ECG News

ECG – The Association of European Vehicle Logistics

Issue 13.04, 21st – 25th January 2013

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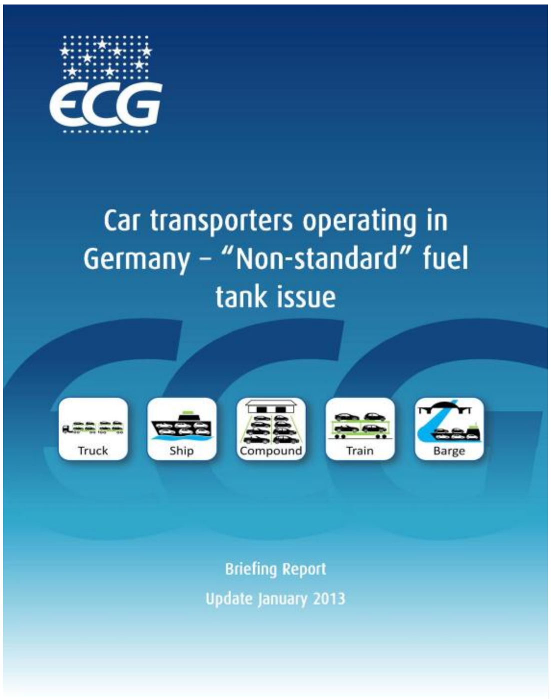
We have updated the ECG Briefing Report on the "non-standard" fuel tank issue faced by car transporters operating in Germany. As ever you can download the latest version from the ECG website by clicking on the picture below.



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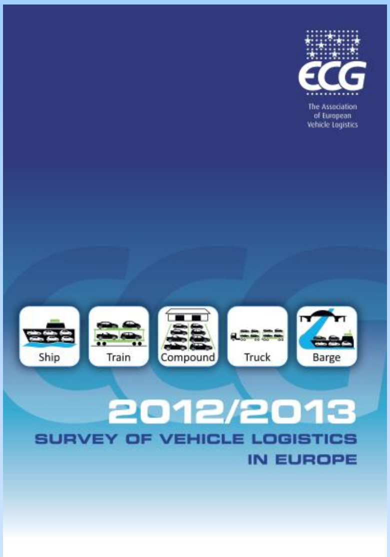

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NEWS FROM BRUSSELS

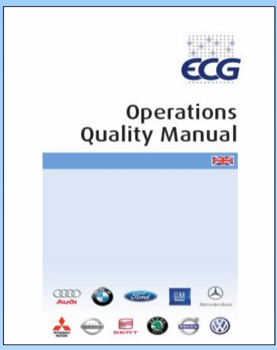
EU Ports Policy Review: No convincing case for new legislation

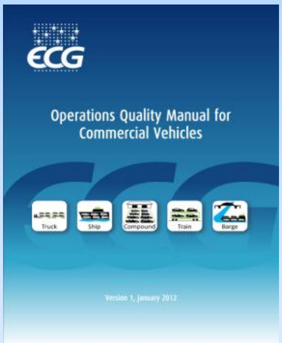
(Source: ESPO - European Sea Ports Organisation, 18th January 2013) The European Commission held on Friday 18th January a public hearing for port stakeholder organisations and Member States experts, which formally closes the review process on EU Ports Policy that Commissioner Kallas initiated in autumn 2011. "The review was a good idea since the current EU framework for ports already dates from 2007," said ESPO Secretary General Patrick Verhoeven. "We nevertheless think that this framework, which is based on non-legislative measures and instruments, still forms a good basis for action." "The Commission however seems to imply that the 2007 approach did not work," added Patrick Verhoeven; "We would rather argue that it has not been given a proper chance. The failure to produce State aid guidelines for ports is but one example. Despite a unanimous demand from the sector and a formal promise from the Commission, these guidelines have not materialised yet." ESPO generally believes that the Commission has not made a convincing case why new legislation on ports would be necessary. The initial results of the stakeholder surveys that were held as part of the consultation process point on the contrary at a high degree of satisfaction with the performance of European ports. "We in any case fail to understand why issues like separation of statutory and commercial activities of port authorities, calculation of port dues and co-ordination of public investments are highlighted as major regulatory challenges," concluded Patrick Verhoeven, "We invite the Commission to remain proportional. Enhanced legal certainty through guidance, combined with case-led action where manifest problems exist, can significantly help us forward. In addition, the Commission should stimulate industry best practice and self-regulation." The review process is expected to lead to a new ports policy communication of the Commission, which may be accompanied by a legislative proposal. This should become clear by summer this year.

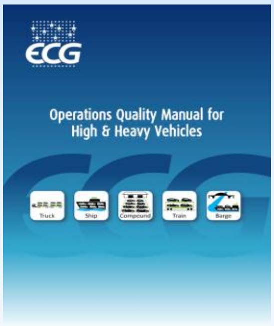
ESPO concerned about obligation to equip core ports with LNG facilities

(Source: ESPO, 24th January 2013) The Commission launched on Thursday 24th January the so-called "Clean Fuel for Transport Package". This consists of a Communication on a European alternative fuels strategy and a proposed Directive on the deployment of alternative fuels infrastructure. An accompanying document describes the action plan for the development of LNG in shipping. The package addresses all transport modes and its overall aim is to diminish Europe's dependency on oil for its mobility and transport. For maritime transport, the legislative package focuses on the development of Liquefied Natural Gas (LNG) infrastructure and the promotion of shore side electricity for vessels at berth. Within the proposed Directive, the Commission introduces an obligation for TEN-T core seaports to be equipped by 2020 with publicly accessible LNG refuelling points for both maritime and inland waterway transport. A similar obligation is introduced for core inland ports by 2025. In addition, the Commission introduces a more generic requirement for ports to be equipped with shore side electricity installations for waterborne vessels, provided this would be cost-effective and effectively lead to environmental benefits. ESPO supports the development of LNG as a viable and green alternative fuel for ships and acknowledges that shore side electricity for vessels at berth is one of the potential solutions to address local air quality challenges in ports. ESPO therefore welcomes the fact that funding would be made available through the TEN-T calls for the further development of such projects. ESPO however doubts whether imposing LNG refuelling infrastructure in all TEN-T core ports would be appropriate, since there may not be a market for it in all of those ports, whereas there could be a market in other, non-core ports. "We believe that LNG refuelling points should be developed

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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in those ports where this actually makes sense," said ESPO Secretary General Patrick Verhoeven; "We are concerned that imposing the development of EU co-funded LNG infrastructure in all core ports may in certain cases lead to the development of largely unused or underused facilities." In addition, ESPO considers that alternative solutions to the development of LNG and shore side electricity are and will become increasingly available in the near future. While fully supporting the aim of improving the environmental performance of maritime transport, ESPO believes that there are not "silver bullet" type of solutions and that, therefore, a closer examination of the actual needs of individual ports is necessary.

ECG Note: *To read the official press release published by the European Commission on the Clean Fuel for Transport Package, see the "Press Releases" section of this ECG News issue.*

TEN-T Calls: Deadline extended, more funding available for TEN-T projects

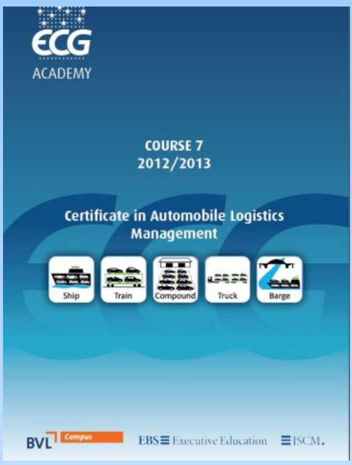
(Source: TEN-T EA, 23rd January 2013) Organisations wishing to take advantage of Trans-European Transport Network (TEN-T) funding now have some extra time – and extra budget – to do so. Thanks to more money becoming available under the 2013 TEN-T Work Programme, an additional €332m has been added to the 2012 TEN-T Multi-Annual Programme, under the area of TEN-T Priority Projects. The deadline for proposal submissions has now been extended to 26th March 2013 for all six fields of the Multi-Annual Work Programme. The deadline for proposal submissions for the 2012 TEN-T Annual Programme still remains the same: 28th February 2013. The Calls were launched on 28th November 2012. The 2012 Multi-Annual Call focuses on six fields with now €1.347bn of total indicative budget available:
- The 30 TEN-T Priority Projects have now an indicative budget of €1.057bn (increased from €725m)
- European Rail Traffic Management Systems (ERTMS), enabling inter-operability on the European rail network: indicative budget €100m
- River Information Services (RIS), involving traffic management infrastructure on the inland waterway network: indicative budget €10m
- Air Traffic Management (ATM), implementing the Single European Sky and ATM modernisation objectives: indicative budget €50m
- Motorways of the Sea (MoS) providing viable alternatives for congested roads by shifting freight to sea routes: indicative budget €80m
- Intelligent Transport Systems (ITS), including the European Electronic Toll Service (EETS), promoting inter-modality and improvement of the safety and reliability of the network: indicative budget €50m

The Annual Programme complements the Multi-Annual Programme and directs funding to four distinct priorities with a total indicative budget of €250m and a deadline that remains on 28th February 2013:
- Acceleration and facilitation of the implementation of TEN-T projects (studies and works for mature projects for all modes, as part of the projects of common interest): indicative budget €150m
- Measures to promote innovation and new technologies for transport infrastructure and facilities contributing to decarbonisation or the reduction of external costs in general: indicative budget €40m
- Support to Public-Private Partnerships (PPPs) and innovative financial instruments: indicative budget €25m
- Support to the long term implementation of the TEN-T, in particular corridors: indicative budget €35m

The TEN-T Executive Agency (TEN-T EA) manages the technical and financial implementation of the TEN-T Programme, under the auspices of Directorate-General for Mobility and Transport (DG MOVE).

ECG Academy

Course 8 will commence in October 2013.



This practice oriented course takes place over **five modules**, 19 days of intensive training. The modules are held at different locations in Europe to give the participants insights into practical realities of the different elements that make up vehicle logistics.
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ECG Note: *The Executive Agency is organising a Project Management Workshop in Brussels on Thursday 21st February 2013 to discuss with its beneficiaries issues relating to the financial and operational implementation of the TEN-T projects. To know more about this event, as well as to access the agenda and the registration process, please click on the following link:* *http://tentea.ec.europa.eu/en/news__events/events/2013_project_management_workshop.htm*

European Commission declares 2013 the Year of Air

(Source: EUbusiness.com, 17th January 2013) The European Union has been tackling air pollution since the 1970s. Steps like controlling emissions of harmful substances into the atmosphere and improving fuel quality have contributed to progress in this area, but the problem still remains. This is mainly as a result of human activities: the burning of fossil fuels and the dramatic rise in traffic on the roads, for instance. As a consequence, air pollution is cited as the main cause of lung conditions such as asthma (there are twice as many sufferers today compared to 30 years ago), and as the cause of over 350,000 premature deaths in the EU every year. Now, the European Commission is adopting a new strategy and has declared 2013 as the Year of Air, with new proposals on improving air quality across Europe. The plan is to highlight the importance of clean air for all and to focus on actions to improve air quality across the EU. The European Commission has already formed a collaboration with the World Health Organisation (WHO) Regional Office for Europe. They will review the latest health science on major air pollutants such as particulate matter, ground-level ozone, and nitrogen dioxide. Their findings will be presented at an event this month titled "Understanding the health effects of air pollution: recent advances to inform EU policies." Participants will present the latest findings on the health effects of air pollution and the latest evidence for adverse respiratory and cardiovascular health effects, and identify specific sizes, sources or constituents of particulate matter (such as traffic, black carbon, fine and ultra-fine particles, and diesel exhaust) associated with adverse health effects. The event will also summarise how science has advanced our understanding of the issue, as well as spotlight the uncertainties, and identify key areas for further research. The European Commission is also asking EU citizens what they would do to improve air quality in Europe. This new idea encourages suggestions for an improved policy on air quality. In order to gather views, opinions and ideas, the European Commission will be holding a public consultation until Monday 4th March 2013. People can share their views on ways to ensure full implementation of the existing framework, to improve it, and to complement it with supporting actions. The results of the consultation will feed into a comprehensive review of Europe's air policies due in 2013. The public consultation has been open for four weeks, and 25,000 European citizens in 27 Member States have already voiced their opinions. The Commission will shortly issue the results of in-depth analysis and extensive consultation with a new proposal on the future of EU air policy for 2013.

EU moves to end state rail monopolies

(Source: EUbusiness.com 10th January 2013) In proposals likely to infuriate Germany, the EU executive will this month urge an end to Europe's last rail monopolies and so open the lucrative passenger market to competition from 2019. The toughest opposition to the European Commission plan is likely to come from Germany and its rail giant Deutsche Bahn (DB). But France's SNCF railways and Italy's FS too are keenly awaiting a package of proposals described by the Commission as "enormous", comprising six lots of draft legislation, one report and two so-called EU "Communications". The package is expected to be formally agreed and released by the European Union executive by the end of January, with the aim of opening up the around €60bn market in annual passenger traffic by 2019. But to do so, Brussels is expected to call on the railways to be split between an infrastructure management side, which is the rails and network system, from actual train operation. A controversial decision by Belgium's

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

Socialist-led government to follow this model schema was therefore welcomed by the Commission in hopes it will prod others, including Italy and Poland, into following the same path. But the Belgian decision means the loss of an ally for Germany, which wants to maintain the structure of Deutsche Bahn, which also runs track owner DB Netz. Germany can still count on the support of Austria, which has 10 votes of a total 345 on the EU Council of the governments of the 27-nation bloc, and Luxembourg's four votes to add to its own 29. But it would need a total 90 to make up a blocking minority. The Netherlands (13 votes) and the Czech Republic (12 votes) meanwhile are under pressure from their rail operators to return to the German single system, but even their support would likely still leave Germany short. So France, with its 29 votes, could play a crucial role in the future of European rail. Officials in Brussels say Paris' position remains ambiguous. The new French Socialist government has said it plans to create a "single, unified infrastructure management entity" gathering together the current activities of RFF, SNCF Infra and DCF, the dispatching and traffic management authority. This new infrastructure entity would be complemented by legacy operator SNCF at the heart of a "publicly-funded railway cluster compatible with European regulations." Experts in Brussels say this *a priori* resembles the German model. "But when one looks closely at the details, this interpretation becomes less sure," said one expert who asked not to be identified. So hopes are that France in the last instance will be influenced by Belgium. Its Transport Minister Paul Magnette said SNCB will in the future be the only operator in direct contact with passenger services, while Infrabel will be responsible for the development and maintenance of the tracks as well as being in charge of the timetable. Meanwhile, Deutsche Bahn chief Rudiger Grube is expected to try to delay a decision ahead of 2014 European elections and the naming of a new European Commission.

Does Europe want Germany to run all its railways?

(Source: LloydsLoadingList.com, 21st January 2013) The European Commission has produced a 4th Railway Package designed, once and for all after 20 years of trying, to introduce the single market and liberalisation to Europe's railways to achieve growth, cost reductions, competition and better service quality. Having consulted widely, the draft Directive was approved by the College of Commissioners on Wednesday 9th January 2013. Then along goes Dr Grube, Chairman of Deutsche Bahn (DB), to Angela Merkel in the German Chancellery, and demands that Merkel gets the draft withdrawn unless the clauses on restructuring of the railways are removed. Merkel phones EC President José Manuel Barroso, passing on the demand; he discusses it with Vice-President Kallas, Commissioner for Transport, who has firmly supported the 4th Railway Package all the way, and the discussions open again with other Commissioners, further delaying discussion on it in the European Parliament and Council of Ministers. Now France enters the fray. French Commissioner Barnier writes to Barroso on Thursday 17th January) threatening social unrest. "One should not underestimate social and political unrest that may stem from the perception that the EU is aiming at dismantling bodies of professionals which are cemented by a strong corporate culture and a long history without it being absolutely indispensable for a well-functioning competitive market." While of course supporting the Commission – but not now! "Like you, firmly committed that the liberalisation of the market can only work effectively if strictly independence of Infrastructure Managers is ensured", he could have added – but not in my political lifetime! So now the package is delayed for another few weeks for "further discussion". There will be more lobbying by Germany and France, the two Member States pressing harder to preserve their monopolistic structures, but who 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. Other Member States must stand up and state clearly: we do not want DB to operate all our railways and dictate European rail policy! We do want this package as a whole; splitting it in parts and seeking to delay the parts Germany

Events in Brussels

"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

European Railway Award by the Community of European Railway and Infrastructure Companies (CER) and the Association of the European Rail Industry (UNIFE) on 26th February 2013.
(http://www.europeanrailwayaward.eu/)
ECG will attend

10th Annual Road User Charging Conference 2013 "Equitable, efficient and economic routes to better infrastructures" on 5th & 6th March 2013. A 20% discount is offered to ECG members, please contact the Secretariat.
(http://roaduserchargingconference.co.uk/)
ECG will speak

and France do not like will not work, as the elements are all inter-related. After 20 years debating and, in the case of Germany and France, resisting any liberalisation, it is time for this essential liberalisation legislation to be published as one package – it is the only way to enable the railways to grow in efficiency, traffic volumes and customer service, not to forget the strong environmental benefits!

AUTOMOTIVE INDUSTRY

Ghosn says Renault must act to lift French competitiveness

(Source: Automotive News Europe, 24th January 2013) Renault CEO Carlos Ghosn said the French automaker must take action to increase productivity, hold back pay increases and cut the workforce as the region's auto sales sink for a sixth year. "It's a very comprehensive plan to try and bring back competitiveness to Renault in France," Ghosn said on Thursday 24th January in an interview in Davos. "There's a good consciousness in France that the competitiveness of France needs to be enhanced." Renault, the European automaker with the steepest car sales decline in the region last year, said earlier this month that it is aiming to increase European market share in 2013 as industry-wide sales drop 3%. "We are facing a very tough European market," Ghosn said. "The best thing we can hope for is a market stabilisation, so in Europe the question is how do you gain market share, and that's a function of products." Renault is asking labour leaders to agree to a wage freeze in France this year and then rises of 0.5% in 2014 and 0.75% in 2015, the carmaker said on Tuesday 22nd January. Workers' pay accounts for 60% of Renault's fixed costs in its home country, the company has said. The manufacturer's proposals come on top of other plans, including a 6.5% increase in work hours in French factories, to reduce spending by €65m. The manufacturer also wants to eliminate 7,500 jobs through 2016 in France, or 17% of Renault's workforce in the country, to save another €400m. The carmaker said this week that it would increase French production by 15% once a labour deal is reached. Renault's domestic factories would then build 80,000 more vehicles a year by 2016 to supply manufacturers the company co-operates with, including Nissan and Daimler. Renault's current full-year production in the country amounts to 530,000 vehicles for its own brand. Renault began talks with unions in November 2012 as part of efforts to sustain profit while Europe's car market falls to almost a two-decade low. The carmaker is threatening to shutter two factories in the country unless it reaches an agreement with workers, Dominique Chauvin, Head of the CFE-CGC union, said.

Opel union won't agree to wage freeze in Germany

(Source: Automotive News Europe, 23rd January 2013) German trade union IG Metall said it will not accept demands by General Motors to freeze wages for workers at its money-losing Opel division in Germany. "This would mean that Opel would not fulfil the industry-wide wage hike on a sustained basis and effectively no longer be a part of the industry-wide wage structure," the union said in a statement on Tuesday 22nd January. GM is stepping up the pressure on Opel unions as it sees Germany at risk of slipping into recession. A German recession would pose an "incremental challenge" to GM's turnaround plan, Vice-Chairman Stephen Girsky said on 13th January in Detroit. "Germany is slowing down," he said. "France, Spain and Italy haven't found a bottom yet. Russia is slowing down; on the other hand, the UK is looking a little better." In a letter to unions, Girsky said GM is willing to support Opel financially if the German operations are set up competitively and profitably. Opel unions must agree to "further considerable" cost cuts as conditions in the European car market remain "catastrophic" and are unlikely to recover quickly, Girsky said. He said car production may be halted at the company's Bochum plant in Germany, which builds the Zafira Tourer minivan, at the end of 2014 instead of 2016, unless

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unions agree to further concessions. IG Metall called the comments "unacceptable." An Opel spokeswoman said no decisions had yet been made, adding that "negotiations with the works council are still on-going." Opel vehicle sales in the EU and EFTA countries in 2012 fell 16% to 834,790 units in a market down 7.8% to 12.5m, according to industry association ACEA. GM has said it expects Opel to break-even sometime around the middle of the decade.

Ford restarts Genk production after blockade ends

(Source: Automotive News Europe, 23rd January 2013) Ford restarted production at its factory in Genk, Belgium, after a blockade by workers over plans to shut the site ended. "We are pleased to be building and shipping vehicles again and are working to get the factory quickly up to full production," said Adrian Schmitz, a spokesman for the carmaker's European operations in Cologne, Germany. An agreement between Ford and unions approved by workers earlier this month had failed to result in a resumption of auto assembly after protesters blocked an adjacent supplier area. The dispute included union leaders being confined in a conference room after demonstrators disrupted a meeting with Ford suppliers. Ford had not shipped a vehicle from Genk since saying on 24th October 2012 that the plant will shut for good in 2014, as walkouts compounded the effects of scheduled suspensions. The permanent shutdown is part of an effort to end losses in Europe that may exceed $1.5bn a year in 2012 and 2013. The agreement with Genk labour leaders, which outlines extra money paid to workers for meeting production targets, was slated to allow Ford to restart production on 9th January and ramp up output to 1,000 vehicles a day at the factory, according to unions. The factory builds the Mondeo mid-sized sedan as well as the S-Max and Galaxy minivans.

Russian car sales will rise 5% in 2013, PwC says

(Source: Automotive News Europe, 22nd January 2013) Russian car sales are likely to increase by 5% in 2013 to around 2.9m, PricewaterhouseCoopers forecast on Tuesday 22nd January. The figure is a slowdown from the previous year, when sales rose 10% to 2.76m, but a stark contrast to recession-bound Europe where car sales slid to a 17-year low. "We expect next year we will see modest, measured growth," said Stanley Root, PwC's automotive industry leader for Russia, adding that the market was showing signs of steadying after a period of significant expansion. The accountancy firm sees growth slowing after next year to 3% annually from 2014 to 2017, eventually reaching zero growth by 2025 by which time it estimates the market will have reached its maximum level of annual sales of 3.7m. PwC predicts that growth in 2013 will be largely driven by foreign car brands produced in Russia, which are slated to see a 9% rise to 1.33m sales. Imports of foreign brands are expected to rise 3% to 990,000, while Russian car brand sales will be flat at 580,000 units. Root said that a new "recycling fee" imposed only on imported vehicles is expected to slow growth in the sector. He added that the development of the car scrappage industry was "key" to future growth in Russia, where owners keep their cars on the road for some 16 years, much longer than the European average. European new-car registrations fell 7.8% to 12.5m vehicles in 2012, the lowest level since 1995, recent figures by the European automotive industry association ACEA showed.

PSA to work on efficiency gains at French factories

(Source: Automotive News Europe, 18th January 2013) PSA Peugeot Citroën plans to negotiate an accord with unions in the next few months to allow more flexible work conditions at its French factories as part of the effort to turn around the money-losing carmaker. "We will be working on a flexibility accord in the coming months that will be a key element of improving the competitiveness of the group," Denis Martin, PSA's Industrial Director, said on Thursday 17th January at a press briefing to discuss the group's on-going layoff plan. Such flexibility plans are intended to give carmakers more leeway to shift workers between plants and modify their work hours to cope with fluctuations in demand for cars. Rival French

carmaker Renault has also been negotiating such a deal with its unions to bring its French factories' efficiency in line with its Spanish facilities. The effort comes after PSA posted a 16.5% drop in car sales in 2012, making it the worst performer in a European auto sector that is struggling with weak demand after several years of economic downturn and debt crises. Paris-based PSA is shedding assets, cutting 10,000 jobs and closing production capacity to stem mounting losses. CEO Philippe Varin has warned that the automaker will not return to profit before 2015. PSA's attempt to improve the efficiency of its French factories is separate from the layoff plan it is undertaking, which will lead to 8,000 job cuts in France. Martin said that PSA expects to reach an agreement with its unions to finalise the restructuring by mid-February. PSA has already started trying to improve its French factories' efficiency, which is “key” to its future given that it employs far more people in France than Renault. At its Sevelnord factory in northern France near Lille, Martin said unions in July had accepted a salary freeze and more flexible working hours in exchange for being accorded the manufacturing of a new model of car. For his part, Martin dismissed the comparison between the flexibility accord that PSA would seek with the plans of rival Renault. "I do not compare myself at all with Renault. We have very large factories in France, with 76,000 workers in our automobile business out of the 91,000 for the group. We are not at all on the same scale as Renault." Renault has 54,000 employees in France.

Volkswagen joins other carmakers investing in Spanish output

(Source: Automotive News Europe, 24th January 2013) Volkswagen plans to invest €785m in a plant in northern Spain over the next five years, making it the third carmaker in recent months to boost investment in the recession-hit country. The plant outside Pamplona in the region of Navarra, which employs 4,600 people, produces the Polo subcompact and has a production capacity of 300,000 cars a year, making it one of the group's largest producers. A large part of the investment will go to preparing installations for manufacturing the next generation of Polo and its substitute in the future, Volkswagen said in a statement on Wednesday 23rd January. In November 2012, Renault said it was hiring 1,300 new workers for its Spanish plants. A month earlier, Ford said it was closing its plant in Belgium and moving production to Spain. Nissan, however, said that it was cancelling plans to expand production of a new model in Spain after it failed to reach an agreement with union workers over new contract terms. Nissan said Spain was missing out on 4,000 new jobs and a €130m investment. Spain's government has applauded the new investments by automakers, saying they are the result of a labour market reform that makes the country more competitive for businesses and also makes it cheaper for companies to hire and fire employees.

EUROPE

DB Schenker Logistics opens new automotive facility in Serbia

(Source: Transportintelligence.com, 23rd January 2013) **DB Schenker Logistics** has opened a new warehouse in Kragujevac, Serbia, specialising in logistics services for suppliers of the Fiat plant close-by. The first customer was AGC Automotive Europe, a supplier of glass components. AGC Automotive and DB Schenker also have a relationship in Slovakia for deliveries to the Hyundai-Kia Automotive Group and in Bremen, Germany delivering to Daimler. The bonded warehouse in Kragujevac is located 7km from the Fiat plant and is connected to Fiat's free trade zone. Operations are fully controlled by DB Schenker's own production supply system which has been developed for supplier projects in the automotive industry. The glass components of AGC Automotive Europe are stored in the warehouse and then shuttled to the plant just-in-time according to the production demand. DB Schenker stated that the new project was an important step in strengthening its service portfolio in Serbia. Neven Marcesku, Managing Director of Schenker d.o.o., commented: "Contract logistics is an attractive growth market and the new business with a customer like AGC Automotive Europe is very important for us. It's not only a confirmation of our global strategy in the field of automotive logistics, but also a confirmation of our active approach to the Serbian logistics market." In Kragujevac, DB Schenker offers warehousing space for further automotive suppliers engaged in the Fiat production.

JCB and Brit European commit to CO_2 reduction

(Source: Automotive Logistics News, 23rd January 2013) Construction vehicle maker JCB has renewed its contract with vehicle carrier **Brit European** for distribution to JCB dealers in the UK and to ports for overseas shipments. Central to the five-year contract, said the companies, was an initiative to cut carbon emissions and improve fuel efficiency for the benefit of JCB’s customers. The contract has the option of a two-year extension without recourse to a new tender process subject to the satisfaction of both parties. Both companies are committed to reducing carbon emissions by more than 25% and improve efficiency over the next five years. To that end, Brit European has invested around £4m in a new fleet of 36 dual fuel Mercedes tractor units that will display the familiar JCB yellow livery with JCB and Brit European branding. The first vehicles will be operational by Friday 1st March 2013 with the

full fleet set to be in operation by September. The vehicles will use a combination of diesel and Compressed Natural Gas (CNG) to achieve a CO_2 saving per mile of more than 15%. This equates to around 60% of Brit European's overall target on this one initiative. Brit European is also investing in new trailer equipment and has four dedicated trailers for heavy products. It will increase the fleet size in line with production increases over the next five years as they are required a spokesperson for Brit European said. "The new trailers have aerodynamic improvements to reduce the drag on the rear ramps when empty or back-loading. This obviously reduces fuel burnt and environmental impact," he added. The investment is supported by Brit European's success, along with its consortium partners CNG Services and Microlise, in securing £1m funding from the UK's Technology Strategy Board following a competition held last year in support of carbon technology deployment in commercial vehicles. Approximately 60% of the Mercedes fleet will be used primarily on the JCB contract. "Without the support and drive from JCB, we probably wouldn't be where we are today on dual fuel," stated Graham Lackey, Brit European's Managing Director. "The understanding that significant investments like these into new technology areas need the support and long-term commitment of customers like JCB is critical. Two and three year deals mean these types of initiatives often get shelved and there are few business's willing to take this on board. Perhaps it is no surprise JCB is one of the most successful companies in the UK. My team knows that flexibility and the ability to adapt is key to maintaining the relationship with JCB and over the next few years I expect to see many more new innovations and ideas from both sides," he added.

EU support to help convert the Port of Barcelona's rail network to UIC gauge

(Source: TEN-T EA, 23rd January 2013) The European Union will provide support of €1m from the TEN-T Programme for a project to adapt the internal rail network of the **Port of Barcelona** in Spain to UIC gauge. On completion, the port will be able to attract more rail operators and its internal operations will be greatly improved. The project, which was selected for funding under the 2011 TEN-T Annual Call, involves the construction and adaptation of railway tracks in UIC gauge from the current Iberian gauge. It consists mainly of three activities:

- Connection of the Prat container terminal to the internal railway network of the Port of Barcelona, including the adaptation of the already existing tracks to UIC gauge.
- Adaptation of the "Contrabucle" rail section to UIC gauge.
- Adaptation of the railway terminal in Moll de l'Energia to UIC gauge.

Adaptation to UIC gauge will be done via the insertion of a third rail track between the two existing ones (UIC gauge is narrower than the Iberian one). Once finalised, the project will allow the port to improve its internal rail operations (better reliability and less time) and to contribute to the modal shift from road to rail (and thus lowering the environmental impact of the port itself). It will also allow seamless rail convoy traffic in UIC gauge between the various wharves and ensure the port is directly connected, via rail, to France. The project is set to be completed by June 2013.

Captrain starts the year with a nice double shot

(Source: Ship2Shore, 21st January 2013) A nice start of the year for Captrain, the Italian branch of French rail operator SNCF Cargo. The SNCF group won the European tender of **GEFCO**. "The service started in early January 2013 and entails almost a dozen weekly trains between Italy and France" said Captrain's CEO Mauro Pessano. A substantial amount of the throughput is managed in co-operation with Abruzzo region's Lanciano (Chieti-based) rail operator Ferrovia Adriatico Sangritana (FAS), which started a daily train carrying vehicles manufactured by Fiat's group Iveco and bound to France. FAS recently bought two Bombardier E482 locomotives and will thus operate the trains partly in-house. Between Alessandria and Amberieu in France the service will be managed by Captrain, which will benefit some €6m in revenues, whereof about one third forwarded to FAS. "These are substantial and promising figures. Our turnover in 2012 grew by 28% to €21m, halving the losses registered in 2011. Our workforce increased by 25%," the CEO added. "Also, since mid-December 2012 we are in a partnership with Rail Cargo Italia, a Rail Cargo Austria subsidiary, and now haul their Ro-La trains between Trento and Worgl. Besides an estimated increase by €2m to €2.5m in our turnover, we're happy to have been chosen by such an important operator for such a demanding service as a rolling motorway. We're eager to cope with this task and for this reason we opened a new branch in Trento employing a 15 staff," Pessano concluded.

Paragon completes Stobart Vehicle Services deal

(Source: Transporter-world.com, 21st January 2013) Paragon Group has announced on Monday 21st January the acquisition of Stobart Vehicle Services from Stobart Group. Previously the vehicle services division of **Autologic**, the division will be immediately renamed Paragon Vehicle Services with Stobart Group retaining all of the Stobart brands. Paragon Vehicle Services will support automotive manufacturers and retailers with a range of core and specialist vehicle management services including new car preparation, customisation, end of line enhancement and the running of port operations. As part of the deal, Paragon will operate eight new sites in total with sites at Corby, Portbury, Doncaster and five manufacturer locations welcoming 500 new staff. Stephen Hucklesby, who became

Chief Executive Officer for the Paragon Group, commented: “This acquisition marks a major milestone for Paragon and consolidates our position as the UK’s market leader in vehicle processing and fleet management. Paragon Vehicle Services is an excellent fit with Paragon and underlines our group strategy to expand into complementary service offerings by taking us into new areas of vehicle processing and giving us a focus on port and new vehicle processing, excluding transport. Coupled with this, we will be expanding our geographical network, giving us an important presence in the North-East and the South-West.” Hucklesby added: “This is a significant development for our business which will ultimately benefit our customers. We are acquiring a well-run and profitable business, with a solid team already in place, to hit the ground running. We welcome our new colleagues and look forward to working together as we plan for the long-term future of Paragon Group.” The new Paragon Vehicle Services division will be led by Stephen Hucklesby as he oversees its integration into the Paragon Group over the next year. Paragon is UK’s leading vehicle processing and fleet management company, providing an integral part of sales support to many vehicle manufacturers and fleet operators.

Stricter rules for trucks in Sweden

(Source: LloydsLoadingList.com, 23rd January 2013) Sweden’s Department of Transport (DoT) is examining the need for stricter laws to regulate the operation of commercial trucks on Swedish roads in winter, following a 100-vehicle pile-up on the E4 motorway that left one person dead and 46 injured on Tuesday 15th January. Preliminary investigations by the police have found that the pile-up was caused when three trucks, including two foreign-operated vehicles, collided while heading north across the Tranarps Bridge, north-east of Helsingborg. The police described driving conditions at the time of the crash as “hazardous, with icy roads and dense fog.” It was three days before the E4 was fully cleared and re-opened to traffic. The outcome of the official investigation, which is headed by the Swedish Transport Administration (STA), is likely to influence the imposition of any new special winter rules by the DoT covering traction system standards, Heavy Goods Vehicles (HGVs) speed on motorways, as well as mandatory use of highly-specific winter tyres. “The collision created a domino effect. New rules may be needed to better regulate the speed of long-haul trucks which are prone to breaking limits to meet tight deadlines,” said Arne Davidsson, Head of the Malmo Traffic Investigation Unit which is assisting the STA with its crash inquiry. The Swedish Automobile Association is also calling for more rigid regulations for trucks and drivers. “The lack of proper winter tyres on the trucks involved in the initial collision must be seen as a root cause. We need new laws and better enforcement,” said Olof Karlberg, SAA Chairman. The SAA is critical of a change in Sweden’s Road Traffic Safety law, which took effect on 1st January 2013 that requires heavy vehicles to fit winter tyres only on wheels that receive power and traction from the truck’s engine. Previously, winter tyres were required on all wheels from November to March. “For increased safety, heavy vehicles should have special traction tyres on each wheel and for the duration of winter,” said Karlberg. The E4 is a popular route for truckers using the European E24 motorway to access regions in Sweden and Norway across the Öresund Bridge. The location of the crash was 20 miles from the Helsingborg ferry port.

European car sector hits 17-year low

(Source: EUbusiness.com, 16th January 2013) The European trade association *[ACEA]* said in its report on the European market: "Demand for new cars reached the lowest level recorded since 1995, totalling 12,053,904 units" in 2012. Last year's 8.2% shrinkage was the worst since a downturn of 16.9% in 1993, the association said. With the Eurozone struggling to cope with the tax rises and cuts in state spending imposed to correct its debt crisis, businesses and consumers have cut down their spending on vehicles. In some countries the market, and employment, were supported after the financial crisis hit economies in 2008 by government subsidies for the replacement of old vehicles with new ones but these schemes have run out and many European groups have announced job cuts and plant closures. The latest came on Tuesday 15th January from Renault which said it would shed 7,500 French jobs, or about 17% of its workforce by 2016. Renault, which has diversified its manufacturing into low-cost countries close to Western Europe in recent years, notably in Romania where it builds its Dacia-branded vehicles, said that an agreement with unions would save it €400m in overhead and would avert any plant closures. "On the basis of a progressive recovery of the European market, establishing such an agreement would allow for growth in French output that is more sustained than that of the European market," Renault said. However the European trade data for the year showed big differences between countries. Car sales rose only in UK, by 5.3% from the level in 2011. In Germany, the fall in sales was contained to 2.9% but in France sales slumped by 13.9%, in Spain by 13.4% and in Italy by 19.9%. In terms of brands, sales in Western Europe by PSA Peugeot Citroën fell by 12.9%, by Renault 18.9% and by Fiat by 15.8%. Sales by Opel, based in Germany but owned by US group General Motors, fell by 15.6%. However, other German brands did far better. Sales by Audi rose by 3.7%, sales by BMW slid by 0.1% and by Mercedes-Benz by 0.9%. In terms of sales in Europe by foreign manufacturers, the South Korean group Hyundai-Kia raised sales under the Hyundai name by 9.4% and under the Kia brand by 14.6%.

REST OF THE WORLD

GEFCO implements training with Shanghai Institute

(Source: Automotive Logistics News, 23rd January 2013) **GEFCO** China has announced an agreement with the Shanghai Institute of Foreign Trade (SIFT) to improve the training of students entering the field of logistics and to increase the skills of its own employees. GEFCO China will offer internships of three to six months to students from SIFT designed to familiarise them with the work environment at a global transport and logistics company. According to the company the internships will include tailor-made training modules covering most areas of the logistics field with a focus on business priorities of the Chinese market in 2013, including leadership, solutions and sales, and will culminate in a final assessment offering references for future career development. It will also hold orientation workshops for graduates who want to pursue a career in the logistics sector. In exchange for the internships, SIFT will open its doors to GEFCO China employees enabling them to take advantage of the professional training provided by the Institute's professors. "The collaboration with SIFT is officially signed for 2013 only and the training initiative programme is one of the key parts of the agreement," said a spokesperson for the company. "GEFCO hopes to extend the collaboration in future and we're expecting more opportunities to co-operate with Chinese universities in an effort to help cultivate more talents for the future of the logistics industry in China." This reflects GEFCO's global approach to training, which it said is designed to strengthen employees' key skills in leadership and management, business development and internationalisation. "In China, there are two to three sessions conducted by the senior management to train staff each year," said GEFCO. At last year's Automotive Logistics China conference, Beijing Jiaotong University's Dr Zhang Xiodong told delegates that benchmarking and monitoring of information systems were important in improving logistics quality there. But the general consensus was that a lot more had to be done. While IT is not included in the memorandum with SIFT, GEFCO China said it may work with Chinese academies or local vendors to develop tailor-made systems to meet customer needs. "GEFCO has a large IT product portfolio supporting the business on finished vehicle, spare parts warehousing and freight transportation," said GEFCO China's spokesperson. "In China, GEFCO possesses a fast growing IT team and the team is working on centralising the network infrastructure, and implementing a co-operating system with localisation to meet China business needs." GEFCO China is one of four businesses that the group has in China, the others being the joint ventures Dongfeng GEFCO, GEFCO Hong Kong and Minsheng GEFCO. By end of 2012, GEFCO had nearly 1,100 employees across the country, a number expected to grow to 1,300 in 2013 as its logistics business develops.

PRESS RELEASES

EU launches clean fuel strategy

(Source: European Commission, 24th January 2013) The European Commission announced on Thursday 24th January an ambitious package of measures to ensure the build-up of alternative fuel stations across Europe with common standards for their design and use. Policy initiatives so far have mostly addressed the actual fuels and vehicles, without considering fuels distribution. Efforts to provide incentives have been un-co-ordinated and insufficient.

Clean fuel is being held back by three main barriers: the high cost of vehicles, a low level of consumer acceptance, and the lack of recharging and refuelling stations. It is a vicious circle. Refuelling stations are not being built because there are not enough vehicles. Vehicles are not sold at competitive prices because there is not enough demand. Consumers do not buy the vehicles because they are expensive and the stations are not there. The Commission is therefore proposing a package of binding targets on Member States for a minimum level of infrastructure for clean fuels such as electricity, hydrogen and natural gas, as well as common EU-wide standards for equipment needed.

EC Vice-President Siim Kallas responsible for Transport said: "Developing innovative and alternative fuels is an obvious way to make Europe's economy more resource-efficient, to reduce our over-dependence on oil and develop a transport industry which is ready to respond to the demands of the 21st century. Between them, China and the US plan to have more than 6m electric vehicles on the road by 2020. This is a major opportunity for Europe to establish a strong position in a fast growing global market."

The Clean Power for Transport Package consists of a Communication on a European alternative fuels strategy, a Directive focusing on infrastructure and standards and an accompanying document describing an action plan for the development of Liquefied Natural Gas (LNG) in shipping.

The main measures proposed are:

- Electricity: the situation for electric charging points varies greatly across the EU. The leading countries are Germany, France, the Netherlands, Spain and the UK. Under this proposal a minimum number of recharging points, using a common plug will be required for each Member State. The aim is to put in place a critical mass of charging points so that companies will mass produce the cars at reasonable prices. A common EU-wide plug is an essential element for the roll out of this fuel. To end uncertainty in the market, the Commission has announced the use of the "Type 2" plug as the common standard for the whole of Europe.

- Hydrogen: Germany, Italy and Denmark already have a significant number of hydrogen refuelling stations although some of them are not publically accessible. Common standards are still needed for certain components such as fuel hoses. Under this proposal, existing filling stations will be linked up to form a network with common standards ensuring the mobility of Hydrogen vehicles. This applies to the 14 Member States which currently have a Hydrogen network.

- Biofuels: already have nearly 5% of the market. They work as blended fuels and do not require any specific infrastructure. A key challenge will be to ensure their sustainability.

- Natural Gas Liquefied (LNG) and Compressed (CNG): LNG is used for waterborne transport both at sea and on inland waterways. LNG infrastructure for fuelling vessels is at a very early stage, with only Sweden having a small scale LNG bunkering facility for sea going vessels, with plans in several other Member States. The Commission is proposing that LNG refuelling stations be installed in all 139 maritime and inland ports on the Trans-European Core Network by 2020 and 2025 respectively. These are not major gas terminals, but either fixed or mobile refuelling stations. This covers all major EU ports.

- LNG: Liquefied Natural Gas is also used for trucks, but there are only 38 filling stations in the EU. The Commission is proposing that by 2020, refuelling stations are installed every 400km along the roads of the Trans-European Core Network.

- CNG: Compressed Natural Gas is mainly used for cars. One million vehicles currently use this fuel representing 0.5% of the fleet. The industry aims to increase this figure ten-fold by 2020. The Commission proposal will ensure that publically accessible refuelling points, with common standards, are available Europe-wide with maximum distances of 150Km by 2020.

- LPG: No action is foreseen for Liquefied Petroleum Gas since the core infrastructure is already established.

Member States will be able to implement these changes without necessarily involving public spending by changing local regulations to encourage private sector investment and behaviour. EU support is already available from TEN-T funds, cohesion and structural funds.

ECG Note: *For the official documents making up the Clean Power for Transport Package, please see:* *http://ec.europa.eu/transport/themes/urban/cpt/index_en.htm*

New EU project supports Intelligent Mobility

(Source: ERTICO - ITS Europe, 24th January 2013) On Thursday 24th January 2013, ERTICO - ITS EUROPE launched a new European Union funded project called iMobility Support. The three year project will support the deployment of intelligent mobility in Europe by assisting with the work of the iMobility Forum.

The iMobility Forum is a broad consortium of stakeholders who have an interest in ITS systems and services and works to develop deploy resource-efficient, clean and safe transport systems.

In support of the Forum, the new iMobility Support project builds on eight years' experience in support of similar initiatives (iCar Support and eSafety Support) and will assist with important activities such as stakeholder networking, product deployment and communications.

Funding has been provided by the European Commission's Directorate General for Communications Networks, Content and Technology (DG CONNECT) and the project will be co-ordinated by ERTICO - ITS EUROPE together with six project partners from across Europe.

The project forms part of the EC's Digital Agenda for Europe by focusing on ICT for transport while contributing to other policy such as the ITS Action Plan and the European Road Safety Action Programme. In addition to this, it actively supports international ITS-related agreements such as the EU-US Declaration of Intent and the EU-Japan Memorandum of Co-operation.

ECG Note: *ECG is a member of the European Commission's iMobility Forum, and has been playing an active role in its Working Group for Clean and Efficient Mobility (WG4CEM) as part of its activities within the field of Intelligent Transport Systems (ITS). ECG therefore looks forward to continuing its involvement via the iMobility Support project (of which the website will be www.imobilitysupport.eu/).*