ECG News

ECG – The Association of European Vehicle Logistics

Issue 13.08, 18th – 22nd February 2013

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NEWS FROM BRUSSELS

First reaction of European transport sector to the EU budget deal: a "yes, but..."

(Source: ECG, 18th February 2013) On Friday 8th February, European leaders finally reached an agreement on the EU budget for the next seven years. With a cut of one third in the €32bn initially foreseen for transport infrastructure projects, transport does not appear to be considered a priority sector in the next budget. However, the resulting budget of €23bn is a significant step forward compared to the €8bn that was set aside for the Trans-European Transport Networks (TEN-T) in the 2007-2013 period, an amount which Member States have fully taken up according to the latest Commission data. But at the same time, the substantial cut that was made last week compared to the initial €32bn will seriously affect the implementation of the transport infrastructure plan the Commission has been developing over the last three years, in close co-operation with Member States and stakeholders. In a first common reaction to this result, European transport organisations EFIP, ESPO, INE, IRU, PDI, **ECG**, ECSA, ETF, ECASBA, EBU, UNIFE, CLECAT, EuDA , ACI Europe and CER say: "We are satisfied that the transport infrastructure envelope has increased, compared to the current multi-annual budget. Nonetheless, it is a missed opportunity for European leaders to cut a growth-stimulating sector. Last week, European President Van Rompuy said the budget must be an engine for growth and jobs in the future. It is high time for national governments and their leaders to realise that transport is the engine of the European economy. If people and goods cannot move efficiently, growth and economic development are constrained. In our view, transport therefore deserves more than a mere 2.4% share of the total budget." Even if European transport organisations EFIP, ESPO, INE, IRU, PDI, ECG, ECSA, ETF, ECASBA, EBU, UNIFE, CLECAT, EuDA, ACI Europe and CER remain critical about the deal, they believe it is important that the new EU budget plan for 2014-2020 is adopted soon. "Realistically, the TEN-T core network and the already defined projects of the ten multimodal corridors cannot be fully implemented with such a small envelope. It means that the robust methodology developed by the European Commission to select projects that are essential to the European transport network cannot be applied. A first come, first serve basis will prevail over the network logic that the internal market so desperately needs. We therefore call on Member States to engage with the European Parliament to make this budget more growth-oriented. In addition, we fully support Parliament's plea to have a mid-term review in a few years as a way to assess potential reallocations of the budget towards growth-generating sectors like transport. In a similar vein, we agree that a certain flexibility within budget allocations would benefit its overall effectiveness. Last but not least, a swift agreement on the EU budget will allow for progressing with implementing the new transport infrastructure plan, as outlined in the TEN-T and Connecting Europe Facility (CEF) regulations." Since last Spring, 28 European transport organisations have been continuously campaigning for a solid transport infrastructure budget. This campaign kicked off with an open letter that was sent to all European policy makers, national governments and interested parties.

Kallas defends plan to pry open domestic rail markets

(Source: Euractiv.com, 20th February 2013) Europe's railways need more competition and less bureaucracy if they are to reverse the decline in use, Transport Commissioner Siim Kallas said on Tuesday 19th February as he sought to warm up the Members of the European Parliament (MEPs) to a new liberalisation plan. Kallas presented the European Commission's Fourth Railway Package to the Parliament's Transport and Tourism (TRAN) Committee, whose members appeared sharply divided over the proposal's plan to shake up traditional state monopolies and open domestic markets to international competition. "Competition will improve the efficiency of passenger rail service,

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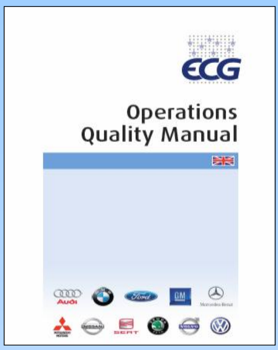

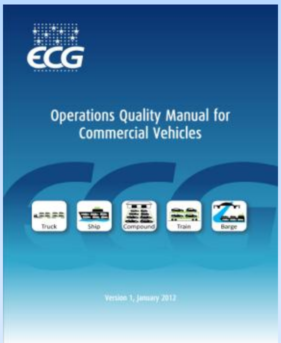

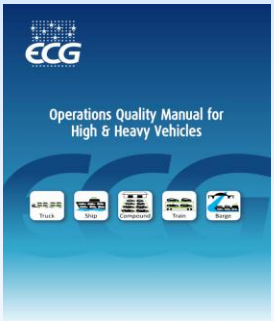

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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ensure better value for public money and encourage innovation," Kallas said. "The Commission has proposed introducing opening domestic rail markets to competition, but in a regulated and progressive way," he added. Still, the rail package marks a step back from earlier plans to break up railway operations by 2019 – known as "unbundling" – by allowing EU countries some flexibility in the route they take to creating competitive markets. The package marks a victory for powerful state rail companies. Under the Commission's plan, rail holding companies like Deutsche Bahn and France's SNCF could continue to provide infrastructure, cargo and passenger services so long as they separate their financial and managerial operations. Britain and Sweden, on the other hand, prefer a system where the infrastructure is managed separately from trains themselves. Both countries have opened their markets to competition. The Commission proposal expands on past initiatives by calling for a complete opening of domestic passenger rail services to competition by 2019 and strengthening the role of the European Railway Agency (ERA) to allow it to issue safety certificates for trains operating anywhere in the EU. International services were opened to competition in 2010. Kallas said the draft package was aimed at reversing stagnant growth in rail passenger use and a decline in cargo hauling. The latter is blamed in part on congested and complicated safety and certification requirements that still vary from state to state. Still, rail is seen as the most expedient way to reduce vehicle pollution and ease highway and aviation congestion in the EU. But it has kept a relatively low market share of about 6% for passengers and 10% for cargo services. The Commission also seeks to create a network of infrastructure managers – those who build and maintain the railway corridors – to streamline transnational operations and certifications. Kallas also warned that current financial trends are unsustainable. State companies continue to depend heavily on public subsidies – €46bn in 2009 – while many rail systems are burdened by debt – €28bn for SNCF, he said. Slow sales have led the EU's 900 producers of railway equipment to increasingly turn to foreign markets, the Commissioner told the MEPs. Kallas' presentation was overshadowed by concerns about financing for trans-boundary freight corridors and high-speed rail lines. The recent EU Council budget deal calls for slashing spending on transport and other infrastructure projects. Karim Zéribi, a French Green MEP who is a substitute within the TRAN Committee, said Europe needs "€300bn in rail infrastructure investment, but only €8bn or €9bn was proposed by the Commission." The latest railway proposal comes 12 years after the first package of legislation aimed at injecting competition into Europe's market and creating seamless travel and cargo links across 25 EU countries with railways.

Row over German attempts to weaken car pollution limits

(Source: European Voice, 20th February 2013) A plan put forward by Thomas Ulmer, a German centre-right Member of the European Parliament (MEP), to modify the European Commission's proposal to limit emissions from new cars could make the legislation up to 15% less effective, a Commission official warned the European Parliament's Environment (ENVI) Committee on Tuesday 19th February. European law requires carmakers to comply with a limit on their average emissions of 130g of carbon dioxide (CO_2) by 2015, but they have already met this target, years ahead of schedule. The Commission proposed last year to require carmakers to ensure that the average emissions of their fleet are no more than 95g CO_2/km by 2020. Ulmer's proposal calls for a significant expansion of the use of "super credits" which would allow carmakers to count clean vehicles at a premium when calculating their fleet average. The Commission has calculated that the super credits proposed by Ulmer would lead to an effective 2020 cap of up to 109g CO_2/km, Philip Owen, Head of Unit in the department for climate change, told the ENVI Committee. Under the Commission's proposal, any vehicle that emits less than 35g CO_2/km would count as 1.3 cars. Under Ulmer's proposal, any vehicle emitting less than 50g CO_2/km would count as 2.5 cars until 2017 and as 2 cars from 2017 to 2020. Manufacturers would also be able to continue using the super credits that they

have accumulated after 2020, something not allowed under the Commission's proposal. These super credits would be particularly beneficial to German carmakers which tend to make larger, heavier vehicles, and so have higher fleet average emissions. An internal document from the European Commission says that an expansion of super credits is also being proposed by Germany in the Council of Ministers, where it is asking for clean vehicles to count as 3.5 cars in 2016, with this number being reduced to 1.5 in 2020. The Commission warns that the German and Ulmer proposals "would have implications for the ability to set further CO_2 targets and for the possible stringency of those targets." Fiona Hall, a British Liberal MEP who is guiding the proposed legislation through the EU Parliament's Industry (ITRE) Committee, wants the super credits scheme to be scrapped and replaced with a "flexible low-carbon vehicle mandate" that would penalise carmakers if less than 2% of their fleets are low-carbon vehicles. Consumers group BEUC has also criticised Ulmer's proposal. "Super credits allow carmakers to reduce and whitewash the average emission level of their fleet without cutting emissions for the entire range of their models," said Monique Goyens, Director General of BEUC. The full Parliament will vote on the proposal in July 2013. The ENVI Committee also discussed the controversial issue of testing methods for fuel efficiency and CO_2 emissions. A consultancy report published by the European Commission in December 2012 concluded that carmakers are using flexibilities in the testing procedures to make their vehicles appear to emit less CO_2 than they do in real-world driving conditions. The report says the tests are not mimicking real-world driving conditions, but rather creating conditions favourable to lower CO_2 emissions. The techniques could account for as much as half of the recorded drop in average fleet CO_2 emissions between 2002 and 2010, the report concluded. The Commission is considering requiring by 2017 a new testing cycle that is being developed. In her proposal, Hall says the new test should be required as soon as it is available. But Ulmer's proposal says current testing rules should be frozen and a new procedure should be introduced no earlier than 2020, so that the rules of the game are not changed for carmakers. Ulmer's proposal to freeze current testing procedures came under heavy criticism from other MEPs. "Why should we permit a testing cycle that is a scam?" asked Swedish Green MEP Carl Schlyter. "We are fooling every car buyer in Europe," she added. Karl-Heinz Florenz, a German Christian Democrat MEP, said: "There is hardly a greater lie in life than test cycles." BEUC calculates that consumers are paying as much as €135 more per year than they might expect because the emissions tests do not reflect real driving conditions.

Member States split over biofuel emissions

(Source: European Voice, 20th February 2013) Energy Ministers meeting in Brussels on Friday 22nd February are expected to clash over a European Commission proposal to limit the extent to which the growing of biofuel crops displaces food crops or causes increased carbon emissions through indirect land-use change (ILUC). Some Member States, including the Netherlands, Denmark and the UK, want the European Union to go further than the Commission has proposed. Eastern European states, with Poland to the fore, are opposed to any revision that takes ILUC into account, while France and Germany are backing the Commission's proposal essentially as written. In EU legislation agreed in 2008, Member States committed themselves to sourcing 10% of their transport fuel from renewable sources by 2020. The expectation has been that mostly this will come from biofuel. But since the legislation was adopted evidence has grown that some forms of biofuel are causing more emissions than they abate because of the land-use change they trigger, such as clearing forests to grow biofuel crops. Other studies have concluded that the use of food crops as biofuel is driving up food prices. The Commission proposed in October 2012 to revise the legislation so that biofuel derived from food crops or causing land-use change can count to, at most, half of the 10% renewables quota. It also proposed that the Fuel-Quality Directive, which requires fuel producers to derive at least 6% of their products from renewable sources, be revised to require the companies to attach an "ILUC

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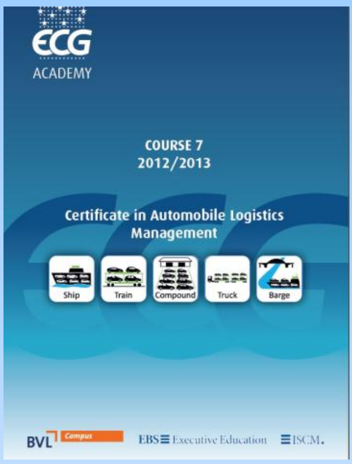

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ECG AGENDA

► **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 UK & Ireland Meeting** on **09th April 2013** in Birmingham, United Kingdom

► **ECG Eastern Europe Meeting** on **18th April 2013** in Cracow, Poland

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

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

► **ECG Board Meeting** on **26th June 2013** in Stuttgart, Germany

► **ECG / ACEA Meeting** on **27th June 2013** in Stuttgart, Germany

► **ECG / ACEA Meeting** on **10th October 2013** in Berlin, Germany

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

► **ECG Spring Congress & General Assembly** on **22nd & 23rd May 2014** in Athens, Greece

factor" rating to each of their fuels. But the Commission stopped short of proposing that a high ILUC factor would mean the fuel cannot be used to meet the 6% requirement. Denmark, the Netherlands and Belgium are calling for a cap based on ILUC to be applied to both pieces of legislation, the Renewables Directive and the Fuel-Quality Directive. The UK has also suggested that it supports this approach, though it is expected to clarify its position on Friday 22nd February. France and Italy do not want a cap to apply to the Fuel-Quality Directive, but say the cap in the Renewables Directive should be raised. The biofuel industry says there is not enough scientific evidence for introducing ILUC factors into EU legislation, a position that has had some support from Poland and other Eastern European Member States. FEDIOL, the federation of the vegetable oil and protein meal industry, has criticised the report on which the Commission based its proposal as "built on false assumptions." "The lack of scientific robustness does not support the use of ILUC factors in legislation," it said. FEDIOL is opposed to both the inclusion of ILUC factors for reporting purposes and the renewables cap. The industry says that the Commission has not given proper consideration to the socio-economic impact of the proposal, which it says could destroy the biofuel market. It complains that significant investment has already been made in biofuel based on the 2008 legislation. But environmental campaign groups say that the damage being caused by the EU's biofuel policy is now so clear that the Commission must change course. In a letter sent to Member States, a coalition of groups including Greenpeace, Friends of the Earth and Transport and Environment (T&E) called on Ministers to strengthen the legislation by limiting the use of crops that cause ILUC in both pieces of legislation. "Most biofuels currently marketed in Europe offer no or limited carbon-emission savings compared to petrol and diesel," they wrote. On Wednesday 20th February, CE Delft, a consultancy, issued a study showing that Dutch biofuel suppliers, who are obliged to declare the crop sources of biofuel, are cleaner than the EU average. Only the UK and the Netherlands have legal requirements for transparency that oblige fuel blenders to report on the sustainability of their biofuel. The Commission's proposal would require all EU Member States to introduce such transparency.

German agency as a mediator in Daimler-EU spat

(Source: Euractiv.com, 15th February 2013) Germany's federal environment agency said on Thursday 14th February it has proposed Brussels grant luxury automaker Daimler until the end of 2015 to meet new European Union laws mandating the use of climate-friendly air conditioning refrigerants in cars. In a bid to broker a dispute between Daimler on the one side, and the European Union and the rest of the automotive industry on the other, federal environment agency UBA called for the German carmaker to be granted an extension if it agrees to introduce carbon dioxide (CO_2) as a non-chemical refrigerant alternative. Since the beginning of 2013, Daimler has been in violation of an EU Directive to use a refrigerant produced by Honeywell and DuPont known as HFO-1234yf, on the grounds it could pose a significant fire safety risk. "If you switch to CO_2 then you reduce your global warming potential by 75% over HFO-1234yf, so I think that justifies permitting a longer transition time for those carmakers that commit to the switch," UBA President Jochen Flasbarth said. Back in 2006, the EU passed a Directive governing the phase-out that started in 2013 of the automotive air conditioning refrigerant R134a, which has the potential to warm the climate 1,400 times more than normal carbon dioxide. In order to comply with the rule, carmakers agreed amongst themselves to adopt the refrigerant jointly developed and produced by Honeywell and DuPont, a move that could allow the conglomerates to effectively monopolise the burgeoning market. Opposition in Germany has grown in recent months to the product after Daimler argued that, unlike the still widely-used R134a, it can start a fire in the car and release toxic hydrogen fluoride gas in the process. BMW recently joined Daimler and Volkswagen's Audi in resigning from an industry research group looking into the safety of HFO-1234yf, due to concerns over the scientific thoroughness of the

Events in Brussels

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

Hearing on Social Conditions in Road Freight Transport by Nordic Logistics Association (NLA) in the European Parliament on 27th February 2013.
ECG will attend

“Long and Heavy Trains: The Way to EU Rail Freight Competitiveness” by FERRMED in the European Parliament on 6th March 2013.
(http://www.ferrmed.com/?q=en/conferences/eu-parliament-march-2013)
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

investigation. German carmakers initially favoured CO_2 as a refrigerant only to abandon development several years ago and fall in line with the rest of the industry, since the new alternative does not require a comprehensive and costly redesign of air conditioning systems. Daimler received EU approval to sell three of its models on the grounds they utilised HFO-1234yf. However, if it does not back down from its decision not to use the refrigerant, it could lose its ability to sell the cars in the EU, including the Mercedes A-Class. Volkswagen patriarch Ferdinand Piech said in November 2012 that a CO_2-based air conditioning system was in fact the better solution since it is inherently non-flammable. He said VW would continue to use the existing R134a refrigerant until it can make the technological jump on an industrial scale. "It's just not possible to switch to a CO_2-based system within six months or even a year, so I would propose giving carmakers until the end of 2015 to make the switch," the UBA President said. Opponents of carbon dioxide as refrigerant, however, argue it is not just the comprehensive and costly redesign of air conditioning systems that make it troublesome. They cite safety concerns resulting from a possible leak. Enough CO_2 escaping into the passenger cabin could cause drowsiness among occupants, increasing the risk of an accident. Additionally, they say proponents of CO_2 omit the indirect carbon emissions in their calculations, especially in warmer climates, closer to the equator, where the air conditioning runs more often. More gasoline or diesel fuel is consumed by the engine to power a CO_2-based air conditioning system, since it requires more energy to maintain sufficient internal pressure to keep CO_2 contained and in a liquid state. The UBA President said he planned to discuss the differences in opinion over HFO-1234yf with his counterparts at the Environmental Protection Agency (EPA) in the US in April 2013. Carmakers in the US are granted credits towards lowering their average CO_2 emissions by the EPA should they use HFO-1234yf instead of R134a.

AUTOMOTIVE INDUSTRY

Volvo plans to cut 1,000 jobs to reduce costs

(Source: Automotive News Europe, 20th February 2013) Volvo Cars will cut 1,000 more jobs and save more than $200m to reach breakeven in 2013 after its vehicle sales and Chinese growth have lagged. In 2012, Volvo cut the number of temporary contract staff on the factory floor. The new cuts will be on the consultant and white-collar side, CEO Hakan Samuelsson said on Wednesday 20th February. "One has to adapt to reality. We have done that on the factory floor side, now we have to do it on the white-collar side," he said. Spokesman Per-Ake Froberg said Volvo expected to cut about 750 consultant jobs and make the other reductions by voluntary moves from permanent staff, such as early retirement. "We plan to save $237.2m during the course of the year to reach a goal of breakeven," he said. In 2012, Volvo cut about 900 jobs. The company has around 22,000 permanent staff, including about 14,000 in Sweden and nearly 4,000 in Belgium. Recession in Europe and slowing sales in China pushed Volvo's 2012 sales down to 421,951 cars from 449,255 in 2011. Volvo aims to spend about $11bn to reach 800,000 in sales by 2020 and boost China to 200,000 from only 41,000 in 2012, itself a drop of 10.9%. The US market remained the single biggest at 67,273 in 2012, up 1.2%. Aside from falling sales, internal disagreements led to the ousting of Stefan Jacoby as Chief Executive last year and to Samuelsson's appointment. Volvo expects a new plant in Chengdu in China, a key part of the company's expansion plan, to open in the second half of 2013.

PSA workers at Aulnay plant transferred early to avoid violence

(Source: Automotive News Europe, 15th February 2013) PSA Peugeot Citroën unions agreed to allow the carmaker to start to move workers from its troubled

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Aulnay plant, effectively beginning the wind-down of the site a year ahead of its scheduled closure. The works council approved the transfers to another Paris area plant in response to violence and threats against staff ignoring a strike call by the left-wing CGT, said Denis Martin, Executive Vice-President of industrial operations. The interruption of the plant's daily output of 440 cars may hit PSA with higher-than-expected restructuring costs unless the situation is resolved soon. Despite slumping French and European auto demand, waiting lists for the Citroën C3 subcompact assembled in Aulnay have increased as a result of the stoppages, PSA said. "A certain amount of lost production was anticipated in the plan, but if this drags on much longer it will start to have an impact," a company official said. Production remains at a standstill following further damage to equipment inflicted by a "violent minority" of strikers, Martin said. "We won't be drawn into this cycle of violence," he said. Under PSA's restructuring plan to cut 8,000 jobs nationwide, half of Aulnay's 3,000 workforce were set to be transferred next year to the Poissy plant, West of Paris. The transfers will now go ahead at the request of other unions, beginning in early March 2013 at a rate of 50 workers per week, Martin said. The early departures were backed by the CFDT, CFTC, CGC, FO and SIA unions, with only the increasingly isolated CGT voting against. The CGT has consistently denied reports of violence and sabotage. "Management doesn't know what to invent next to hide the fact that the strike is gathering strength and staff have rejected the restructuring en masse," a CGT spokesman said. The decision on transfers comes amid escalating tension between strikers and staff still reporting for duty at the Aulnay factory. The French government named a mediator to broker talks as the mood there worsened. Production has been close to zero since CGT strike call. PSA's broader restructuring may also face delays after the CGT won a court order forcing the automaker to extend worker consultations to its Faurecia subsidiary. The carmaker nonetheless expects that process to conclude in time to avoid any delays to the plan, Martin said. Staff transfers remain temporary and can be reversed when Aulnay production returns to normal, the manufacturing boss said, adding that PSA currently plans to maintain both factory shifts at the doomed plant.

Carmakers pin hopes on Europe's UK bright spot

(Source: Automotive News Europe, 19th February 2013) The UK was the only bright spot in European car sales in 2012, but to maintain the growth carmakers will have to keep offering incentives so big that they may erode any remaining profit. Car sales in Europe slumped to a 17-year low in 2012 with only the UK bucking the trend with 5.3% growth, although at just over 2m vehicles, sales were still 15% below the market peak in 2007. This year, dealers are pushing cheap loans and special offers while also launching heavy sales pushes on fuel efficiency and stronger online tools to help persuade people to buy despite continued economic stagnation. So far, their approach seems to be working. In January 2013, registrations rose 11.5% year-on-year while in Germany and France they fell 8.6% and 15.1% respectively, European industry group ACEA said on Tuesday 19th February. Auto industry body SMMT forecasts a 0.6% rise in UK car sales in 2013 and 2.6% in 2014, with the pace of growth dependent on “how quickly consumer confidence recovers." To take advantage of any confidence at all, Ford is offering many of its new models at more than a 12% discount, while General Motors' Vauxhall unit is offering interest-free finance for up to 5 years and a deposit contribution on some models. Carmakers can offer more flexible deals in Britain than in some other markets, said Gareth Dunsmore, General Manager for Marketing Communications at Nissan Europe. More and more vehicles were redirected to British dealers last year by European carmakers, convinced they had a better chance of selling them in the UK, while a mild respite in the pound/euro exchange rate during the second half of 2012 also helped their decision to push new cars into the British market. "That's why volumes have gone up," said Trevor Finn, CEO of UK car dealer Pendragon. "Nothing to do with Britain booming. It's to do with car manufacturers doing better

deals because they can," he added. A stronger pound increases the margin on European-made cars sold in Britain and gives car companies more room to cut prices. However, if the pound drops, as it has in recent months, that will change. In mainland Europe, offers have become so aggressive in order to shift stock that many cars are sold at a loss. PSA Peugeot Citroën has said it loses about €350 per car. "I don't think mass-market carmakers are making much more than a 3% margin at the moment. I would be happy with an average of 3% per sale in this economy," said Derek Jarvis, a car dealer in Bromley, South East England. Britain's figures are also flattered by a practice known as self-registration, whereby carmakers offer hefty discounts to persuade dealers to buy cars they know they won't be able to sell, register them themselves, and then sell them on later as nearly-new cars. John Leech, Head of accountancy firm KPMG's UK automotive group, estimated about half of last year's growth could be due to self-registration. Leech estimated a car manufacturer offering plenty of 0% finance deals to lure customers could be adding up to 4 percentage points of discount to the 7% discount typically offered to a dealer on a mass-market car. To protect the bottom line, carmakers are also hoping to persuade drivers that they would save money in the long term by buying a new, more fuel-efficient engine. "If you go back 3-4 years ago consumers were more worried about environmental damage and wanted to be green," said KPMG's Leech, adding that expensive hybrids and electric cars are now out of vogue. "That concern has evaporated with the recession. Fuel costs are a hot topic in Britain where tax rises and higher oil prices pushed the average cost of a tank of petrol to about £90 (€104) in 2012 from £70 two years earlier. Newer engines can cut as much as £15 off a fill-up. The fuel efficiency pitch could boost sales of Ford's Focus and Fiesta, which run on its EcoBoost 1.0l engine, as well as the new Volkswagen Golf, Vauxhall's Adam and the new BMW 3 series and Mercedes A-Class. Carmakers and dealers are also luring internet-savvy British buyers by investing in social media buzz, websites and online tools to compare fuel and financing deals. Data from the UK sales group AutoTrader shows that 10 years ago the average British consumer visited at least five dealerships before buying a car. With more research online, they now visit an average of two. Ford and Nissan spend over a third of their UK marketing budget online, up from about 10% a few years ago, as more shopping is done on screens.

Mokka drives Opel into fast lane

(Source: Automotive News Europe, 18th February 2013) Thanks to the hot-selling Mokka, Opel/Vauxhall has something positive in common with BMW and Mercedes-Benz. All three brands increased year-on-year European sales in January 2013. If the recently launched Adam is equally successful it could be a very good year for the money-losing General Motors subsidiary. Opel/Vauxhall had a 2.2% increase in January sales to 59,212 vehicles compared with 2012, according to market researcher JATO Dynamics. Opel sold almost 5,500 Mokkas in January and also increased year-on-year sales of the Corsa subcompact, up 2% to 15,923, and Astra compact, up 1% to 16,898. Earlier this month, Opel said it already had more than 80,000 orders for the Adam minicar, which arrived in showrooms in January 2013. If demand stays strong for the Adam, Mokka, Corsa and Astra, Opel should report positive sales numbers throughout the year. This would provide a much-needed boost for the carmaker, which was the major contributor to GM's $1.8bn operating loss in Europe last year.

Turkish government to offer tax breaks to automotive industry

(Source: Supplierbusiness.com, 15th February 2013) The Turkish government is planning to offer tax breaks as incentives to the automotive industry to invest there. An unnamed senior industry official said that among the incentives will be vehicle manufacturing investment of more than 300m Turkish lira ($169.7m), engine manufacturing investment of more than 75m Turkish lira and component factories costing more than 20m Turkish lira. According to the official, the aim is to focus more investment on under-developed parts of the country. Those in eligible locations will receive VAT and customs rebates, contributions to employee costs and subsidies on land purchases. Vehicle production has more than doubled in Turkey during the past decade to over 1m units per year. However, the government has massive ambitions to take output even further than this and making it into a key industry for the country, supplying both local and export demand. The latest measures could go some way towards this. It would also help to improve the national output and per-capita income of the regions in the lowest of the six bands measuring the performance of the 81 provinces in the country. However, it remains to be seen when this will take place and whether it will be existing carmakers located in the country who take this opportunity or whether it would attract a broader base of players.

EUROPE

DB Schenker boosts capacity in UK Midlands

(Source: Automotive Logitics News, 20th February 2013) DB Schenker Logistics' UK division, Schenker Limited, has completed a major reinvestment programme at one of their main UK land hubs at Nuneaton. The company has

recently opened a dedicated contract logistics site in Tamworth in the UK Midlands, creating new capacity in the Nuneaton facility that it said is part of the company's growth strategy for the Midlands region. The 8,000m² facility now has 21 loading bays and offers daily departures to and from all European destinations via its extensive land network which consists of 730 locations in 36 countries as well as the air and ocean freight services also offered from the Nuneaton branch. "We have aggressive growth plans and this expansion will enable us to handle a vastly increased volume of cargo," said Helgi Ingolfsson, CEO of Schenker Limited. "We have a large team based here, with vast knowledge; we also have many value-added e-business services we can offer clients to improve the efficiency of their supply chain," he added. DB Schenker Logistics said it is also able to provide rail freight services through its sister company DB Schenker Rail, including access to rail freight terminals in the local area, such as Hams Hall, and to mainland Europe via the Channel Tunnel.

Bremen joins constitutional complaint against mega-truck trial

(Source: Nomegatrucks.eu, 20th February 2013) The federal state of Bremen joins the constitutional complaint against the trial with mega-trucks in Germany. This was announced by the Senate of Bremen on Tuesday 19th February. With Baden-Württemberg, Schleswig-Holstein and Bremen, three states proceed against the trial enacted by the German federal government. In a similar complaint the parliamentary groups of Social Democrats and Greens in the Bundestag sue against the journeys with oversized trucks. "The federal government has started the trial without the approval of the states in the Bundesrat. This is not consistent with the Constitution," said Bremen's Senator for Transport Joachim Lohse. Besides legal concerns, Lohse is also worried about road traffic safety: "Our road network is not suitable for vehicles of this size."

MCCL starts new ro-ro service to Black Sea

(Source: Automotive Logistics News, 20th February 2013) Short sea transport provider Mediterranean Car Carriers Line (MCCL) has established a new ro-ro service for finished vehicles between the Port of Koper in Slovenia and ports in the Black Sea. A dedicated PCTC vessel with a capacity of 750 cars, which is also able to load trucks, buses and project cargo, including High & Heavy units, will call at the Port of Koper every 20 days moving on to Piraeus in Greece, Derince in Turkey and Poti in Georgia. MCCL, based in Piraeus, specialises in the transport of vehicles in the Mediterranean and Black Seas. Luka Koper, the operator of the Slovenian port, reported handling almost 480,000 cars in 2012, up from just under 447,000 in 2011.

SNCF appeals against €60m Fret fine

(Source: LloydsLoadingList.com, 21st February 2013) French state operator SNCF has lodged an appeal against a €60.9m fine handed down to its rail freight unit, Fret SNCF, in December 2012 by the country's competition regulator. Fret SNCF was condemned for a number of commercial practices designed to hinder and delay the arrival of new market entrants into France's rail freight sector. France's state railway's initial response to the fine was to claim it was "significant, given the practices sanctioned," hinting at a possible appeal. SNCF President Guillaume Pepy said: "What is being sanctioned are practices which took place at the very start of the opening-up of the rail freight market in France, dating back five to six years – bad habits which couldn't be changed in the space of a few days." News of the appeal came as SNCF announced its annual results, with Fret SNCF reporting a 2012 turnover decline of 7.7%. The group's logistics division, SNCF Geodis, saw its 2012 turnover fall by 1.6% year-on-year to just over €9.5bn, against a backdrop of economic recession in Western Europe. Only air and ocean forwarding posted growth in turnover (up 7.6%). This partially compensated for revenue decline in other areas of SNCF Geodis' activities, such as parcel services (-3%), road haulage (-4.8%), logistics (-3.1%) and automobile transport (-7.9%). SNCF Geodis achieved organic growth outside Europe of 3.9%, whereas within Europe turnover was down by 2.7%, mainly impacted by contracting business in France (-4.3). However, the division produced a positive operating margin of €136m, down €93m on a comparable basis with 2011.

EU co-financing helps increase freight rail capacity in the Netherlands

(Source: TEN-T EA, 18th February 2013) The European Union will support with over €3.5m from the TEN-T Programme a project to help further the development of a key rail freight corridor at Meteren-Boxtel in the Netherlands. The project is part of TEN-T Rail Freight Corridor 1 which aims to remove bottlenecks and upgrade the existing rail infrastructure to help increase rail freight capacity. The project, which was selected for funding under the 2011 TEN-T Annual Call, will co-finance several studies required before the actual construction work can begin. The studies will aim to examine and identify the preferred alignment for the route and include an analysis of the alternatives, an environmental impact assessment and a detailed design of the preferred alignment. The project covers the Meteren to Boxtel rail section in the Netherlands, which is one of the main parts of TEN-T Rail Freight Corridor 1. Improvements on this section will help to diversify freight routes and meet increasing rail transport demand on one of the busiest routes in the Netherlands. The project is set to be completed by December 2014.

Solutions for intermodality in Spain supported by the EU via grant

(Source: TEN-T EA, 18th February 2013) The European Union will co-finance with over €500,000 from the TEN-T Programme a study to assess the possibilities of using a Public-Private Partnership (PPP) scheme to finance the development of the Vilamalla/El Far d'Emporda intermodal logistics terminal in Spain. The project, which was selected for funding under the 2011 TEN-T Annual Call, concerns the realisation of a series of studies aimed at evaluating the possibility of using a PPP procedure to continue developing the intermodal logistics platform. In particular the studies will have to assess which PPP model would be most suited for the project and confirm the viability of realising such a development via a PPP scheme. The studies also explore the use of EU financial instruments in the proposed PPP models and the grant also facilitates the tender preparations. The project is set to be completed by March 2014.

REST OF THE WORLD

SNCF couples-up with Indian Railways

(Source: LloydsLoadingList.com, 20th February 2013) French state railway SNCF has signed a co-operation agreement with its Indian counterpart that includes the modernisation of the country's rail network. News of the pact follows a recent state visit to India by French President François Hollande. It was signed in New Delhi by the President of India's Railway Board, Vinay Mittal, and SNCF President Guillaume Pepy. The five-year, renewable agreement forms part of a development plan for Indian Railways (IR), running until 2020, and focuses on four "priority areas" – high-speed rail links, station renovation, network upgrading and suburban train services. It entails a joint feasibility study of a high-speed rail link between Mumbai and Ahmedabad, a distance of almost 450km. The study will be funded by SNCF with support from the French Ministry of Finance. In the area of network modernisation, SNCF's transport infrastructure design process subsidiary, Systra, is already participating in engineering work on dedicated freight traffic corridors which IR is planning to launch. Another SNCF subsidiary present in India is Geodis Wilson, which offers services from an agency network across the country. State-owned IR operates one of the world's largest railway networks. In 2011, it is estimated to have transported 2.8m tonnes of freight traffic on a daily basis. Freight traffic was predicted to rise by more than 5% in 2012. In IR's 2012-2013 railway budget, provision is made for setting up a logistics corporation to develop and manage existing rail freight facilities and multimodal logistics parks. Private investment schemes for wagon leasing, sidings, freight terminals and trains carrying containers are also envisaged.

Sollers joint venture builds Toyota SUV in Vladivostok

(Source: Automotive Logistics News, 20th February 2013) Sollers-Bussan, a joint venture between the Russian vehicle maker Sollers and Japanese trading company Mitsui & Co, has started contract assembly of Toyota's Land Cruiser Prado SUV at its plant in Vladivostok in the Russian Far East region. Initial production capacity is set at around 1,000 vehicles a month and full production is now underway. It is the first time that Sollers has assembled Toyota vehicles. Toyota is supplying components from its facility in Aichi, Japan. It is also responsible for product quality management including training and personnel support. Toyota said the Prado will be shipped out from the Vladivostok plant to its Russian dealer network via the Trans-Siberian Railway. Alongside its own UAZ and ZMZ brands, Sollers also makes Isuzu and Mazda vehicles under contract, as well as vehicles for Ford and Ssangyong. It has a joint venture with Ford in Russia that is based around Ford's production plants in the Leningrad region and two Sollers plants in Naberezhniye Celny and in Tatarstan. Sollers-Bussan was established in August 2010 and has been engaged in preparation for the launch of the Toyota project since then, with technical assistance from Toyota. Production at the Vladivostok plant is reported to have been delayed for about a year because of quality control issues. Contract manufacturing is a growing business in Russia as foreign carmakers look at ways of introducing their vehicles to the Russian market without succumbing to high import costs and regulatory barriers. Sollers also set up a joint venture company with Mazda in 2012, also in Vladivostok, for production of the CX-5. Mazda Sollers Manufacturing Rus has a production capacity of 50,000 vehicles and plans to add the Mazda 6 to the assembly line in the future. Sollers rival GAZ has recently begun production of the Chevrolet Aveo at Nizhny Novgorod following an agreement signed with General Motors Korea in 2011. GAZ also has contract manufacturing projects to build the Skoda Jeti and Octavia, the Volkswagen Jetta and Mercedes-Benz Sprinter van. OEMs such as GM and VW are using GAZ's capacity to help the volume requirements of Russia's industrial policy under Decree 166, which calls for foreign carmakers to make 350,000 units per year in Russia.

PRESS RELEASES

IRU partners with UNECE on secure parking areas

(Source: IRU – International Road Transport Union, 15th February 2013) On Friday 15th February the IRU partnered with the UNECE Inland Transport Security Discussion Forum to effectively tackle the great demand for secure parking areas along the road transport network, as well as the necessity to adapt them to modern road transport logistics needs, such as easy location, capacity, safety, cargo security and availability of adequate rest facilities for drivers.

Organised to address the lack of such parking areas, the UNECE Inland Transport Security Discussion Forum on Secure Parking Areas included keynote speakers from Interpol, the European Secure Parking Organisation and the UNECE Transport Division, who all emphasised the need for strengthened initiatives and public-private partnerships to further promote and develop secure parking areas.

IRU General Delegate to the EU, Michael Nielsen, stated: “As road freight transport is the dominating freight transport mode across the globe with a 72.2% market share in the European Union for the total land-based transport of goods, it is imperative to ensure the security and safety of road transport operations for the industry to keep driving the EU and the world’s economies. This lack of adequate parking facilities, combined with the serious organised road crime, has led us at the IRU to develop TRANSPark in 2009, in partnership with the International Transport Forum, to enable road professionals to locate secure parking areas and achieve tangible progress in increasing transport security.”

TRANSPark is an ITS platform that helps commercial road transport operators and drivers locate parking areas in over 40 countries free of charge, thus enabling them to comply with strict driving and rest time rules despite the acute shortage of truck parking areas.

“The IRU is now co-operating closely with the European Commission to define the best way to ensure the permanent availability of updated content on parking areas within the EU. We are convinced that the best way to achieve this, in the EU and beyond, is to guarantee that authorities responsible for parking areas systematically provide the location, security and comfort information of commercial vehicle parking areas to systems such as TRANSPark in a harmonised, systematic and regular manner, or at least ensure that relevant parking managers do so,” Michael Nielsen concluded.

To access TRANSPark please see: http://www.iru.org/transpark-app

To watch an animation introducing TRANSPark and see the UNECE Inland Transport Security Discussion Forum’s agenda and presentations please click on: http://www.unece.org/trans/events/2013/inlandsecurity_forum13.html

IRU upgrades online services to support operators’ daily work

(Source: IRU, 18th February 2013) The IRU, in order to facilitate daily road transport operations and ensure the industry’s sustainable development, recently upgraded two of its global online services: TRANSPark, an application that helps locate and promote secure parking areas, and the IRU Legal Assistance Network, a global network of over 100 specialised legal professionals providing legal counsel and assistance on demand.

The new TRANSPark is more user-friendly and relevant to professional drivers, parking area managers and transport operators, while remaining free of charge. Now fully available in English, Russian and French, the application enables users to locate more than 4,000 parking areas in over 40 countries, including along planned routes, register the location of new parking areas in the application and rate the security and comfort levels they offer. Parking managers can also promote their own parking and self-assess security and comfort levels or request a certification.

TRANSPark helps better control costs and prevent cargo crime and attacks on drivers, and provides useful extras such as border waiting times, fuel price comparisons, flash news as well as security advice.

The IRU Legal Assistance Network (LAN) has been upgraded to an attractive and intuitive web application giving transport operators requiring specialised legal assistance a fast and easy access to contact details of more than 100 legal professionals worldwide, specialising in transport law and/or practising in different areas of law that are relevant to international road transport, such as transport fiscal, administrative, community, civil and commercial, criminal, labour and procedural law. This network is designed so that users can rapidly identify a competent lawyer in any given country worldwide and request counsel or assistance for a fee.

To download TRANSPark information leaflets for drivers and transport operators please see: http://www.iru.org/en_bookshop_item?id=324

The Escola Europea de Short Sea Shipping continues LIFE in 2013

(Source: Escola Europea de Short Sea Shipping, 28th February 2013) Between Friday 8th February and Sunday 10th February the first LIFE MOS Avtoritas of 2013 took place on the **Grimaldi Lines** crossing between Barcelona and Civitavecchia, organised for students coming from Portugal. Previously, the Escols organised two LIFE Rail Avtoritas courses: on 30th and 31st January for French students and between 4th and 6th February for Catalan students.

40 students from ISCIA and the Escola Náutica participated in the LIFE MOS Avtoritas, which aims to provide today's logistics and international trade university students and tomorrow's operators in training in intermodal logistics, short-distance maritime services and the motorways of the sea, and to bring them closer to the environment, the operations and the people involved in providing these services. This course was promoted by the Portuguese association AGEPOR.

29 students from the Lycée Diderot of Narbonne, France, attended the LIFE Rail Avtoritas courses in January 2013, whilst the February edition was attended by 28 students from the following Catalan institutes: Lluïsa Cura, Jaume Mimó, Eugeni D'ors. The primary goal of LIFE Rail Avtoritas is to introduce freight transport by rail to the students, and to establish the concept of co-modality.

These courses were taught by a combination of professors and professionals from the transport sector. They included a representative of the Short Sea Promotion Centre of Portugal, the Port of Barcelona, SLISA, Grimaldi Lines and the Escola Europea de Short Sea Shipping.

The first half of February also witnessed two one-day courses of Introduction to Intermodality, which have as an objective to introduce professionals and students of logistics, transport and international commerce to intermodality by discovering a port, which is the primary point of modal interchanges. A total of 160 students from the Thoren Business School, Örebro Affärsgymnasium, Sweden, attended these courses.

The next LIFE courses will take place in March and April 2013, for students from all over Europe, and mainly from the Netherlands and Belgium.