maritime sectors in particular. ECG members are encouraged to give their input either individually or under the ECG umbrella. To access the public consultation please click on the following link: http://ec.europa.eu/environment/consultations/air_pollution_en.htm

Co-operation for competitive rail freight in Europe

(Source: EC DG MOVE, 20th December 2012) On Thursday 20th December 2012, Ministers in charge of Transport from Belgium, Germany, France, Italy, Luxembourg, the Netherlands and Switzerland, in the presence of Commission Vice-President Siim Kallas, signed an agreement on the allocation of capacity for international freight trains on two international rail freight corridors. The two corridors will link Rotterdam and Antwerp to, respectively, Genoa and Lyon/Basel. "The co-operation agreement signed will benefit those railway undertakings which will use the corridors, as well as society at large, as it contributes to transporting more goods by rail rather than road. It is a good example of co-operation between Member States and rail infrastructure managers, which is one of the Commission's key objectives", said Vice-President Kallas. The agreement brings together ministers of six Member States along both corridors and Switzerland. It is an important step in co-operation among infrastructure managers and Member States in the field of capacity allocation, traffic management and infrastructure development to provide sufficient capacity and priority to freight. Six of the planned nine rail freight corridors will be established by November 2013, the remaining three by November 2015.

Ireland takes over EU Council presidency

(Source: European Voice, 30th December 2012) Ireland took over the rotating presidency of the European Union's Council of Ministers from Cyprus on Thursday 1st January 2013, its 7th turn since it joined the EU 40 years ago. Enda Kenny, Ireland's Prime Minister has said that the presidency will focus on the EU's economic recovery and that he is determined to deliver "solutions" – on

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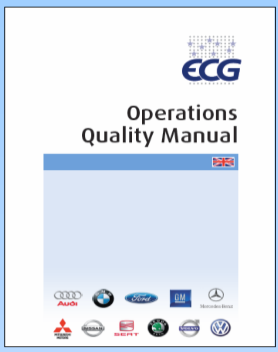

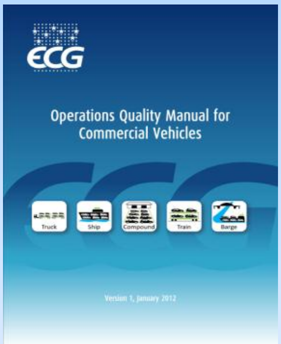

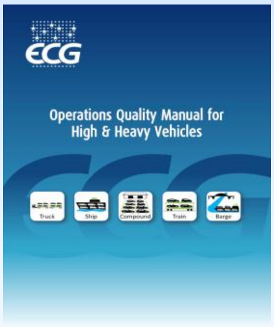

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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banking union, trade deals, pro-growth policies and a deal on the Union's long-term budget. Ireland's government, led by Kenny's centre-right Fine Gael party and with centre-left Labour as junior partner, has also made it clear that it will run an austerity presidency that goes easy on pomp (and will serve tap rather than bottled water). The government believes the presidency will cost some €60m, compared to the €100m for its last presidency. Since Ireland's last Council presidency, in 2004, where it presided over the EU's largest-ever enlargement (by 10 countries), the rotating presidency has been transformed by the Lisbon treaty, which took effect in 2009. Since then, summits of Member States' leaders are chaired by Herman Van Rompuy, the President of the European Council, and meetings of Foreign Affairs Ministers are chaired by the EU's foreign policy chief, Catherine Ashton.

ECG Note: ECG welcomes Ireland's 6-month stint at the helm of the EU Presidency and wishes it all the best in a still difficult economic climate. As the ECG Spring Congress & General Assembly will be organised on 23rd and 24th May in Dublin, ECG is looking particularly forward to working closely with the Irish Transport ministry and its Permanent Representation in Brussels in order to ensure their participation, alongside representatives from the European Parliament and Commission.

For more information about the 2013 ECG Spring Congress & General Assembly, please keep an eye on:
http://www.ecgassociation.eu/Activities/ECGSpringCongressGeneralAssembly/SCGADublin2013.aspx

AUTOMOTIVE INDUSTRY

EU challenges French-backed PSA rescue

(Source: Automotive News Europe, 21st December 2012) The European Union is challenging the terms of a French government-backed rescue for PSA Peugeot Citroën's financing arm, a French newspaper reported. In a letter to the French government, EU Competition Commissioner Joaquin Almunia said the state-orchestrated refinancing of Banque PSA Finance constituted state aid, *Les Echos* reported on Friday 21st December. A state aid probe by Brussels could ultimately increase the cost to PSA of a €7bn state loan guarantee granted in October and an €11.5bn refinancing deal to be finalised with creditors in January 2013. The EU objections follow a formal complaint received by Brussels from an unidentified PSA competitor, according to the newspaper.

Car slump in France, Spain and Italy spells gloomy 2013

(Source: Automotive News Europe, 03rd January 2013) Car sales in France, Spain and Italy in 2012 fell to the lowest levels in years, with December registration data underscoring the challenges facing the broader European economy. Automakers are facing a sustained slump in the European car market as the Eurozone debt crisis and government austerity measures sap consumer demand. "The new car market continues to decline – a trait which we anticipate will continue through the course of 2013," Credit Suisse analyst David Arnold said on Wednesday 2nd January, adding European auto sales were unlikely to see growth in 2013. Italy's car sales, down 22.5% in December, slumped 19.9% for the full year to 1.4m units, their lowest levels since 1979. "The car market is suffering from an overdose of taxes aimed at hitting, if not criminalising, the acquisition, ownership and use of autos," said Filippo Pavan Bernacchi, the President of Italy's car dealers' trade group Federauto. He said he expected Italian car sales in 2013 to be close to 1.33m units. French car registrations fell 15% in December, leaving the full year down 14% to 1.90m vehicles – the lowest since 1997, French industry group CCFA said. Spain's monthly sales shrank

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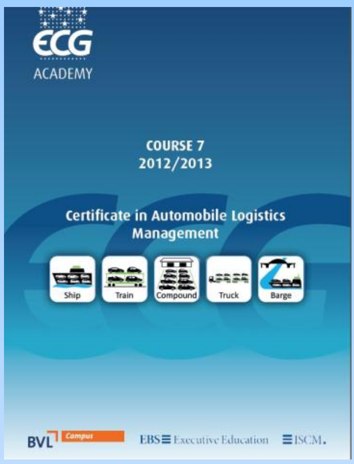

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23%, after a 20% fall in November. Its full-year total of 699,589 cars, down 13%, was the lowest since industry association Anfac began keeping records in 1989. In a note on Italian data, auto think-tank Promotor said Italy's full-year fall in car sales was particularly worrying at a time when the global auto market was growing. "The auto crisis does in fact involve only the Euro area and is a direct consequence of the depressive effect of austerity policies on the real economy," it said. The chance of a recovery in the Eurozone economy has faded further into 2013 after the recession deepened in the final months of last year, a Reuters poll found last month.

Opel to cut output by over 10% in 2013

(Source: Automotive News, 30th December 2012) Opel is planning to cut production by more than 10% in 2013 in light of the weak European car market, a German magazine reported. Loss-making Opel is planning to produce just 845,000 cars in Europe in 2013, *Der Spiegel* reported on Sunday 30th December 2012. The company produced 1.19m cars at its Opel and Vauxhall plants in Europe in 2011, the last year for which figures are available. It will release 2012 production figures in January 2013. A spokesman for Opel declined to comment on production plans, saying only, "We want to keep our market share in Europe in 2013 stable." Keeping market share stable would probably mean fewer sales given the slumping European car market. Overall, European car sales dropped by 7.2% from January to November from a year earlier, according to data from the association of European carmakers (ACEA), and most analysts expect volumes to fall further in 2013. According to ACEA, Opel's market share for the 11 months of 2012 stood at 6.8%.

Audi plans to spend €13bn on expansion

(Source: Automotive News Europe, 27th December 2012) Audi plans to spend €13bn through 2016 to develop new cars and expand production capacity as it pursues BMW's lead. The Volkswagen AG unit budgeted more than €10.5bn to develop vehicles and technologies, including lightweight auto design and electric powertrains, as part of the investment programme, the carmaker said in a statement. The spending includes funds for expanding production at its factory in Hungary, adding capacity in China and building a new plant in Mexico. "We will keep investing large sums to pursue our growth strategy," Chief Financial Officer Axel Strotbek said in the statement. "The expansion of our global manufacturing infrastructure will help us to continue growing." Audi aims to sell at least 2m cars a year and overtake BMW by the end of the decade. The brand's expansion is part of Volkswagen's goal to become the world's largest automaker by 2018. The manufacturer plans to spend €50.2bn on its auto division, including Audi, through 2015. BMW is expected to widen its lead next year. The carmaker will increase sales 4.6% to 1.54m vehicles in 2013, beating Audi's 1% growth to 1.44m autos, according to estimates from industry researcher IHS Automotive.

Fiat-PSA will continue tie-up for vans

(Source: Automotive News Europe, 24th December 2012) Fiat and PSA Peugeot Citroën will continue their co-operation on light commercial vehicles despite PSA's alliance with General Motors. Fiat and PSA build the Citroën Jumper, Fiat Ducato and Peugeot Boxer large vans in a joint venture factory in Val di Sangro, near Chieti in southern Italy, where Fiat-Chrysler CEO Sergio Marchionne was born. Fiat says the plant is Europe's largest producer of vans with an annual capacity of 250,000. The joint venture has no fixed timespan and there are no plans to change it, according to a PSA spokesperson. Fiat said: "The co-operation is working well and will continue to do so in the future." PSA also buys the two smallest vans in its range, the Citroën Nemo and Peugeot Bipper from Fiat's Turkish subsidiary TOFAS. The vans are built alongside a sister model, the Fiat Fiorino. The contract will end mid-2015 and both automakers declined to speculate on future possible developments. Light commercial vehicles are crucial to European automakers' financial health as they contribute between €300m and

ECG AGENDA

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

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

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

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

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

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

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

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

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

€400m in annual operating profit a year for companies such as Fiat, Renault and PSA, according to Max Warburton, a Bernstein Research analyst. "The LCV segment is the most overlooked profit driver of the European auto industry, with margins far above that of all but the highest end premium cars," Warburton said. On Thursday 20th December 2012, GM and PSA signed the formal contracts for a purchasing joint venture and three passenger car joint projects, a move that followed a memorandum of understanding for a strategic alliance between the two automakers to slash costs in Europe.

VW, Nissan, others look to tap growing demand for budget cars

(Source: Automotive News Europe, 31st December 2012) Volkswagen's desire to launch a low-cost brand and Nissan's plan to sell Datsuns for as little as €2,300 underline the rising interest from automakers to tap demand for budget cars in fast-growing markets to offset falling sales in mature, stagnant markets such as Europe and Japan. Following the lead of Renault's Dacia brand, more and more carmakers will begin offering low-cost models within the next five years, IHS Automotive analyst Christoph Stuermer said. "If they want to survive, they will have to," he said. Stuermer expects the world auto market to grow by 3.4m cars between 2012 and 2015. "Most of that growth can be tapped with affordable types of vehicles aimed at new buyers," he said. "Now that VW is entering, I think everybody's going to ratchet up their efforts." Volkswagen is planning a low-cost car brand for emerging markets priced about €5,000, Ulrich Hackenberg, VW-Brand Product Development boss, told a German magazine *Auto Motor und Sport* earlier in 2012. "There is a market segment between €5,000 and €7,000, which is a real challenge," he said. The trick is finding the right amount of content to take out of the car to make it affordable. "Here you really have to closely look at what can be done away with, but those cars would not be sold under the name Volkswagen, more as their own brand," he said. Volkswagen has not yet made an official decision on whether to build such a car. In a separate interview, Hackenberg said that a budget brand would not be introduced before 2016. It would initially be launched in emerging markets, although European sales have not been ruled out. Analyst Stuermer said that developing affordable new cars for high-growth markets poses a significant challenge to companies such as VW, General Motors and Ford. "They would normally fire with their full engineering power to develop the smartest product," he said. He added that selling a car for less than €8,000 means that companies must innovate on the business side and put as little new technology into the vehicles as possible. IHS' Stuermer also cautioned that such a move could have wide-ranging implications for the used-car market. "Only when their cars have good demand in the secondary market can they offer competitive leasing and financing rates, because their cars have good residual value," he explained. "So trying to cap off the secondary market is an extremely risky business." Renault's alliance partner, Nissan, hopes to attract first-time buyers with its new line-up of Datsuns, which will be launched in 2014 in Russia, India, and Indonesia. Vincent Cobee, who heads the Datsun Global Business unit, said that the company is tailoring the completely new vehicles to each of these markets, based on the differing needs people in these countries have. He added that Datsun has worked closely with Dacia to develop best practices for the new iteration of the Nissan marque, which was established in 1932 before being phased out in 1981. Peugeot's and Citroën's new entry-level models for fast-growing markets were unveiled at the Paris auto show last September. With more room for passengers and a bigger trunk, the Citroën C-Elysée and the Peugeot 301 have been designed to appeal to families in Mediterranean countries, China and Russia. With the success of its Dacia brand, Renault has proved that low-cost cars can be profitable. Renault Chief Operating Officer Carlos Tavares calls Dacia a "cash cow" for the company, with an operating margin above 6%. Arnaud Deboeuf, Director of Renault's entry-range programme, expects to sell 950,000 to 1m cars based on the company's low-cost MO platform this year, up from 813,000 in 2011. Renault is also looking to

Events in Brussels

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

10th Annual Road User Charging Conference 2013 "Equitable, efficient and economic routes to better infrastructures" on 5th & 6th March 2013 (http://roaduserchargingconference.co.uk/)
ECG will speak

expand production of its low-cost models, which include the Logan sedan, Sandero hatchback and Duster compact SUV, in new locations.

EUROPE

Gothenburg invests with DB Schenker

(Source: LloydLoadingLlist.com, 02nd January 2013) The Port of Gothenburg has obtained state clearance to invest €18m to build a new 24,000m^2 logistics centre which will be leased out to **DB Schenker** when it is completed in December 2013. The new facility, which will produce increased volumes of around 5,000 additional containers at the port, will be primarily used to house imported goods for onward distribution within Sweden and Scandinavia. The centre will employ up to 150 workers. Mats Olsson, head of Schenker Logistics in Sweden, said: "This was an easy project for us to ratify. Gothenburg is an ideal logistics location for our major import customers. The proximity to Gothenburg port and the rest of the infrastructure means that we can deliver goods to the city regions such as Stockholm, Oslo, Malmö, the Gothenburg region and Copenhagen within a day." Construction on the new logistics facility is due to begin in January 2013. The project represents a three-way partnership venture between the Port of Gothenburg, DB Schenker and Nordic Construction Company, which is responsible for construction. Magnus Kårestedt, Port of Gothenburg CEO, added: "Having a major player such as Schenker Logistics establish operations consolidates our position as the port best equipped to serve the whole of Sweden. "We expect some 900,000 containers to have been shipped through the port in 2012."

'Rail freight cannot attain lasting profitability'

(Source: LloydsLoadingList.com, 03rd January 2013) A new study commissioned by French state operator SNCF into rail freight concludes that under current operating conditions the sector cannot attain lasting profitability. The aim of the study, led by Bain & Co, was to put into perspective the long-standing difficulties of the state unit, Fret SNCF. Over a five-year period (2007-2011), the main state operators in mainland Europe – Germany, France, Belgium, the Netherlands, Switzerland, Italy and Spain – accumulated net losses of €5bn from rail freight. Fret SNCF accounted for more than half of this amount, while Deutsche Bahn, has been in the red since 2009, running up a deficit of €122m. The French operator's chronic red figure performance has been largely attributed to its lack of competitiveness, due to an organisational structure which generates high labour costs. This is underlined in the report, which estimates that "the unit wage cost gap" between Fret SNCF and its private company competitors is 35% for train drivers and between 20%-30% for other staff involved in operational activities. Between 60%-70% of the "gap" is down to work organisation and, principally, to the number of days Fret SNCF personnel are available for work within the framework of the employment benefits they enjoy as a result of holding state railwaymen status. Pierre Blayau, who heads SNCF Geodis, of which Fret SNCF forms part, told local media that the question of the harmonisation of employment regulations in France between the state-owned operator and its competitors on the domestic market – such as DB's French subsidiary, Euro Cargo Rail, and Eurotunnel unit Europorte – had become "a question of survival" for Fret SNCF. But the report goes on to highlight that the real threat to the sector comes from road haulage whose competition "is untenable for rail freight". It says the differences in rates between road freight and single-wagon rail transport can be almost 25% in some cases, and the gap is set to widen. Between 2008 and 2010, rail freight rates generally in major markets such as Germany, France and Italy increased in contrast to road haulage rates which fell, the report adds. Road is also more reliable than rail freight in terms of respecting delivery deadlines. The opening-up of the sector in the EU in 2006 has not led to rail freight increasing its

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market share (against road), it says, and at best new entrants are only now breaking even or making minor profits. Blayau argues that it will take "an extremely proactive policy" on the part of the EU in favour of rail freight if it is ever to be profitable in Europe on a sustainable basis.

Finland invests in e-clearance initiative

(Source: LloydsLoadingList.com, 03rd January 2013) Persistent long delays at border crossings into Russia, has spurred the Finnish government to launch a trial e-clearance Vehicle Reservation Border Pass (VRBP) to reduce bottlenecks at primary border stations at Vaalimaa, Nuijamaa and Imatra. According to Finnish Board of Customs figures, daily border queues averaged 15km on weekdays and 25km at weekends in the first nine months of 2012. The e-clearance VRBP system aims to reduce the average wait at border customs stations to 60 minutes by adopting a pre-clearance e-system for trucks equipped with radio frequency ID (RFID), dedicated short-range communication transponders (DSRCs), unique number container tags and unique e-seals. Trucks heading for Russia will undergo a series of pre-clearance automated inspections and a final automatic-reader drivers' passport check. This is expected to take 30-60 minutes. The trial system is designed to operate like barrier-free toll roads, with individual trucks obtaining an electronic tagging device and reservation number for an advance booking at designated border crossings. More than 12,000 vehicles – 60% of them trucks – pass through Finland's nine border stations into Russia each day. Merja Kyllönen, Finland's Transport Minister, said: "We anticipate there was a 10% increase in commercial road freight traffic between Finland and Russia in 2012. Consequently, the value of goods transported is expected to increase by 14% to €22bn. "We have made significant investments to modernise the E18 highway to the Russian border. The new e-reservation system is part of a broader plan to make road freight movements between the two countries more efficient." Around 60% of all road freight traffic between Finland and Russia moves through the Vaalimaa border station in south-east Finland. The government is spending €60m to upgrade IT and truck e-clearance systems at all borders stations by 2016. Harri Koskinen, a Helsinki-based transport industry analyst, said: "The initiative will not come too soon for haulage companies, but even so it will only speed up crossings on the Finnish side of the border. There will be the usual delays when trucks leave Finnish border points and reach Russian border stations. This is not a co-ordinated scheme."

REST OF THE WORLD

US new-auto registrations to grow 6.6% in 2013

(Source: Automotive News, 02nd January 2013) Sales of new autos, a bright spot for the US in 2012, will grow further this year as an improving economy and demand for pickups and for mid-sized cars boosts registrations 6.6%, according to R.L. Polk & Co. About 15.3m new light-vehicle sales will be registered in 2013, up less than 1m from last year, the auto researcher said in a report on Wednesday 2nd January. The company also cited an increase in the number of redesigned or refreshed car and light-truck models for the expected gain in registrations. The growth rate may be less than half that of 2012 as the industry has already regained much of the volume lost during the recession, Polk said. "There's going to be growth, but some demand has been satisfied at this point," said Anthony Pratt, Polk's Director of Forecasting for the Americas. "The spigot has been on, but it hasn't been on at full blast." Deliveries of cars and trucks for 2012 were the best since 2007 as new model introductions and consumer confidence grew. Demand for pickups, a key source of earnings for General Motors, Ford and Chrysler, should be particularly strong this year, fuelled by new designs and a housing-market recovery, Polk said. The US averaged 16.8m light-

vehicle deliveries annually from 2000 to 2007 before dropping to 10.4m in 2009, a 27-year-low. Auto sales in December probably climbed to 1.36m, the average of estimates by eight analysts surveyed by Bloomberg. That would push full-year deliveries to 14.5m. Polk's estimates are based on registration data from state motor-vehicle agencies and may vary from sales figures released by automakers, Pratt said. Registrations in the US will rise to 15.8m vehicles in 2014 and 16.2 m by 2015, Polk said. Registrations may contract slightly in 2016 to 16m units, reflecting the cyclical nature of the auto industry, Pratt said. North-American auto production should grow 2.4% this year to 15.9m cars and trucks, reflecting an improving economy and additional capacity, Pratt said. Polk estimated that vehicle output in the region will grow to 16.3m autos in 2014 and to 16.7m by 2016.

PRESS RELEASES

The Irish government announces an Essential User Rebate for hauliers from July 2013

(Source: IRHA - Irish Road Haulage Association, 20th December 2012) The IRHA are delighted to confirm that the road haulage industry has been successful in having an Essential User Fuel Rebate (EUR) implemented for the tax compliant licensed operator. This is a significant achievement for the industry and the IRHA were the instigators and sole negotiators with the Department of Finance on behalf of the industry.

The Association will be engaging with the Department of Finance in early 2013 to assist in implementing the administration process which will be required to facilitate the rebate payment to entitled operators. In addition the precise level of rebate, as well as the monetary band where it will take effect, will need to be negotiated with the Department.

The Association understands that the implementation date of July 2013 was chosen in order to allow the Department and Revenue officials to put in place the administration processes required to facilitate the mechanism.

Overall there were three positive results for the industry in Budget 2013 which were achieved by IRHA; namely the implementation of an EUR and no increase in carbon tax or fuel duty, the Association lobbied hard on the latter items to ensure there were no further increases, therefore IRHA is extremely pleased to achieve a positive result on all three.

While there was an increase in road tax for commercial vehicles of 7.5%, applicable as of 1st January 2013, the Association will be continuing its engagement with the Department of Environment early in the New Year to seek the introduction of a “pay-as-you-go” road user charge to replace the current outdated charging system.

In summary, Budget 2013 resulted in a number of positive measures for the Irish road haulage industry and probably one of the only positive elements to come out of the collective Budget announcement.

To see a copy of the Minister's Budget speech please click on the following link:
http://www.irha.ie/enews/financialstatement.pdf

To read the EUR submission document to the Minister for Finance please see:
http://www.irha.ie/enews/finalsubmission.pdf

European, North-American and Japanese heavy-duty vehicle and engine manufacturers renewed calls for global emissions regulation harmonisation

(Source: ACEA, 06th December 2012) The world’s leading manufacturers of heavy-duty commercial trucks and engines gathered in Brussels to discuss key issues facing their industry, including fuel-efficiency improvements, reductions in greenhouse gas (GHG) emissions, global diesel fuel specifications, and issues related to heavy-duty engine and vehicle regulation and certification.

Chaired by Harrie Schippers, President of DAF Trucks and Chairman of the Commercial Vehicle Board of the European Automobile Manufacturers’ Association (ACEA), this was the Chief Executives’ tenth meeting to discuss global issues and to recommend solutions to the critical regulatory challenges facing commercial vehicle manufacturers.

Summarising the meeting, Mr. Schippers stated: “Globally, commercial vehicle manufacturers are taking decisive steps to overcome both short and long-term challenges. The industry is motivated by the commercial imperative to increase fuel efficiency, as well as the related aim of reducing greenhouse gas (GHG) emissions. Global co-operation to harmonise fuel efficiency related test methods will be given priority as this can deliver important cost savings to the industry, which will benefit our customers as well as wider society." He added that, "the meeting has also focused on longer-term issues with the objective to increase flexibility in connection with vehicle design, which can contribute to important emission reductions from the road freight sector." Mr. Schippers ended by saying, "in examining these important technical areas, this high-level meeting has reaffirmed the importance of international co-operation in the commercial vehicles industry."

Evaluating developments since previous meetings, the Chief Executives discussed:
• Steps towards adopting the worldwide heavy-duty emissions certification procedure (WHDC);
• Developments in harmonising diesel fuel specifications and regulations;
• Global co-operation on regulatory demands for improved fuel efficiency and reduced GHG emissions.

Industry leaders agreed on the need to:
• Continue global co-operation in expanding the application of the WHDC;
• Highlight the importance of global diesel fuel specifications;
• Develop globally harmonised fuel-efficiency test procedures;
• Promote global harmonisation of heavy-duty hybrid certification procedures.

The leaders of the assembled companies will work with their respective governments to speed up the adoption of WHDC procedure and to support the United Nations in the establishment of a globally harmonised procedure for heavy-duty hybrid certification. The participants reconfirmed that they would continue discussions with the UN on the development of global diesel fuel specifications. They also re-emphasised the need for concerted global action to reduce GHG emissions and promote the establishment of global test procedures for evaluating CO_2 emissions from heavy-duty vehicles (HDVs).

The international partners intend to assemble joint expert groups to address the following GHG-related topics:
• Engine Fuel Mapping
• Aerodynamic Drag
• Duty Cycles/ Driver Models

For the longer term, the leaders were encouraged to consider the potential of a harmonised approach to the following topics:
• Higher-capacity vehicles (HCVs)
• Performance-based standards for HCV
• International intermodal loading units

They also affirmed that trans-national/trans-regional co-operative efforts by industry and governments to foster global harmonisation can lead to improvements for customers, the environment and for the industry.

Mr. Charlton of Cummins Inc. extended an invitation to the Chief Executives to hold their 2013 meeting on Thursday 7th November 2013 in Chicago, Illinois, USA.

Also attending this meeting were representatives of ACEA, the Truck and Engine Manufacturers Association (EMA), and the Japan Automobile Manufacturers Association (JAMA).

IRU Indices: Double dip recession for EU is confirmed despite warnings

(Source: IRU - International Road Transport Union, 03rd January 2013) The IRU Road Transport Indices, which allow the comparison of GDP growth, road freight transport volumes and new vehicle registrations in 58 countries on a quarterly basis, confirm the 2012 forecast of a double dip recession for EU countries. The IRU Indices also forecast that in 2013, GDP and transport volume will stagnate before gradually picking up again. BRIC countries, on the other hand, experienced a 5% increase in GDP and a 6% increase in transported tonnes over the same period and will continue outperforming the EU in 2013.

Following the recession in 2009, IRU Road Transport Indices show that the GDP has contracted again (double dip) by 0.3% in the EU in 2012. In 2013, economic growth is expected to stagnate and then gradually return, with some further strengthening in 2014. EU road transport performance, measured in transported tonnes, stagnated in 2012 and will only slightly increase by 0.7% in 2013.

However, next year's stagnation across Europe masks a north-south divide, in which the economy ekes out slightly positive figures along an arc from Finland to France, while contraction grips Greece, Italy, Spain and Portugal.

IRU Head of Sustainable Development, Jens Hügel, said "These figures confirm the IRU Road Transport Indices forecast for 2012." He also recalled "At the beginning of 2012 the industry warned that the EU would be heading for a double dip recession and stressed that this recession was avoidable if lessons were learned from the BRIC countries. It is clear that EU Governments did not acknowledge the industry's advice."

Indeed, when comparing the 2011 and 2012 figures, BRIC countries have outperformed EU countries in terms of GDP and growth in tonnes transported and will continue doing so in 2013. In fact, GDP in the BRIC countries rose by 7% in 2012 and road transport operators carried 6.5% more volume (in tonnes) in 2012. Furthermore, GDP will increase in 2013 by 6.3% and road transport operators will carry 6.7% more tonnage in 2013.

Mr. Hügel concluded that, "in light of the economic figures, it comes as no surprise that in 2012 EU transport operators were reluctant to invest in new vehicles resulting in a stagnation of new vehicle sales, compared to transport operators in the BRIC countries who continued to invest. The fact that BRIC countries are outperforming the "old economies" results from their understanding that both systemic innovation and major investment in production tools, including in small and medium-sized enterprises that provide 85% of jobs, such as road transport companies, are instrumental in expediting real economic growth."