ECG News

ECG – The Association of European Vehicle Logistics

Issue 13.03, 14th – 18th January 2013

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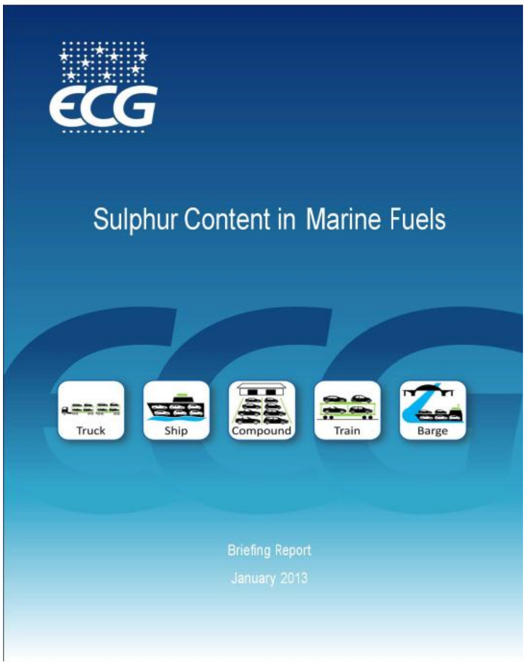
Following recent developments which include the implementation of a new Directive we have updated the ECG Briefing Report on the sulphur content for marine fuels. As ever you can download the latest version from the ECG website by clicking on the picture below.



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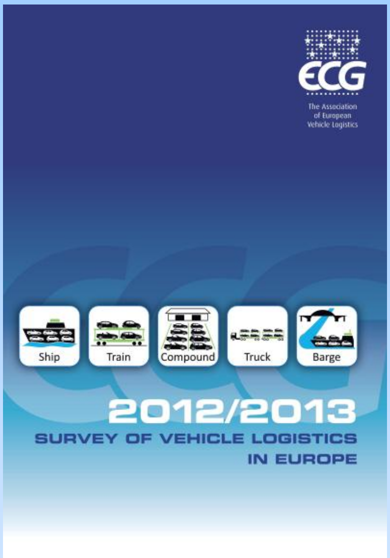

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To order a copy of the new ECG survey please click on the following link: http://www.ecgassociation.eu/PublicationsReports/ECGBiennialSurvey.aspx

NEWS FROM BRUSSELS

EC won't budge on sulphur limits

(Source: Automotive Logistics News, 16th January 2013) **The Association of European Vehicle Logistics** (**ECG**) was back at the European Commission (EC) on Monday 14th January to discuss the 0.1% limit on the sulphur content of bunker fuel that will be enforced in 2015 in the so-called sulphur 'emission control areas' *[SECAs]*, which include the Baltic and North seas, and the English Channel. A delegation met with Janez Potočnik, European Commissioner in charge of EU Environmental Policy, to discuss issues it said were vital to maritime logistics service providers. ECG reported that it once again stated its concerns that meeting the 0.1% sulphur limit poses enormous challenges for the shipping companies operating in the areas, including short sea ro-ro carriers. These challenges included the existing technical ones affecting the use of exhaust gas scrubbers, the "exorbitant" fuel costs and the risk of a transport mode shift from sea to land. Fuel costs could go up by between $350-$400 per tonne, ECG said in a statement. Negotiations between the European Parliament, European Council and European Commission in May last year confirmed that legislation will be brought in line with the sulphur limits agreed by the International Maritime Organisation (IMO) in 2008, which call for 0.5% limits by *[2020]* in European waters. The stricter 0.1% limits in the sulphur emission control areas will be imposed *[in 2015]*. Potočnik stuck to this position pointing out that the latest analysis showed that around 420,000 premature deaths were caused by air pollution in the EU in 2010. According to ECG, the commissioner said it was "unrealistic" to change the legislation now because the European industry has known about the limits since 2008. However, ECG said the outbound vehicle transport sector could still draw some consolation from the EC's Working Paper Pollutant Emission Reduction from Maritime Transport and the Sustainable Waterborne Transport Toolbox, which aims to address the environmental challenges the shipping sector is confronted with "in an integrated manner." ECG was hopeful that this would contain supporting measures and said it was "reassured that even though no delay or exemptions are likely, the EC will make all efforts to support and assist the maritime industry in achieving the 2015 targets." What it seems to be hoping for here is fiscal support following the adoption of the Multi-Annual Financial Framework that covers the EU budget for 2014 to 2020. According to the European Maritime Safety Agency (EMSA), which is a division of the EC acting as a secretariat for the port and ship-owner groups, the proposed actions outlined in the 'Toolbox' "shall be flexible and neutral, and minimise any possible unwanted effects" as part of the Clean Transport System Initiative. One of the key actions outlined is the setting up of a platform gathering the relevant stakeholders who will focus on looking at the concrete technical and operational obstacles to the use of LNG (Liquefied Natural Gas) as an alternative fuel. The use of LNG, however, would require investment in completely new vessels as current ships cannot be retrofitted to use the fuel. As speakers made clear at the RoRoEx conference in Gothenburg in May 2012, LNG technology is at a nascent stage and needs years of development, and a lot of investment. It may only ever be a niche product as it is costly to produce and store, and is not an answer for 2015 as far as ro-ro goes.

To read the ECG press release on its meeting with the Environment Commissioner, see the "Press Releases" section of this ECG News issue.

Deadline for EC public consultation on e-Freight postponed to 31st January 2013

(Source: ECG & DG MOVE, 15th January 2013) On 26th October 2012 the European Commission's DG MOVE launched a public consultation on the EU e-Freight Initiative, which aims to help improve the efficiency of freight transport. This Initiative should simplify the organisation and execution of freight transport in

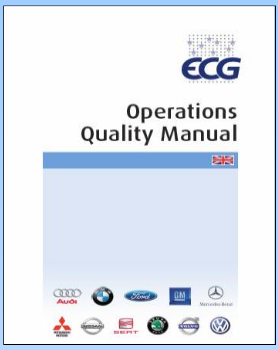
the European Union by supporting the achievement of the missing link between different information tools and the facilitation of seamless information flows and thus transport of goods across modes and countries. In order to ensure an efficient and sustainable multi-modal transport logistics chains, the EU wishes to tackle the challenge of horizontal integration, interoperability of information and information exchange across several transport modes. The e-Freight Initiative should support the development of an overall framework for information exchange between the different actors in the transport logistics chain in combination with the necessary standards, administrative, governance and legal provisions. The public consultation launched by the Commission aims at collecting views on the e-Freight Initiative in order to assess the possible actions that could help meet the above mentioned objectives. The original deadline to submit the consultation questionnaire was set for January 17th, 2013, before being recently postponed to Thursday 31st January 2013. **The new deadline allows ECG members who have not yet participated in this consultation to do so until the end of the month.** ECG would also like to thank its members who already sent a copy of their completed questionnaire to the association's secretariat. This will help ECG to draft a common position on this important matter.

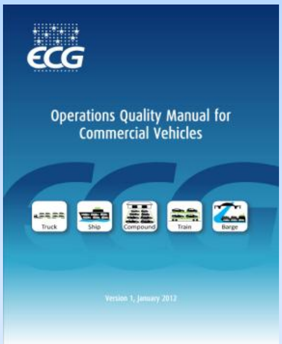
For more information as well as to access the questionnaire and the other consultation documents please see:
http://ec.europa.eu/transport/media/consultations/2013-01-17-efreight_en.htm

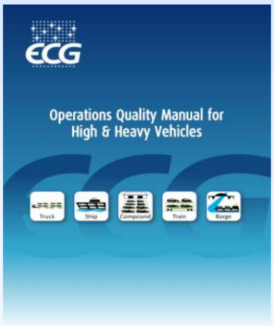
EU to revive debate on minimum energy tax levels

(Source: Euractiv.com, 15th January 2013) EU officials are to debate a new set of tax proposals to promote clean fuel and erode fiscal advantages that have made diesel relatively cheap. The Commission has long been seeking to change energy taxation, but some Member States have repeatedly thwarted progress and are likely to continue to do so. Taxation law in the European Union requires the unanimity of all 27 Member States, which is almost impossible to achieve. Luxembourg, for instance, has been generating revenue through particularly low taxes on diesel, meaning vehicles, notably lorries carrying freight, stop in the centrally located nation to refuel. Ahead of a working party meeting on Wednesday 23rd January that will bring together representatives of Member States, an internal European Presidency note dated 9th January on minimum rates for energy products revives the idea of taxing fuels according to CO_2 emissions and energy content. For now, fuel is taxed based on volume. While trying to lower carbon emissions, the European Commission has said it is "fuel-neutral" when it comes to setting minimum taxation levels. Because a litre of diesel contains more energy and more carbon than a litre of gasoline, the changes under discussion, if agreed, could mean minimum tax rates per litre of diesel would eventually be higher than for gasoline. Currently diesel is cheaper than petrol in nearly all EU states, with Britain a notable exception. While offering some exemptions, the new proposals would over time provide incentives for sustainable biofuels, as well as natural gas and liquefied petroleum gas. Diesel use is a major concern for the Commission because the EU's refineries cannot produce enough of it and the bloc often has to import diesel, while exporting surplus gasoline, sometimes at a loss. Diesel fumes have also been named as a cancer risk by the World Health Organisation. Last week, Environment Commissioner Janez Potočnik said it was crucial to reduce diesel emissions as part of efforts to improve air quality. He is pressing to improve the accuracy of vehicle testing because, especially for diesel vehicles, there are major discrepancies between emissions recorded in the laboratory and "real-world" emissions generated in day-to-day use. Algirdas Šemeta, European Commissioner in charge of Taxation Policy, has sought to fend off potential opposition to any tax changes from diesel-engine giants, such as Volkswagen, saying a slow phase-in would give plenty of time to adapt engine requirements. Environmental groups agree diesel needs to be taxed more. A group of non-governmental organisations in December wrote to EU Finance Ministers in a

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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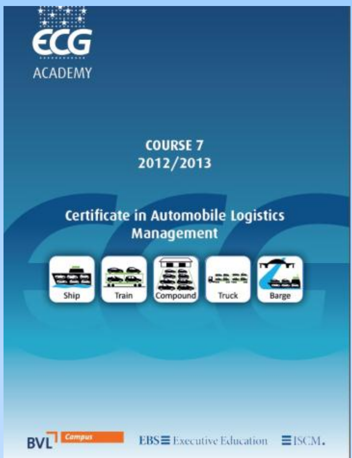
ECG Academy

Course 8 will commence in October 2013.



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letter calling on them "to support a significant increase in the minimum levels of taxation of diesel fuel for transport purposes." Luxembourg's diesel rates are good for generating revenue for it, but so-called "tank tourism" was negative for the nation's neighbours, said the letter, signed by more than 30 campaign groups.

Commission to propose rail unbundling plans

(Source: European Voice, 17th January 2013) The European Commission is to unveil plans for a further liberalisation of the European rail market. But it is likely to face serious resistance from a bloc of countries led by Germany, because it will propose mandatory separation of rail managers and track operators. The College of Commissioners is currently scheduled to adopt the proposal on Wednesday 23rd January. Germany is fiercely opposed to the unbundling requirements envisaged, because its national rail operator, Deutsche Bahn, owns the country's infrastructure manager. It can expect support from Austria, the Czech Republic, Luxembourg and the Netherlands. The position of France remains unclear. It announced in November that it intends to re-combine the national rail operator SNCF with the infrastructure manager RFF that it created as a separate entity in 1997. This suggested a possible alliance with Germany in resisting unbundling. But since then, France has adopted a more conciliatory approach, interpreting its planned re-combination as being in line with the Commission's upcoming proposal. Germany appeared to lose another potential ally, when Belgium announced on Wednesday 9th January it was to split its national rail operator from its infrastructure manager. Infrabel, which manages the tracks at present, will become a separate company from January 2014. Key industry groups such as the European Rail Freight Association, which favour unbundling, applauded the Belgian move. It is now unclear whether Germany will have a blocking minority to resist unbundling in the European Council. The approaches adopted by France, Italy and Poland are expected to be crucial in the voting mathematics. The proposal will also aim to strengthen the role of infrastructure managers – whether they result from new separations or already exist. Tasks such as track maintenance, investment planning and timetabling, which are now often performed by train operators, would in future be the responsibility of infrastructure managers. The Commission plans to establish and chair an EU-level infrastructure management network to co-ordinate national activities. Standardisation of certain activities would also result. A European Rail Agency would issue all train-carriage authorisations, in the form of vehicle passports valid throughout the EU, as well as EU-wide safety certificates for operators. Currently, rail authorisations and safety certificates have to be obtained from individual Member States, which can take up to two years in each country and cost as much as €6m. The Commission estimates that EU-wide standards and certificates would result in a 20% reduction in 'time to market' and a 20% reduction in cost, saving companies €500m over five years.

AUTOMOTIVE INDUSTRY

Renault aims to cut 7,500 posts in France by 2016

(Source: Automotive News Europe, 15th January 2013) Renault said it aims to cut 7,500 posts in France by 2016 to help its automotive operations in the country to reach break-even. The automaker hopes about three-quarters of the cuts will be achieved through normal staff turnover, a Renault spokeswoman said on Tuesday 15th January. Renault is not planning any plant closings in France, CEO Carlos Ghosn said at the Detroit auto show. He said he expects the European market will drop another 3% this year. Last year, the region's auto sales fell to a two-decade low. The measures are intended to reduce Renault's fixed costs by €396m, Dominique Chauvin, Head of the CFE-CGC union at Renault, said, citing a management briefing of labour leaders. The manufacturer's production in France last year fell 18% to 530,000 cars, Chauvin said. Renault is pushing its

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

workers in France to accept a new nationwide deal on pay and conditions to cut costs and align productivity with cheaper European sites such as its Palencia plant in Spain and Nissan's Sunderland factory in England. Renault, which had some 128,000 employees worldwide at the end of 2011, said it did not plan any compulsory or voluntary layoffs. It also repeated that if it reached a deal with workers, it would forgo any site closures in France. "It's a reasonable adjustment taking into account the massive overcapacity that the mass-market carmakers are facing in Europe," said Macquarie Securities analyst Jens Schattner. "It gives them annual cost savings without having to reduce aggressively – there will probably be only limited cash out for restructuring charges." Renault has forecast positive free cash flow for 2012. Its sales in the third quarter of last year fell 13% for a nine-month decline of 4.7% to €29.4bn. Gerard Leclercq, Chairman of Renault's France operations, said: "We have reaffirmed our desire to maintain Renault's corporate and core activities in France, whilst taking the necessary steps to lower the break-even point." The job cuts would rise to 8,200, or 15% of French staff, excluding new hires over the next four years, according to CGT union representative Fabien Gache. "This is a fresh bloodletting among staff which will weaken Renault further over the coming years," he said. Automakers are facing a sustained decline in the European car market as the Eurozone debt crisis and government austerity measures sap consumer demand. Car sales in France, Spain and Italy in 2012 fell to the lowest levels in years. French car registrations fell 15% last month, leaving the full-year down 14% to 1.9m vehicles – the lowest since 1997 – French industry group CCFA said. Renault group's French registrations plunged 27% in December. PSA Peugeot Citroën, Ford, and General Motors, are all trimming their European workforces and closing plants in response to plunging demand in the region. PSA is eliminating 11,200 French jobs, or 17% of its workforce, and closing a factory on the outskirts of Paris. GM is closing a plant in Bochum, Germany, threatening 3,100 positions, while Ford is shutting three European factories and cutting 5,700 posts in the region.

Honda to cut 800 UK jobs on falling European demand

(Source: Automotive News Europe, 11th January 2013) Honda plans to cut about 800 jobs at its plant in Swindon, southwest England, due to falling demand for its vehicles across Europe. It is the first time Honda has cut jobs in the UK since it began car production there in 1992. The cuts will not affect Honda's future car and engine production plans in Swindon, a Honda spokeswoman in the UK said. The automaker will start making the new Civic wagon and high-performance Civic Type R variant in the UK starting in 2014. The plant, which also produces the Civic hatchback, Jazz and CR-V, employs 3,500 people. The cuts, which will start in the second quarter of 2013, will "affect both office-based and production-based staff, but it is difficult to see where that split will be," the spokeswoman said. Despite the cuts, the automaker remains fully committed in the long term to its UK and European manufacturing operations, Honda Europe Executive Vice-President Ken Keir said in a statement, but added that market conditions in the region "require us to take difficult decisions." According to Honda, about 166,000 cars were built at the plant in 2012, well below the factory's maximum capacity of 250,000 and far from its 2008 production peak of 230,000 units. Swindon's 66% capacity utilisation rate is also below the 75% to 80% level industry experts say is needed for a factory to break-even. Mass-market carmakers in Europe are struggling with under-used capacity in the region, which is fuelling losses in Europe as demand drops for cars in major markets such as France, Italy and Germany. Honda's European sales fell 6% to 131,348 in the first 11 months of 2012, according to data from the industry organisation ACEA. Overall sales in the region were down 7% during the period.

Spain may extend subsidies for car buyers

(Source: Automotive News Europe, 16th January 2013) Spain's government is considering extending a car-buying subsidy programme introduced last year 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.
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 Infrastructure 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

stimulate a flagging market hit by recession and a September tax hike, Energy, Industry and Tourism Minister Jose Maria Soria said on Wednesday 16th January. "The plan we have in place now has been a success and the government is studying extending it. But first we will need to find the necessary resources for it," Soria said at a news conference in Madrid. Spain's new-car registrations fell 13% to 699,589 in 2012, where one in four of the workforce is jobless and consumer confidence has plummeted in the face of harsh austerity measures and economic uncertainty. The sales figure was the lowest since industry association Anfac began keeping records in 1989. The government's new-car subsidy scheme introduced on 1st October 2012 helped slow the slide in car sales after a hike in value-added tax on 1st September last year, however, new-car registrations in December dropped 23%, after a 20% fall in November. The total European market fell 16% in December 2012.

Fiat plans layoffs to ready Melfi plant for new models

(Source: Automotive News Europe, 15th January 2013) Fiat has asked the government to approve a special layoff scheme at its Melfi plant in central Italy for two years to restructure the factory before production of new models begins, the carmaker said on Tuesday 15th January. The scheme will kick off on 11th February 2013 and last until the end of 2014. It will allow the company to stop one line at a time out of two at the plant, Fiat said. Melfi, one of Fiat's most important facilities in Italy, currently manufactures the Punto subcompact. Back in December, Fiat said it will invest more than €1bn to produce a new Jeep, known internally as the B-SUV, and the new Fiat 500X, in Melfi starting in 2014. The move is key to the automaker's bid to boost capacity usage and end losses in Europe by focusing on high-margin cars. Fiat intends to introduce 19 Italy-produced models through 2016, including nine Alfa Romeo-badged vehicles and six Maserati. The carmaker plans to increase production of Fiat and Chrysler cars in Europe to 2m cars a year in 2016 from 1.25m this year. Fiat-Chrysler CEO Sergio Marchionne believes that by using Fiat's Italian factories to export cars around the world the automaker's European operations will return to an operating break-even by 2015-2016. Troubles in Europe led the manufacturer to cut its 2014 trading-profit goal by 31% to €5.2bn. Like other carmakers, Fiat, which controls US carmaker Chrysler, has been hard hit by Europe's debt crisis. Last year, car sales in Italy slumped to their lowest level since 1979. Government spending cuts and high unemployment have hit consumer budgets and sent demand for cars plunging in an industry that suffers from overcapacity.

JLR boosts global sales

(Source: Automotive Logistics News, 16th January 2013) Jaguar Land Rover (JLR) has revealed that its global sales were up 30% in 2012 compared to the previous year, reaching almost 358,000 vehicles. Sales gains across 177 markets were led by China, where there was an increase of 71% to almost 72,000 vehicles last year. China was followed by the UK up 19% to 68,333 and the US up 11% to 55,675. The Tata-owned carmaker now generates 85% of its revenue from exports, making it one of the country’s largest by value, equal to £8.2bn. Land Rover sold more vehicles than ever before, up 36%, helped by the popular Range Rover Evoque, which saw almost 108,600 vehicles sold in its first full year of sales, more than any other previous Land Rover model according to the carmaker. The company has also seen strong performances from its Land Rover Discovery 4/LR4 (up 3%) and Range Rover Sport (up 4%); first deliveries of the all-new Range Rover have also now commenced. Commenting on its 2012 results, Land Rover’s Global Brand Director, John Edwards, said the division had delivered “a powerful global performance” throughout the year and selling more vehicles than ever before in its 65 year history. Jaguar saw sales up 6% with XF sales up 13% globally and greater reach achieved through new XF and XJ model launches. “We now have a very strong desirable range of products, which are clearly capturing the public's imagination. We plan to continue growing in 2013

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with the stunning new F-Type," said Jaguar's Global Brand Director, Adrian Hallmark. The company has announced it will be adding 800 new jobs at its Solihull plant in the UK Midlands to support the introduction of new model programmes in 2013 and will invest £370m in the site that includes a new body shop and upgrades to warehousing and a customer handover centre. It will invest £2bn in products and facilities in the financial year to March 2013. The company also said that it was working on plans to extend its global production footprint, particularly in India and China. Tata already builds the Freelander 2 at its Chikli factory near Pune, India, from CKD kits shipped from the Halewood facility in the UK. Last November, JLR also signed a joint venture with Chery for production of vehicles at Changshu in China.

Marchionne to narrow Fiat European loss as market hits bottom

(Source: Automotive News Europe 14th January 2013) Fiat plans to narrow losses in Europe this year as sales may recover in the second half. "We are dragging the bottom, but it's the bottom" for industry sales in the region, Sergio Marchionne, Chief Executive Officer of both Fiat and Chrysler, said on Monday 15th January at the Detroit auto show. At the same time, "pricing is not great, and that continues to be the most troublesome part of the European market," Marchionne said. A revival in demand in the second six months of 2013 is "possible," he said. Marchionne is relying on Chrysler to sustain group earnings as he works to make Fiat's mass-market brands in Europe profitable before merging the two manufacturers. Fiat has forecast a €700m loss in 2012 in the region, where industry-wide sales are at almost a two-decade low, and the CEO has said Fiat will break-even there in 2015 at earliest. Mike Tyndall, a London-based analyst at Barclays, said: "The small-cars segment is going to be challenging, so life is going to remain tough for Fiat in 2013." It will be "a year of transition, and in theory a year of spending," for Fiat in Europe, he said. The European car market is set to contract for a sixth consecutive year in 2013 after reaching the lowest delivery figure since 1995 last year, according to trade-group estimates. Marchionne said volume auto producers probably lost €5bn in Europe in 2012 and companies need to find a "solution" to restore earnings in the region. Marchionne said Fiat may look for another partner in Asia and he does not plan any combination in Europe, including with General Motors' Opel division. The CEO said in October 2012 that he had not spoken to GM about Opel since his unsuccessful attempt to buy Opel in 2009. The possibility of a deal with Opel is "very, very limited, and I wouldn't count on it," Marchionne said. "Meanwhile, there are possibilities for finding new alliances in Asia." Marchionne reiterated that Fiat and Chrysler should combine into one company, in response to a question about buying the remaining 41.5% stake in the US carmaker owned by the United Auto Workers Retiree Medical Benefits Trust, a health-insurance fund for former employees. Fiat may seek to buy the trust's holding before the fund stages an initial public offering in Chrysler using some of its stock, as the Italian company has no interest in "diluting" control, Marchionne said. Chrysler is complying with the trust's demand to begin registration of the holdings before a possible IPO, he said. The fourth quarter is the earliest that a share sale could occur, he said. "I understand their objective," Marchionne said. "They need to see the position monetised. If they want to do it through an IPO, we'll do an IPO." At the same time, the trust "is not a long-term shareholder," he said. "They want cash." Fiat would have enough resources to finance a purchase of the trust's stake, and no other funds would have to be raised, Marchionne said. An IPO that Fiat is considering for its Magneti Marelli components unit would be used to reduce debt rather than financing a Chrysler transaction, he said.

General Motors defends Opel plan based on new models and steady cuts

(Source: Automotive News Europe, 16th January 2013) General Motors has vowed to stick with a gradual approach to Opel restructuring despite mounting scepticism about its chances and signs of French pressure for a more transformative tie-up with PSA Peugeot Citroën. A day after GM was forced to deny reports it was preparing to offload its European unit to PSA, the US automaker sought to change the subject by wheeling out more vehicles at the Detroit auto show. "Getting the story off the front page is incredibly important," said Tim Lee, GM's International Operations Chief and an Opel Board Member. "It's all about the cars." Unlike US rival Ford, which is closing three plants to halt European losses, GM says immediate headline-grabbing closures are not going to fix its problems in the region. It has pledged to break-even in Europe around 2015 and shutter a German factory two years later. But doubts remain over whether the plans – that include 23 new models over five years – are enough to defend Opel's current market share and reverse losses expected to reach at least $1.5bn for 2012. "The stable share is way too bullish," said Morgan Stanley analyst Adam Jonas, who last year suggested GM sell Opel and does not see the unit meeting its break-even goal. "The revenue assumptions behind that don't allow for enough further degradation" in the market or Opel's business, he added. "Everyone's doing new product." As GM presented its Cadillac ELR plug-in hybrid on Tuesday 15th January, CEO Dan Akerson met with his PSA counterpart Philippe Varin in Detroit. Officials with both automakers declined to give details of their conversation. But both companies dismissed press speculation that a PSA takeover of Opel was under discussion with the French government's blessing. "Opel is not for sale," Akerson said at the Detroit auto show on Monday 14th January. "It's not to be given away either." GM and PSA already plan joint development of three vehicle families and small gasoline engines under agreements outlined in December 2012, 10 months into their alliance. Persistent reports of deeper tie-up talks may reflect French government enthusiasm for a combination seen offering PSA some relief from its own darkening outlook, according to people with knowledge of GM-PSA alliance discussions. French Finance Minister Pierre Moscovici refused to confirm or deny a newspaper report that talks were underway on a deal that would see GM transfer Opel to PSA along with several billion euros. GM took a 7% PSA stake last year as Europe's second-biggest automaker burned through about €200m a month. GM is also struggling in the depressed and highly competitive European market. Mary Barra, GM Global Product Development Chief, defended the company's Opel turnaround plans and European market assumptions. "We've got to be prepared for a length that no one knows," she said of the region's downturn. "We're taking that very much into consideration." The Opel recovery plan combines ambitious model rollouts with a "series of incremental things" to cut costs over time, subject to negotiations with Germany's IG Metall union, GM's Lee said. Significant gains will come from new models like the Adam minicar and Mokka SUV lifting revenue growth, he said. "We need to get the product and business message above the din of labour relations." Some analysts believe the Opel strategy can deliver a 2015 break-even if handled right. "If they're able to launch great product, take some risks and leverage the PSA alliance, they should be able to get that quality image up," said Citi's Itay Michaeli. And according to a New York-based investment banker, who asked not to be identified, pleasing GM shareholders may not be as hard as all that. "Expectations are so low, anything they do now is upside," he said.

EUROPE

PSA completes GEFCO sale to RZD

(Source: Automotive Logistics News, 16th January 2013) PSA Peugeot Citroën has completed the sale of shares representing 75% of the capital and voting rights of its former logistics subsidiary **GEFCO** to Russian Railways (RZD). The completion of the deal is in accordance with the agreement signed between the two companies last November. The French carmaker sold the 75% interest to RZD for €800m after GEFCO paid it a €100m special dividend. PSA retains the remaining 25% stake in GEFCO. The Russian rail giant, meanwhile, intends to retain the management of GEFCO and all of its existing business units, including those engaged in providing services to PSA. With RZD, GEFCO intends to further its geographic expansion strategy in China, India and Latin America, as well as accelerate growth in Eastern and Central Europe, particularly in Russia. In November last year RZD said GEFCO would play an integral part in a new rail freight corridor linking Europe with Asia via a new common rail enterprise being planned between Russia, Belarus and Kazakhstan. Russian Railways has been investing in making the route a competitive alternative to ocean routes and said the next logical step would be the development of the sales network for transcontinental transport services via an international logistics company. The beginning of 2013 also sees GEFCO take over as the exclusive fourth-party logistics provider for General Motors in Europe and Russia. GEFCO's contract with GM is expected to boost revenue by 20% but will depend on its ability to find efficiencies with PSA and other customers. RZD has recently announced that several of its Senior Executives have joined the Supervisory Board of GEFCO, including Vladimir Yakunin, President of Russian Railways, who was elected Chairman of the Board at the end of December 2012. Also joining the Board from RZD are Vadim Mikhailov, Senior Vice-President, Alexei Kamenobrodsky, Head of the Business Project Management Centre at Russian Railways, Pavel Ilyich, Deputy Head of

Corporate Finance, Janar Rymzhanova, Adviser to Yakunin, and Pyotr Baskakov, Managing Director of JSC TransContainer. Henri Kuitunen, CEO of SteveCo, and Paul Boston, Managing Director at the bank J.P. Morgan, are joining the Board as independent directors. GEFCO's Supervisory Board has 12 members, including four from PSA Peugeot Citroën.

DB Schenker Logistics: a "SuperGreen" partner

(Source: Multimodal.org.uk, 11th January 2013) Companies and institutions involved in the EU's SuperGreen project have showcased their results at the final plenary workshop in Gothenburg, Sweden. **DB Schenker** is a partner of the project, which seeks to make European freight logistics more environmentally friendly. As part of the project, which began in 2009, 22 partners selected nine strategic transportation routes in Europe to analyse their infrastructure, identify bottlenecks and research planned information and communication technology and multimodal transportation options. Indicators were developed to show the effects of the infrastructure elements and make it possible to compare the routes in terms of emissions (greenhouse gases and pollutants), cost, delivery times and flexibility. Additional research questions will help generate ideas for how routes can be used more sustainably for inner- and trans-European traffic. As a SuperGreen partner, DB Schenker Logistics was involved in a variety of sub-projects, where it drew on its experience from its own innovations, including the Trans-Eurasia rail route, the DB Schenker Smartbox to make container shipping more secure, and the EcotransIT World emissions calculator.

For more information about the SuperGreen project please see:
http://www.supergreenproject.eu/

Finnlines launches new services

(Source: Worldcargonews.com, 15th January 2013) The ro-ro operator has launched a Helsinki-Rostock direct service and a new Rostock-Zeebrugge-Bilbao service. **Finnlines** opened a new service between Rostock, Gdynia and Helsinki at the end of 2009. "After three years of indirect services this line between Helsinki and Rostock will be operated as a direct traffic in both directions and the schedule is ideally integrated into the European railway network in combination with the passenger segment for the Rostock and Berlin hinterland," said Finnlines' President and CEO Uwe Bakosch. The Hansa-class ro-pax *Transeuropa* will provide two weekly round trips. In addition a weekly ro-ro freight only service is being introduced on the Rostock-Zeebrugge-Bilbao route, to offer a safer, economical and more environmentally friendly alternative to the land route connection between Germany, Benelux and northern Spain.

ACEA Commercial Vehicle Board elects Andreas Renschler as Chairman

(Source: Automotive Supply Chain, 17th January 2013) The annual European Automobile Manufacturers' Association [*(ACEA) Commercial Vehicle Board of Directors*] Chairman for 2013 comes from the Board of Management of Daimler AG and Head of the Daimler Trucks Division, and replaces Harrie Schippers, President of DAF. After completing his training as a banker, Renschler studied business engineering from 1979 to 1984 at the Technical College in Esslingen and joined the automotive industry at Daimler-Benz AG in 1988 to move swiftly through the company to be made a member of the Daimler AG Board of Management in 2004. "Against this backdrop it is imperative that we have an industrial policy and regulatory framework that enable us to remain competitive," said Renschler. "In these challenging times, policy makers must be wary of the real risks of placing an undue burden on our industry though costly and often inconsistent legislative measures." In 1993 he managed the All Activity Vehicle (AAV) project, with the aim of developing an all-new luxury SUV and to select and build a corresponding production facility in the US – which became the Mercedes-Benz M-Class; he went on to become Executive Vice-President of the Mercedes Car Group and Head of Business of the Unit Smart GmbH from 1999 until 2004. The demand for commercial vehicles has recovered slower than that of passenger vehicles and is closer linked to the strength of the economy, and so this sector continues to be particularly badly hit by the recession. Renschler stated that they will continue to push for smarter, more co-ordinated and 'competitiveness-proofed' regulation for the automotive sector. Sales were down 11.4% on the previous year over the first 11 months of 2012, and the situation is not expected to pick up in 2013.

Denmark plans more road charges for truckers

(Source: LloydsLoadingList.com, 14th January 2013) Municipal councils in Denmark have joined haulage firms in criticising a new government revenue-generating levy that would establish road-user "truck fee" zones across the country. The proposed system, being developed by the Department of Finance (DoF) and the Ministry of Taxation (MoT), is intended to become operational in 2015 and raise Dkr 2.8bn (€375m) annually. The government has also commissioned research to identify a GPS-tracking solution to support the project. Based on latest information from the transport department, the levy will impose a charge of Dkr1.50 (€0.20) per km travelled by registered trucks. Haulage companies claim the levy will place a further drain on their profits, while municipalities fear that rising road usage costs may result in a greater shift of goods to freight trains and ships, thus eroding the revenue streams councils generate

from own county road user tolls and taxes. Some 10 Jutland-based municipalities are seeking an urgent meeting with tax Minister Holger Nielsen to discuss the levy proposal which will cover 70% of all Danish primary and secondary roads. The Mayor of one such municipality, Skive, Flemming Schmidt Eskildsen said: “We do not oppose a road pricing system for trucks completely. What we are saying is that there must be dialogue between the government, the trucking companies and the municipalities for what is effectively a GPS-based toll system, if it is to work properly and fairly.” Other groups, including the Danish Transport and Logistics Association, have also requested meetings with the finance and tax ministries, arguing that revenue raised by the proposed levy will be up to seven times higher than the present road tax for trucks and that it would be largely used to subsidise public transport. Henning Lauritzen, CEO of Aalestrup-based haulage firm HTL Transport, said: “The effect of this levy goes beyond just hurting Danish hauliers, it will further exacerbate the negative financial spiral that the trucking industry has found itself in after nearly four years of economic crisis. This levy will hurt all hauliers, many of which are already struggling with costs.”

New fuels for the maritime sector in Sweden a reality thanks to EU support

(Source: TEN-T EA, 11th January 2013) The European Union will co-finance with over €250,000 from the TEN-T Programme a project to convert an existing vessel into a Liquefied Natural Gas (LNG) bunkering ship so that it may be used to refuel other ships. The project, which takes place in the Port of Stockholm and contributes to the realisation of the Motorways of the Sea (TEN-T Priority Project 21), aims to demonstrate the feasibility of using alternative fuels in shipping. The project, which was selected for funding under the 2011 TEN-T Annual Call, involves converting the existing *Fjalir* vessel into an LNG bunkering ship. It will be used for providing LNG fuel to a new *M/S Viking Grace* ferry in the Port of Stockholm and later also to other ships. This bunkering vessel will be a flexible alternative to other state of the art technologies as well as larger scale, land- based fuelling infrastructure. LNG is rapidly emerging as a more environmentally friendly fuel for the maritime sector and its uptake is encouraged by the European Union. The bunkering vessel will be tested with 1,000t of LNG, corresponding to a reduction of 300t of CO_2 and 10t of SO_2 in terms of equivalent emissions from traditional shipping fuels. The test results will be measured in close collaboration with the Swedish Transport Agency and the County Administrative Board, whom is the main authority in charge of environmental permits. The results will enable the potential of such a bunkering vessel to be evaluated as well as the need for future permits to be defined with regards to an increasing use of LNG as a fuel in the shipping industry. The project is set to be completed by December 2013.

EBRD supports development of port infrastructure in Moldova

(Source: Transportintelligence.com, 14th January 2013) The European Bank for Reconstruction and Development (EBRD) is lending $12m to Danube Logistics, the owner and operator of the Giurgiulesti International Free Port, to finance the construction of a mixed gauge rail terminal in Moldova. The Giurgiulesti International Free Port is a key regional link to international railways and roads, located at the confluence of the rivers Danube and Prut in the south of Moldova, between Romania and Ukraine. The Free Port has the status of a Free Economic Zone (FEZ) and is a multi-purpose logistics hub that includes an oil terminal, container and general cargo terminals, and grain and vegetable oil terminals. The funds will be used to improve the overall standard of the port infrastructure as well as complete the railway link to the terminals that handle containers, general cargo and dry goods shipped in bulk such as grain and coal. As a result, trans-shipments onto and from railway wagons will no longer require internal transfer by truck and will avoid multiple lifts by cranes, making port operations much more cost and time efficient for Moldovan businesses. "Rehabilitation of the infrastructure in Moldova is an investment priority for the Bank. This project will help implement a major programme to support the ever increasing potential and demand for river and maritime trans-shipment services. The port already plays a big role in offering a tri-modal transport infrastructure, a low cost environment and a unique customs and tax regime due to its FEZ status," said Sue Barrett, EBRD Director for Transport.

REST OF THE WORLD

CDN rolls out visibility tools for vehicle delivery

(Source: Automotive Logistics News, 16th January 2013) Following the completion of trials with two leading North American carmakers and more than 30 vehicle carriers during 2012, software solutions provider, Car Delivery Network (CDN), has announced the release of two new tools designed to manage the delivery of vehicles more efficiently. The first, called ‘vinDELIVER’, which included trials with Chrysler, enables drivers to collect electronic Proof of Delivery (ePOD) information at the point of service delivery. Currently most data on vehicle deliveries in the automotive industry is not captured electronically. CDN’s Managing Director, Wayne Pollock, said that while a small number of tier one carriers have invested in technology for ePOD data capture, OEM carriers are more commonly investing in On-Board Electronic Reporting (EOBR) systems. These provide the carrier with good operational information but fall short when

it comes to capturing the status information that the shippers need, such as damage codes, photographs and signatures. CDN said this “status and state information” was exactly what Chrysler was looking for in its search to reduce damage and record deliveries in a timely and information-rich fashion. Chrysler, in conjunction with existing carriers and dealers, trialled vinDELIVER in late 2012 and is now looking to include ePOD into their vehicle delivery requirements, according to CDN. The second tool released by CDN, ‘vinDEMAND’, is described as the finished vehicle sector’s first networked load-board, allowing shippers to find carrier capacity while simultaneously allowing carriers to see shipper demand according to the company. It provides a simple way for shippers and brokers to control the communication of their vehicle delivery demand to the network of approved carriers. “Carriers gain real-time visibility of shipper demand and can match their spare capacity,” explained Pollock. “This is the reverse of shippers chasing capacity and allows shipper and carrier to communicate in real-time.” For the vinDEMAND trial, the OEM involved was looking for a more effective way to communicate delivery requirements with their approved carriers according to Pollock. “The vinDEMAND trial started back in October and is on-going with approximately 30 plus existing approved carriers taking part,” he said. Carriers were able to participate without any cost or systems integration requirements. “The last year has been a process of challenging how the industry does things and listening to our customers to build cloud services that solve age old industry problems,” said CDN’s President and CEO, Greg May. “We are very excited and proud of the two new tools for 2013 and look forward to sharing these with the industry,” he added.

Nissan moves Murano build to Mississippi

(Source: Automotive Logistics News, 16th January 2013) Nissan has confirmed that it will be moving production of its Murano crossover model from its Kyushu plant in Japan to the US, with the next generation of the vehicle to be produced at its Canton plant in Mississippi from 2014. The announcement has been made as the Canton plant celebrates the beginning of its tenth year of assembly. The move will mean a reduction in shipments of around 50,000 units. Nissan sold 51,675 Murano in North America in 2012 (down 3.6% on 2011). The Japanese carmaker had played down reports in the Japanese business press last September that it was planning to shift production from Japan as “purely speculative.” Initial reports identified the carmaker’s Smyrna plant in Tennessee but in a statement issued last week, Nissan identified its Canton assembly plant as the location. The Murano will be the eighth model assembled there, joining others including the Altima, Armada and Xterra SUVs, and the Titan and Frontier pickups. Nissan would not comment on what the addition of an eighth model would mean for the inbound supply chain and the logistics required to support the increasing production complexity at Canton. “With the addition of this new model in Canton, Nissan is well on its way toward meeting our goal to manufacture 85% of the vehicles we sell in the US right here in North America," said Bill Krueger, Vice-Chairman of Nissan Americas. Nissan is planning to cut exports from Japan by a third and has already announced that Rogue production is being moved to the Smyrna plant in 2014, which will reduce shipments of 100,000 vehicles per year. North America is by far Nissan’s biggest export market for vehicles. Total Nissan division sales in North America in 2012 hit around 1.02m, of which imports to the region accounted for 274,669.

PRESS RELEASES

ECG delegation holds promising talks with EC Commissioner for Environment

(Source: ECG, 15th January 2013) An ECG delegation met on Monday 14th January with the European Commissioner in charge of EU environmental policy, Janez Potočnik, and his Cabinet to discuss issues vital to maritime logistics services providers.

As of 2015, the 0.1% sulphur limit is due to come into effect in the Sulphur Emission Control Areas (SECAs) comprising the Baltic Sea, North Sea and the English Channel. Meeting this limit poses enormous challenges for the shipping companies operating in these areas but the reality is that Europe’s new legislation is just a transposition of what Member States previously agreed within the International Maritime Organisation (IMO).

Commissioner Potočnik stood firm on his position as an environmentalist, pointing at the latest analysis which estimates 420,000 premature deaths were caused by air pollution in the EU in 2010. He stated clearly that it is unrealistic to alter the sulphur legislation since these new limits have been known to the industry as early as 2008. Nevertheless, the Cabinet remained open to the views of the ECG members when they presented their case on the current technical issues with abatement equipment (namely exhaust gas ‘scrubbers’), exorbitant fuel costs and the clear risk of modal shift from sea to land.

The outbound logistics sector can look to Brussels with some hope. After the adoption of the Multi-Annual Financial Framework (covering the EU budget for 2014-2020), the Sustainable Waterborne Transport ‘Toolbox’ will hopefully contain supporting measures. ECG has been reassured that even though no delay or exemptions are likely, the European Commission will make all efforts to support and assist the maritime industry in achieving the 2015 targets.

The Commissioner was very clear in his aim to grant fair conditions and predictability to the sector. Hence, the studies and the on-going public consultation pertaining to the Air Quality Review – all results will be made public during 2013 – “the Year of the Air”.

The high-level meeting concluded with the ECG President thanking the Commissioner and his Cabinet for the exchange of views on these critical issues. It was agreed to continue the dialogue on ways to develop and operate an efficient, clean and competitive maritime transport system.

ECG’s delegation to the meeting comprised representatives of three shipping lines headed by ECG President, Costantino Baldissara of **Grimaldi** with Per Marzelius from **DFDS** and James Dempster of **EML** as well as ECG’s Mike Sturgeon and Gabriela Caraman.

The Grimaldi Group laid the foundation stone for the new terminal in the Port of Barcelona

(Source: Grimaldi Group, 15th January 2013) On Monday 14th January, the ceremony for the laying of the foundation stone of the new **Grimaldi Group** terminal was held at the Muelle Costa in the **Port of Barcelona**. Thanks to this investment, the Italian shipping group consolidates its strong commitment in making Barcelona the epicentre of its short sea services in the Western Mediterranean.

The ceremony was attended by various authorities including Santi Vila, Director for Territory and Sustainability of the Generalitat de Catalunya, Guido Grimaldi, Corporate Commercial Truck & Trailer Director of the Grimaldi Group, as well as Mario Massarotti, Managing Director of Grimaldi Logistica Espaňa.

The Grimaldi Group has been awarded a concession of 15 years renewable for another 7 by the Barcelona Port Authority for the management of the new terminal at Muelle Costa. Guido Grimaldi said that this investment "demonstrates the aim of the Group to offer high quality services according to the needs of our customers. Our goal is to further enhance our wide network of motorways of the sea, strengthening the role of Barcelona as a strategic port for freight and passengers services offered by the Grimaldi Group."

The new terminal, called Grimaldi Terminal Barcelona, will have a total area of 63,000m² and will be fully equipped for the handling of freight and passengers. Storage facilities will be foreseen for freight, particularly for cars, vans, trucks and other rolling equipment. A three-level building with a total surface of 3,750m² will be dedicated to offices, a shopping area, a restaurant and a conference room. The passenger terminal will be able to handle 1,800 passengers boarding and 1,800 disembarking at the same time, also thanks to a footbridge with three fingers for the access of passengers from the terminal directly into the ships.

The new terminal will accommodate the passenger and freight transport services offered by the Grimaldi Group as well as those offered by others maritime operators. The Grimaldi Group currently connects daily Barcelona with Civitavecchia (Rome) with the deployment of the two cruise ferries Cruise Roma and Cruise Barcelona (an extra daily call at Porto Torres, Sardinia, is offered during the summer period). The Group also offers a weekly service for passengers and freight to the ports of Livorno and Tangier and a three-times-a-week service to Livorno and Savona for freight only.