ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 13.02, 07th – 11th January 2013

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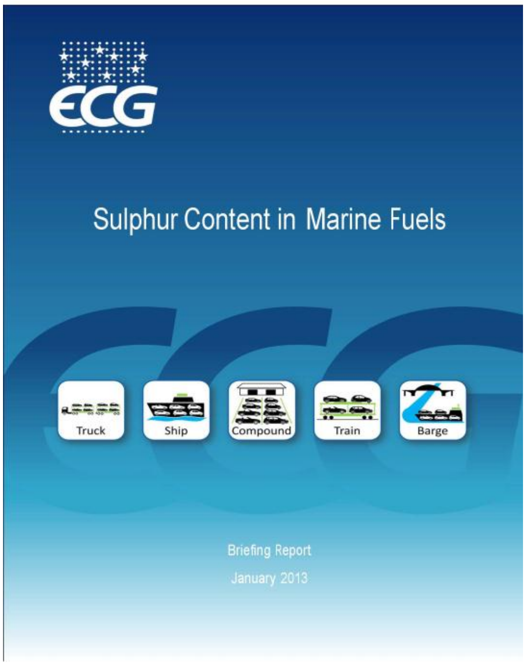
Following recent developments which include the implementation of a new Directive we have updated the ECG Briefing Report on the sulphur content for marine fuels. As ever you can download the latest version from the ECG website by clicking on the picture below.



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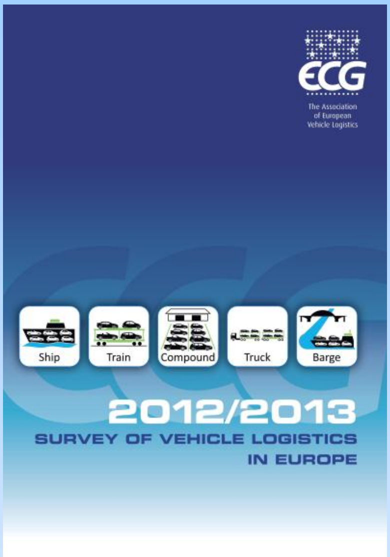

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To order a copy of the new ECG survey please click on the following link: http://www.ecgassociation.eu/PublicationsReports/ECGBiennialSurvey.aspx

NEWS FROM BRUSSELS

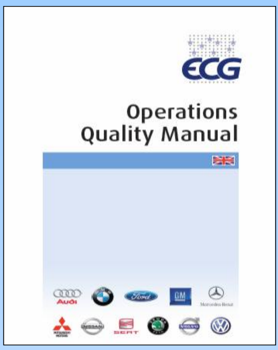
Industry mourns loss of John McLaughlin

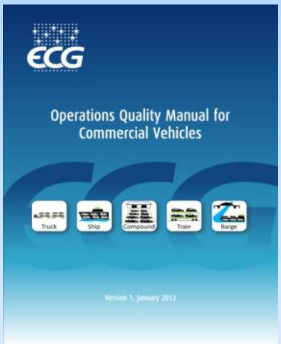
(Source: Automotive Logistics News, 09th January 2013) The shipping and logistics industry, and its press, are mourning the death of John McLaughlin, a veteran journalist and press advisor, who died on Christmas Day 2012 following a short and sudden illness. He was 54 years old. McLaughlin wrote for more than two decades on the shipping industry, including 18 years as the New York correspondent for Lloyd’s List, and five as its Italy correspondent. Since 2010, he was the Italy correspondent for the group of shipping publications, Seatrade. For the last three years, he was known to many in the European automotive logistics sector as Press Advisor to the Association of European Vehicle Logistics (ECG), consulting on press communication, strategy and speeches. Costantino Baldissara, who worked with McLaughlin both in his capacity of Commercial Director of Italy’s Grimaldi Group, as well as President of ECG, called him a “special man, very discreet and a great professional”. “When I first started to have contact with the press around 15 years ago, I remember that he was considered in the shipping sector as a sort of institution, an extremely serious man,” said Baldissara. Many who knew him, particularly in the Italian shipping industry, praised McLaughlin’s skill and eloquence as a journalist and his love and knowledge of Italy. A Grimaldi Group statement pointed out that McLaughlin, a native Brit who had recently relocated to Bath in the UK after living in France and the US, “was at home” in Italy. “He spent a lot of time in Genoa, Rome, Naples and Trieste, conducting interviews with ship-owners, brokers, lawyers and port operators,” said the statement. “His reporting was accurate, well appreciated and at the same time ‘dry and precise’, in a perfect Anglo-Saxon journalistic style.” Chris Hayman, Chairman of Seatrade Communication, praised McLaughlin’s journalism as well as personality. “John was a writer of immense talent and personal integrity. He was also great fun to spend time.” Baldissara also expressed a deep respect for McLaughlin’s work as ECG Press Advisor, along with sadness, shock and regret at his death. “We have lost a friend, a strong supporter, a great advisor,” he said. “We are all shocked and so sorry for this very bad news. We are trying to find the reason for this tragic end but it is impossible to find it.” The Automotive Logistics Group had the pleasure of getting to know John McLaughlin in communication and interviews with ECG, as well as in the running of annual ECG events, including the ECG Conference in autumn, organised by Finished Vehicle Logistics. As well as a flawless and precise writer, and a consummate professional, McLaughlin had in a short time become an integral part of ECG. His professionalism made him a joy to work with, while his intelligence, humour and joie de vivre made him as popular with executives and journalists in the bar following industry events as he was respected by all those who worked with him. The Automotive Logistics Group joins many in saying goodbye to a friend as well as an associate. Our thoughts and condolences are with his wife, Lisa Frey, and his two sons, Conor and Aidan.

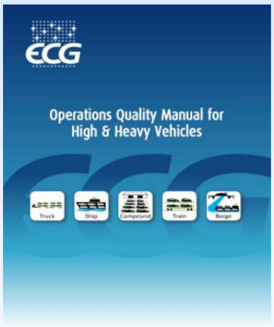
Europeans “suffering” due to air pollution inaction, says Potočnik

(Source: Euractiv.com, 09th January 2013) Environment Commissioner Janez Potočnik has scolded European countries for their inaction on EU laws to combat air pollution, which causes an estimated 420,000 premature deaths yearly in the Union. “We are still far from our objective to achieve levels of air quality that do not give rise to significant negative impacts on human health and the environment,” Potočnik told a clean air conference organised on Tuesday 8th January by campaigner group the European Environmental Bureau (EEB). “We have to recognise that some of the EU air quality standards that were established in the late nineties are not being respected. This has led to a situation where the majority of Member States are infringing EU law on air quality. As a consequence, the health of many people is suffering, and costs to the health suppliers and the

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

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economy are rising," he told the conference. The European Environment Agency (EEA), an EU body, contends that shifting to electric vehicles and other anti-pollution measures could cut the number of premature deaths caused by air pollution to 230,000 by 2020. Officials also called on the EU to crack down on diesel fuel. "We will have to address the issue of the diesel car," Potočnik said. "Compliance is crucially dependent on reducing real world emissions from diesel cars. Diesel vehicles are more efficient, but they emit a higher level of nitrogen dioxide than regular vehicles," Jacqueline McGlade, Executive Director of the EEA, told the conference. McGlade says inaction on air pollution has strong economic consequences, estimating a price tag of €630bn for health care and €169bn in lost productivity. Commission figures show that the EU can achieve economic gains of 75% for 20% of the overall cost. But EU officials say that for the EU to push through further measures, the population needs to be convinced that combating air pollution is economically viable. "If we can win the case there, we are winning the overall case," Potočnik said. Christer Ågren, Director of the Swedish environmental organisation AirClim, slammed EU states for their "lack of ambition" in curbing air pollution. He said the amount of noxious airborne particles such as SO_2, NH_3 and PM2.5 could be curbed "without being extremely drastic." Ågren criticised governments for their lack of support for high level policy measures and failure to implement existing legislation. A total of 12 EU countries failed to meet the 2010 National Emissions Ceilings for Nitrous Oxide (NOx) emissions with three not meeting standards for VOCs (Volatile Organic Compounds) and/or NH_3, he said. "We should not wait until 2050 to achieve targets that were set 20-25 years ago. Climate policy has to be strengthened," Ågren said. For Potočnik, inadequate air policy governance was to blame for the relatively slow progress on air pollution in the EU, which he said had fallen behind the United States. The US has the most stringent air quality legislation in the world. "In many Member States, responsibility for air quality lies with regional or local authorities. However many sources of air pollution are outside their zone of competence. This has forced local authorities to apply more expensive measures to the sources of pollution that they can control. So we need to discuss with Member States ways and means of improving this so that our common objectives for better air quality are actually delivered to more people for instance through improving the link between national and local or regional air quality management programmes," he said. EU politicians also criticised industry for trying to block greener legislation. "There is too much lobbying from industry usually against new greenhouse gas limits," said Finnish Green MEP Satu Hassi. "We need the voice of scientists," she added. "We need ways to scientifically prove the link between health and the environment." "We are locked into an old regulatory system. We need to get a stronger voice from progressive industry. We need to fight against lobbyists," Potočnik said. Climate change and pollution is reducing the world's Gross Domestic Product (GDP) by 1.6% a year or some €917bn, says the Climate Vulnerability Monitor, a report from the Madrid-based humanitarian group DARA and the Climate Vulnerable Forum.

"EC can make it a happy new year for rail freight"

(Source: LloydsLoadingList.com, 04th January 2013) Lord Berkeley, UK Rail Freight Group Chairman, has written to European Commissioners urging them to stand firm on their policy of liberalisation of the railway sector, in spite of massive lobbying by France and Germany against change in their monopolistic rail sectors. He said: "France seeks to undo even the existing bad structure which allows liberalisation in name but prevents it in practice. It is not surprising that SNCF was fined €60m for abuse of dominant position and other anti-competitive actions. In its proposed restructuring, whereas it is good that the infrastructure manager gets full control of all its activities, it is also to become closer in management terms to the incumbent operator SNCF – a step backwards in liberalisation which the European Commission (EC) must investigate." He said that in Germany there was no transparency between the infrastructure manager (DB Netz) and the train operators owned by Deutsche Bahn. In December 2012,

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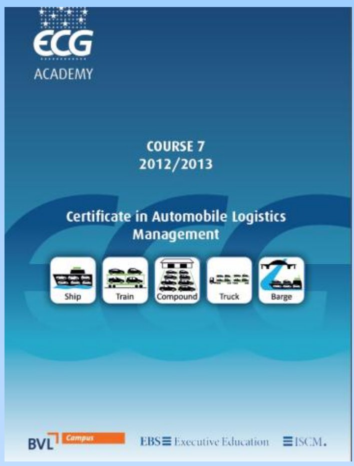
Course 8 will commence in October 2013.



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the EC issued a Letter of Formal Notice to Germany arguing that it had infringed EU rules that mandate integrated companies to keep accounting separation and prohibits the transfer of funds related with infrastructure management or the provision of public transport services to any other businesses. The aim of the prohibition is to prevent unfair competition by integrated companies that otherwise would, for example, be able to use the funds aimed for reserved areas to lower their prices in areas open to competition. Cross-subsidisation would also enable the use of funds aimed for reserved areas to lever the acquisition of other transport companies. Lord Berkley added: "The two Member States pressing hardest to preserve their monopolistic structures are themselves the subject of legal challenges for failure to implement the European laws they approved over ten years ago, fines for competition abuse or both." He said: "For 2013, the Fourth Railway Package is an essential prerequisite to successful completing the liberalisation of the rail sector and to attract private sector investment which the sector needs so badly. "Our experience in the UK is that this will not come unless the private sector sees long-term confidence; this needs an effective internal market with a level playing field in rail between all market actors. If this happens, one can expect good growth in quality, price and efficiencies as well as, of course, much reduced carbon outputs. However, unless there is real separation between train operators and infrastructure managers, this will not be achieved." And infrastructure managers must be totally independent with the widest responsibility for delivery and management – with full transparency between them and any operators."

AUTOMOTIVE INDUSTRY

Renault to increase production in Turkey on recovering local demand

(Source: Automotive News Europe, 09th January 2013) Renault, whose plant in Turkey makes more than half the cars manufactured in the country, plans to increase local production to take advantage of a market expected to grow slightly compared with last year. Oyak-Renault Otomobil Fabrikalari AS, a joint venture between Renault and Turkey's military pension fund Oyak Group, will try to use as much as 92% of the 360,000 vehicles-a-year capacity at the Bursa plant this year, compared with almost 86% in 2012, Tarik Tunalioglu, Chief Executive of the joint venture, said in a news conference in Istanbul on Tuesday 8th January. "We want to increase production because we are expecting a bigger demand for our new models this year, especially Clio 4," Tunalioglu said. "More than half of our production this year will be the Clio 4 model." Renault also produces the Fluence and Megane models at the Turkish plant. Turkish car and van sales are expected to grow about 3% to 780,000 this year, said Ibrahim Aybar, Chief Executive of Renault Mais Motorlu Araclar Imal & Satis AS, the sales joint venture between Renault and Oyak Group. Turkey's vehicle market suffered last year after a September tax increase on cars combined with slower economic growth to curb consumer demand. Renault's 2012 sales in Turkey were $4.2bn, Tunalioglu said, without giving a year-on-year comparison. Exports fell slightly to $3.15bn from $3.21bn in 2011. Renault Mais, which also sells imported examples of Renault's low-cost Dacia brand, plans to introduce new models in Turkey in order to boost sales, Aybar said. "We want to increase our market share in Turkey this year from 13.1% in 2012," he added. Renault will start selling nine new models in the Turkish market this year including the Scenic, Latitude, Dacia Sandero and electric Zoe, Aybar said. In 2013, Renault plans to invest €55m in the Bursa plant.

Automotive logistics "transformed by emerging markets", says new report

(Source: Transportintelligence.com, 09th January 2013) The global automotive logistics sector is undergoing a massive transformation. Just a few years ago, it

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

could easily be viewed as a mature industry with modest growth prospects. However, according to Ti's new report Global Automotive Logistics 2013, that is no longer the case and the market represents a wealth of opportunities for logistics service providers on a global scale. Following the global economic crisis of 2009, the automotive sector has recovered dramatically, surpassing the levels of demand witnessed before the crisis. The market is now worth an estimated €57bn annually, rejuvenated by a surge in demand for vehicles in developing markets, in particular China, as well as growth in demand in the North American markets. The continued increase in demand in developing countries has resulted in structural changes in the market and created significant opportunities for logistics providers. For example, the explosive growth of vehicle sales in China has also led to a rapid increase in production in the country by global manufacturers. This represents a significant opportunity for global logistics providers operating in the region as manufacturers demand Western standards of logistics service levels. It is anticipated that China's automotive logistics sector will grow by 10% per annum until 2014. Manufacturing, and therefore the need for logistics services, has also increased in Mexico as automotive sales in North America have recovered robustly. Asian manufacturers, Honda, Nissan and Toyota have all increased production in Mexico to support sales in the US, in addition to European manufacturer Volkswagen Group, illustrating that the ability of logistics providers to support vehicle manufacturers in emerging markets will be a key issue in the near future. Thomas Cullen, Senior Analyst at Ti and author of Global Automotive Logistics 2013, said: "The automotive world looks like it is evolving into one dominated by a few large global vehicle manufacturers with operations in markets such as China, Brazil, Russia, India and elsewhere integrated into supply chains heavily rooted in North America, Western Europe and Japan. Providing the logistics systems to support this structure will be the main challenge and opportunity for automotive logistics service providers from now on."

France seeks EU approval for PSA aid, report says

(Source: Automotive News Europe, 09th January 2013) The French government officially sought approval from the European Commission on Monday 7th January for the rescue plan for PSA Peugeot Citroën's financing arm, French daily *Les Echos* reported on Wednesday 9th January. EU Competition Commissioner Joaquin Almunia said in December 2012 the Banque PSA debt rescue had initially been portrayed as financing help for the lending operation that would not require state aid approval from Brussels. But he said the Commission had come to view the €7bn state loan guarantee was restructuring aid and decided to ask the French authorities to seek approval. The rescue deal will have to be examined by EU competition authorities, who should give an answer within two months, *Les Echos* said. "This is a normal process," a spokesman for PSA said. "Following the vote of the French Parliament on 30th December 2012 on the state guarantee brought to Banque PSA Finance, a temporary authorisation should be given within two months before a final authorisation," he said. The approval by Brussels could require PSA to make more concessions including toughening its staff reduction plan, which already includes a minimum 8,000 layoffs, the paper said. "As for concessions, there is nothing new compared with what was announced last year," the spokesman added. A state aid probe by Brussels could ultimately increase the cost to PSA of the state loan guarantee and the €11.5bn refinancing deal to be finalised with creditors next month. The rescue plan came after PSA suffered a downgrade by credit rating agency Moody's in October, raising the likelihood that financing arm Banque PSA Finance (BPF) would also be downgraded to junk status.

Opel dismisses report of possible PSA takeover

(Source: Automotive News Europe, 08th January 2013) Opel says a French newspaper report that cited government officials as saying PSA Peugeot Citroën

Events in Brussels

"4th Railway Package: Effects on small and peripheral Member States" by the Community of European Railway (CER) on 21st January 2013.
http://www.cer.be/events/upcoming-events
ECG will attend

"4th Railway Package: The role of infrastructure managers to improve rail efficiency and performance" by the European Rail Infrastucture Managers (EIM) on 29th 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

should buy the General Motors subsidiary is "pure speculation." The report, which was published on the website of *Le Monde* daily, said the aim of combining the French and German automakers would be to create a company capable of challenging Volkswagen's market dominance in Europe. An Opel spokesman said that the report was nothing but "pure speculation." The report cited French officials from the Finance Ministry and from within President Francois Hollande's inner circle. In February 2012, PSA and Opel unveiled an alliance agreement with the goal of saving at least $2bn annually within five years, evenly split between the partners. GM, Opel's parent company, paid €320m for a 7% stake in PSA as part of the tie up. Under the deal, the two automakers agreed to pool R&D, create a global purchasing joint venture and jointly develop vehicles together. Both Opel and PSA have struggled against falling sales in austerity-hit Europe as consumers avoid big ticket purchases. According to the industry organisation ACEA, PSA's market share in the EU and EFTA countries fell from 12.5% to 11.7% in the first 11 months of 2012. In the same period, Opel's share dropped from 7.3% to 6.7%. By comparison, Volkswagen's market share rose from 23.3% to 24.9%.

Saab owner signs Chinese investment deal

(Source: Automotive News Europe, 08th January 2013) The Chinese-controlled owner of bankrupt carmaker Saab has signed an investment deal with the Chinese city of Qingdao as part of plans to build and sell electric cars in the country. National Electric Vehicle Sweden AB (NEVS) bought most of Saab's assets when the carmaker went bankrupt after failing to clinch investment deals and pay suppliers. NEVS said in a statement the deal involved a plan for Qingdao, via its Qingdao Qingbo Investment company, to invest 2bn Swedish crowns ($307.33m) in NEVS, after which Qingdao would get 22% of the shares. A spokesman for NEVS could not give a timetable on when the financial transaction would take place. NEVS has said it aims to launch its first electric car at the start of 2014 and is also looking at the possibility of re-launching the old Saab 9-3 model with a conventional engine. NEVS said it aimed to ship cars it builds to Qingdao Port and eventually build a factory in Qingdao, when capacity at the former Saab plant in Sweden is full, it said. The company aims to make cars for the Chinese market as it sees the authorities there investing heavily in electric vehicles. NEVS is wholly owned by National Modern Energy Holdings Ltd., whose founder and principal owner is Chinese-Swedish businessman Kai Johan Jiang. Dutch sports-carmaker Spyker bought Saab in early 2010 from General Motors, but soon hit financing problems and spent months trying to put together deals with Chinese companies.

Fiat plans to increase stake in Chrysler to 65%

(Source: Automotive News Europe, 04th January 2013) Fiat plans to boost its stake in Chrysler Group to 65% by exercising its option to purchase an additional 3.3% from the UAW's retiree health-care fund. Fiat calculated it has to pay $198m for the second segment of the voluntary employees beneficiary association's holding based on "a market multiple" applied to Chrysler earnings before interest, taxes, depreciation and amortisation, according to a statement. Fiat, which in July 2012 exercised its option to purchase a first 3.3% segment of the remaining VEBA holding, in September 2012 asked a US court to confirm the price it has to pay to increase its controlling stake in the US carmaker after failing to reach an agreement with VEBA, which owns 41.5% of the company. Fiat owns the rest. CEO Sergio Marchionne has said Fiat's ability to complete a full merger with Chrysler is limited by a turnaround plan for Fiat announced in October. Marchionne, who leads both automakers, has said Fiat still plans to use call options that were part of Chrysler's 2009 bankruptcy and now are in dispute. Fiat must pay at least $342m to boost its ownership stake to almost 62%, the US automaker's minority shareholder said in a court filing in November 2012. The amount sought by VEBA is 145% more than the Italian carmaker said the holding

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should be worth. Fiat said Thursday 3rd January 2013 it expects a determination by the court "within the next several months."

Russia car output to soar, but not without risks

(Source: Automotive News Europe, 09th January 2012) Russia's auto industry is in danger of sliding into the same overcapacity problem as the rest of Europe, analysts say. The warning comes after contract manufacturer Avtotor Holding became the latest to announce a major investment in Russian auto production. In November 2012, the company said it has formed a partnership with supplier Magna International Inc. to establish a complex of six assembly plants and 15 parts plants in Russia's Kaliningrad province. At full capacity in 2018, the complex will produce up to 250,000 vehicles annually. Citing Avtotor Chairman Vladimir Shcherbakov, *the Wall Street Journal* has estimated that the project will cost $3.2bn. Manufacturers are betting heavily on Russia after strong growth lifted vehicle sales to an estimated 2.9m units in 2012. Russia now is Europe's second-largest car market, after Germany. But it is not at all clear whether Russia's market will continue to grow indefinitely. Industry sales were flat in November 2012, and the Russian market looks like it might stagnate. "We do not expect a quick return to growth in the coming months," Joerg Schreiber, Chairman of the Association of European Businesses' Automobile Manufacturers Committee, said in a statement. Automakers seem undeterred. In December 2012, Volkswagen Group laid the foundations for a new engine plant next to its assembly plant in Kaluga, 200km Southwest of Moscow. The German automaker says its brands will sell half a million vehicles annually in Russia by 2018. Meanwhile, Russian automaker AvtoVAZ has refurbished part of its Togliatti plant complex to produce up to 350,000 vehicles annually with partner Renault-Nissan. Ford is expanding, too. The American automaker operates three assembly plants with Russian carmaker Sollers, and the partners plan to open a fourth, a Sollers spokesman said. All these initiatives are starting to add up. According to research firm LMC Automotive, 66% of new cars sold in Russia are made locally, and that figure is expected to rise as automakers expand production. "If everybody puts in capacity they say they might, there could be overcapacity," said Carol Thomas, Central and Eastern European Analyst at LMC Automotive. The prospect for overcapacity would seem to make Avtotor's joint venture with Magna a risky one, but the partners appear to be lining up clients. Land Rover and Subaru have signed up to produce cars with Avtotor, reported the Russian business newspaper *RBC Daily* last November. Avtotor also makes cars for BMW, Kia, Opel and Chevrolet, with production totalling 220,000 vehicles in 2011. As Avtotor and Magna boost production, they are going to need more locally made components — hence the decision to build 15 parts plants. That would address a problem raised by the oligarch Oleg Deripaska, owner of GAZ Group, last year. "To be competitive you have to have local component production. Unfortunately it's a long time coming in Russia," he said. Avtotor's assembly plants build vehicles from semi-knockdown kits imported into the country. But the Russian government has ruled that automakers must pay tariffs if their vehicles have insufficient local content. The government has exempted Avtotor's kits from import duties, but that runs out in 2016, according to LMC. If Russia's production capacity proves too high for the market, automakers may start exporting more vehicles to the rest of Europe. That could be a viable tactic for Avtotor, since Kaliningrad's location between Lithuania and Poland would make it easier to ship Avtotor-produced cars to the West. "We do expect to see exports increasing from Russia. It's a potential release valve." said Michael Gartside, lead analyst for PwC Autofacts.

Electric vehicle sales will hit 3.8m by 2020

(Source: Smartplanet.com, 03rd January 2013) 2012 was a hit and miss year for Electric Vehicles (EVs). The Tesla Model S proved that electric cars can have equal performances to/or better than its gas-powered foes when it was named the “Automobile of the Year”. On the other hand, EVs sales were disappointing and consumer interest seemed to be slipping. Still, there is a growing market for

electric cars. According to a new report from Pike Research, the market will reach annual sales of 3.8m EVs worldwide by 2020. “Sales of EVs have not lived up to automakers’ expectations and politicians’ proclamations, but the market is expanding steadily as fuel prices remain high and consumers increasingly seek alternatives to internal combustion engines,” says Dave Hurst, a senior research analyst with Pike. And compared with the growth rate of gas-powered vehicles, the outlook for EVs is good, Hurst continues: “Indeed, sales of plug-in EVs will grow at a compound annual growth rate of nearly 40% over the remainder of the decade, while the overall auto market will expand by only 2% a year.” But there will be regional differences in which types of EVs have better sales. In the United States and Latin America plug-in hybrid electric vehicles are expected to be more popular than battery electric vehicles because of their longer driving range. The opposite will be true for the rest of the world. Also, in 2020, the largest market for hybrids will be Japan, and the United States is expected to be the largest market for plug-in electric vehicles. Car companies have a long way to go, however, to reach these projections. Building up adequate infrastructure for plug-in EVs will go a long way in attracting consumers. But in 2012 only 120,000 plug-in electric vehicles were sold worldwide.

EUROPE

Finnlines takes over Powerline service

(Source: Worldcargonews.com, 09th January 2013) **Finnlines** has assumed control of rival services between Lübeck and Helsinki. This transaction puts an end to Powerline’s cargo services between Finland and Germany, at least for time being. Jussi Koskinen, Managing Director of Powerline, stated that the company will not offer services for the next two years, but no other information was given. Powerline, the ro-ro shipping division of the Finnish Lilbacka Powerco Group, has operated a service between Lübeck (Travemünde) and Helsinki with two ro-ro freighters: *Global Carrier* and *Baltica*. The latter vessel, with capacity for around 160 semi-trailers/roll-trailers on 2170 lane/metres, is currently in dry dock in Tallinn for maintenance work and will rejoin Finnlines' fleet.

Hauliers heading for growth?

(Source: LloydsLoadingList.com, 07th January 2013) A new haulage market report which looks into the financial performance of the UK’s largest 1,000 operators, has found that average growth could be as high as 7%. However the Plimsoll Portfolio Analysis – Road Haulage concludes that this is by no means widespread, as this successful growth is being driven by just a quarter of the industry – an elite band of 241 companies. The analysis says these 241 businesses are showing growth as high as 25% compared with the average growth of 7%. However, David Pattison, Chief Analyst at Plimsoll, insists there is reason for cheer as growth and increased productivity begins to spread throughout the market. Pattison said: “What seems to be different this time, compared with the last few years, is that this growth is coming profitably. Hauliers are not only seeing increases in volume, but many of them are achieving this with increasing profitability. Average margins across these growing companies are at last stable and they are making just about the same margins as the industry, which is around 2.5%. Of course this is still very low, but at least it’s better than previous years when chasing growth resulted in making a loss.” Pattison added: “A significant difference is that these elite companies are driving up their productivity. In general, these companies are 12% more efficient than the industry average, averaging over £128,000 sales per employee, compared with the average of around £114,000. Clearly their ability to maximise their resources and drive the company harder is proving key to their profitability and competitiveness.”

Banks to take a firmer grip on shipping in 2013

(Source: LloydsLoadingList.com, 07th January 2012) International accountant and shipping consultant Moore Stephens says banks will exert more control over the shipping industry in 2013. It also expects vessel values to fall further, and the cost of regulatory compliance to increase. Partner Julian Wilkinson said: “For shipping in 2012, it was not so much a case of ‘Crisis, what crisis?’ as ‘Crisis, which crisis?’ This year will be equally challenging. Operating costs are going to go up. Like a commuter facing another increase in rail fares, and no extra money coming in, shipping will most likely have to absorb the costs of more expensive fuel, more costly labour, and dearer raw materials on the back of declining freight income. Even Mr. Micawber, the Dickens character who always believed that something would turn up, would have taken one look at the shipping industry’s prospects for 2013 and cried, ‘I’m off!’ In 2013, the banks will exert more control over the shipping industry as debt-to-equity ratios deteriorate. Restructuring, deferred payment, impairment and provision have become common coinage in shipping. Openness and the avoidance of unnecessary delay will be key elements to successful financial restructuring. Even if there really are cash-rich banks in China prepared to underwrite shipping deals, nobody is waiting for them to start lending before planning their next move.” He said the year would see continued efforts to accelerate scrapping, which is only made more attractive by the approach of expensive classification special survey deadlines. “Despite record

scrapping levels in the past 12 months, there still exists a considerable gap between the volume of new-building deliveries coming onto the market and both the amount of tonnage scrapped and the availability of suitable demolition facilities," said Wilkinson. "New-building deliveries have been running at record levels for three years. One major operator said recently: 'Global tonnage oversupply is irrelevant.' It isn't, but the fact remains that now is a good time to build eco-friendly ships at reasonable prices for which there will be strong demand in the future." He added: "Expect vessel values to fall further in 2013, last year having closed with a VLCC selling for the lowest price since the mid-90s. The danger is that each successive fall creates a new benchmark. Expect also further increases in the cost of regulatory compliance. That will have to include planning for the BWM convention. Ballast water is not sexy, but it is expensive. Once the percentage of worldwide tonnage is met in the near future, the convention will enter into force 12 months thereafter. Owners need to be thinking now about where the money for retro-fitting is coming from." Wilkinson said that, remarkably, the latest Moore Stephens Shipping Confidence Survey shows that the industry closed 2012 more confident than it ended 2011. He said: "Now remains a good time to buy for those with cash and a following wind. New investors, or existing stakeholders embarking on new projects, will be putting money into a leaner and greener industry than the one which was making good money before the economic gloom kicked in."

Mega-truck campaign goes up a gear

(Source: LloydsLoadingList.com, 09th January 2013) Casualties, congestion and pollution will rise, not fall, if 25-metre mega-trucks are introduced to UK roads, according to new research. Campaigners, including Freight on Rail, say the new research from the Metropolitan Transport Research Unit "highlights deep flaws in the arguments being put forward by Kimberley Clark to justify mega-trucks." Philippa Edmunds, Freight on Rail Manager, who commissioned the research, said it highlighted three significant considerations absent from modelling used by industry: increased in fatalities – "The European Commission has stated that mega-trucks are involved in more traffic collisions because of their size"; increased congestion – "Increased road space and lower manoeuvrability mean mega-trucks increase congestion"; increased CO_2 emissions – "Assuming similar capacity efficiencies as conventional trucks, the use of mega-trucks on UK roads would lead to an increase in emissions." Edmunds said: "The economic, safety and environmental case for mega-trucks is highly questionable. The only beneficiaries are the big logistics companies with society picking up the bill. The UK government must see industry lobbying for what it is and continue to keep mega-trucks off UK roads." She added: "Parts of the logistics industry have an insatiable appetite for bigger, heavier HGVs (Heavy Goods Vehicles). There is also overwhelming evidence to show that any length increase will lead to demands for increased weight. "In the Netherlands, the weight limit on 25-metre mega-trucks has been increased from 50 to 60 tonnes, with Finland increasing the weight limit to 76 tonnes. And Sweden is now trialling 30-metre HGVs with an 80-tonne weight limit in urban areas."

DHL to deliver fleet cars for Vindis

(Source: Automotive Logistics News, 09th January 2013) DHL has been awarded a contract to manage fleet deliveries for the Vindis Group network of dealerships. It is the first time that the company has supported a dealer group's delivery requirements. The logistics provider's event management division, Inside Track, will manage more than 4,000 vehicle movements per year, including new vehicles and demonstration cars, delivering them from the dealers compound at Alconbury in the UK to national locations, mainly in the eastern region of England. The Vindis Group has a network of Audi, Bentley, Skoda, Volkswagen and Volkswagen Commercial Vehicle retail units throughout the south of the UK. DHL said it aims to reduce costs and improve consistency of service for Vindis, which previously managed its fleet programme through a different number of service providers, resulting in varying levels of performance. It said that it expects the service to be of interest to other dealer groups throughout the country because of the cost and carbon emission savings it has identified. As part of the solution, Inside Track will deploy the latest PDA technology to provide vehicle recipients with increased levels of delivery visibility and satisfaction. Introduced in 2010, the handheld units enable a vehicle's positional status to be tracked in real time, removing the need for excessive paperwork and ensuring a smoother handover. "The professional handover of vehicles to our customers is a crucial part of our fleet operations," said Colin Hutton, Fleet Director at The Vindis Group. "Delivery is a key customer touch point and it is imperative that any partner we choose has a thorough understanding of all of the vehicles operated by the Vindis Group. We have selected DHL's Inside Track to ensure that every single customer receives the same high level of service we demand."

EU co-financing to improve infrastructure and increase capacity at Linz

(Source: TEN-T EA, 09th January 2013) The European Union will co-finance with over €3m from the TEN-T Programme a project to implement the first phase of improvement works at the Port of Linz, Austria. The project, which is part of the "Railway axis Paris-Strasbourg-Stuttgart-Wien-Bratislava" (TEN-T Priority Project 17), will help eliminate major bottlenecks in the port's transfer and combination capacity. The project, which was selected for

funding under the 2011 TEN-T Annual Call, addresses the first phase of works necessary to develop cargo transport routes from EU seaports to and from Central Europe. This first phase involves improving the connection of the Port of Linz, in Austria, both to the Danube as well as to key EU rail axes. The project involves three main areas of work: land reclamation, extension of the container terminal and extension of railway tracks. These improvements will increase the port's railway capacity, improve its inland shipping capacity and increase its container storage and transfer capacity. Furthermore, the port's entrance and positioning area for trucks will be expanded to yield improved flows with incoming and outgoing trucks, the tank port, and the container terminal rail transport. The project will be managed by the Trans-European Transport Network Executive Agency (TEN-T EA) and is set to be completed by the end of 2014.

High speed rail in Italy moving forward thanks to EU support

(Source: TEN-T EA, 09th January 2013) The European Union will provide combined support of €10m from the TEN-T Programme for two key rail infrastructure projects taking place in the northern Italian region of Lombardy. The projects, which will involve the construction of tunnels as well as technological upgrades to Milan's train control centre, will contribute to the realisation of the "Railway axis Lyon-Trieste-Divaèa/Koper-Divaèa-Ljubljana-Budapest-Ukrainian border" (TEN-T Priority Project 6). The first project, which was selected for funding under the 2011 TEN-T Annual Call and will receive €5m in support, concerns technological upgrades to be made at Milan's train control centre. Five new automated computers able to remotely command and control signals, switches and more on the Turin-Milan-Verona-Padua high speed line will be installed in a new building especially created for this purpose. By creating a unique command and control site in Milan for the entire Turin-Milan-Verona-Padua line, the project will facilitate inter-operability and contribute to the improvement of the network safety and reliability, as well as facilitating freight and passenger rail transport along Priority Project 6. The second project, which was also selected for funding under the 2011 TEN-T Annual Call and will also receive €5m in support, involves the construction of two tunnels on the same Turin-Milan-Verona-Padua high speed line just before the town of Brescia. The new tunnels will eliminate a bottleneck on the line and thus significantly improve the capacity and speed of East-West rail connections within Italy and the broader EU. The project is set to be concluded by December 2014.

REST OF THE WORLD

Audi plans 2016 start in Mexico

(Source: Automotive News Europe, 07th January 2013) Audi is firming up plans for its plant in San Jose Chiapa, Mexico. In the employee newspaper *Audimobil*, Mattias Rust, Project Manager for staff in Mexico, said construction will begin in 2014 and production will start in May 2016 with about 3,800 employees. Audi plans annual output of about 150,000 units of its Q5 crossover. Training of Mexican employees is scheduled to start this year at Audi's Ingolstadt and Neckarsulm plants in Germany. Some Audi employees from Germany will help with the launch in Mexico. The automaker is recruiting German workers for deployments ranging between four and 15 months, as well as for stays of up to five years.

GM merges Africa operations

(Source: Automotive Logistics News, 09th January 2013) General Motors has announced this week that it is combining its operations in Africa into a new business unit with immediate effect. GM Africa will now incorporate Sub-Saharan operations, including manufacturing in South Africa, with North Africa, including its production facilities in Egypt and Kenya. “Bringing our operations in Africa together will enable us to take advantage of synergies across the continent,” said Tim Lee, GM Vice-President, Global Manufacturing, and President, International Operations. “It will put GM in a strong position to expand in the part of the world that has tremendous long-term potential for vehicles sales growth.” The company does business in more than 50 markets on the continent and last year it sold around 180,500 vehicles there. Just under 70,000 vehicles were sold in South Africa and just under 10,000 in Sub-Saharan Africa markets. Chevrolet is the company’s main brand across Africa, including the Aveo small sedan, Cruze compact sedan and the Spark. The Chevrolet Utility remains number one in the sub-one tonne segment and it introduced the Trailblazer SUV last November. In addition it began assembly of the Chevrolet Move passenger van at its facility in the Egypt’s 6th of October City near Cairo last year. The move appears to further a regional consolidation that took place two years ago when GM North Africa was integrated with Egypt and took in activity across Libya, Algeria, Tunisia, Morocco, Western Sahara and Mauritania. Meanwhile, activity in Sub-Saharan Africa, which included all other countries on the continent, was integrated with GM South Africa. That re-structuring was in support of plans to grow vehicle exports, using South Africa as a base, in Sub-Saharan countries according to the company. However, a spokesperson for the company said it was too early to comment on how the latest move would impact on transport and logistics activity or further plans to grow vehicle exports.

PRESS RELEASES

Acumen achieves ISO9001 and ISO14001 across the group

(Source: Acumen Logistics Group, 03rd January 2013) Acumen Logistics Group has put quality and environmental practice at the heart of its operations to achieve ISO9001 and ISO14001 throughout the Group. The top accreditations for standards of excellence for environmental management and service, the ISO certifications will help support the company's growth strategy within all sectors of its business.

Acumen Distribution's Redditch depot is the last of the company's three divisions to achieve accreditation. The depot is the centre for the company's inbound and outbound supply chain, delivering seating systems to car manufacturers on a Just In Time basis. It joins Acumen Automobile Logistics and the company's Recycling Division in achieving ISO9001 and ISO14001 at the first attempt.

Undertaken with support from ACS Registrars of Sutton Coalfield, an initial review was carried out which assessed current practice against accreditation requirements. Relevant legislative and regulatory requirements were identified and compliance assessed. Operational procedures were then amended to incorporate the necessary controls for accreditation.

"Achieving ISO9001 and ISO14001 throughout the Group demonstrates our commitment to quality, the environment, supporting customers and meeting the strict demands of the industry", says Chris Doughty, Managing Director.