ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 13.12, 18th – 22nd March 2013

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ECG Dinner Debate 2013

The Annual Dinner Debate of ECG was held on Tuesday 19th March in the European Parliament. It was hosted by Mr. Brian Simpson MEP, Chairman of the Transport and Tourism Committee.

See our press release on page 2. The agenda, the list of participants, the photographs of the event and the speakers' presentations can be found here.

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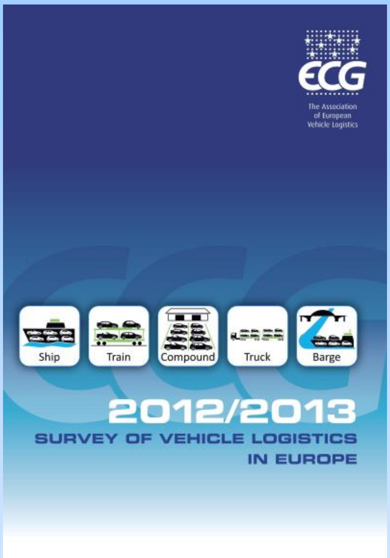

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NEWS FROM BRUSSELS

ECG Dinner Debate 2013, again a success!

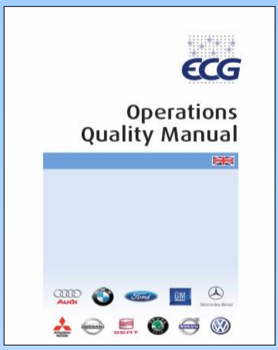
(Source: ECG Press Release, 21st March 2013) Europe must take urgent action to boost car production, the automotive industry's main transport association said on Tuesday 19th March. ECG's Annual Dinner Debate took place in the European Parliament and was hosted by Brian Simpson, the British MEP who chairs the European Parliament Transport and Tourism Committee. Incentives are required now to kick start domestic production and support European exports, according to the **Association of European Vehicle Logistics** (**ECG**). Association President Costantino Baldissara warned European Union law-makers that, without decisive action, job losses were on the horizon. Talking at a debate in the European Parliament in Brussels, Mr Baldissara said car transporters had already reduced investment in response to falling profit margins and increased costs. "Our capacity to invest has been brought to a standstill," he said. "We are in a struggle to survive." Scrapping schemes such as those launched in response to the outbreak of the crisis in 2008 were cost-efficient for governments, he pointed out. The social benefits for workers of producing a single car ran to thousands of Euros. "Some measures can be taken at zero cost," the association President said. ECG companies transport finished vehicles across the globe by ship, railway, truck and river barge. Together they directly employ 70,000 and boast an aggregated turnover of €22bn. The automotive sector the ECG serves is one of Europe's biggest economic drivers, employing around 12m and contributing around 16% of European Union gross domestic product. At the European Parliament debate, MEPs and European Commission officials were told that despite the crisis Europe remains a car manufacturing powerhouse. 24% of the world's cars were made in Europe in 2011. But domestic demand is declining rapidly and is in urgent need of a shot in the arm. Luc Billiet, the newly appointed Head of European Supply Chain Management for the Fiat-Chrysler group, told attendees that demand in the European automotive industry was dropping at almost double-digit rates. Europe needed not only to redress this domestic decline but help exporters reach markets in the US, Middle East and Asia, where demand for quality European vehicles remained strong, said Mr Baldissara. "We need action, and with a sense of urgency," he said. "If there is no profit there will be no investment and companies will disappear. We will lose skills." Separately, ECG members continued to push for transport infrastructure standardisation across the European Union. Maximum loaded dimensions for trucks still vary from country to country, creating waste and inefficiency. Harmonisation of rail infrastructure rules remains years away, and rail freight struggles to compete with road haulage in terms of speed. In the maritime sector, meanwhile, costs look set to rise due to EU emissions legislation that will come into effect in 2015. To keep costs low, some operators could be forced to ship overland instead of by sea. With this low-sulphur emissions law, EU emissions policy is running contrary to its stated goal of getting freight off the road.

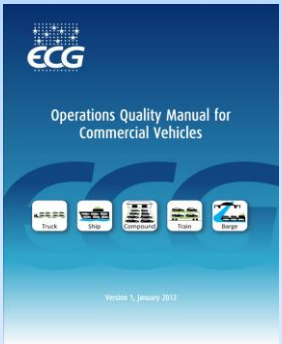
To download the programme, list of participants and presentations, please see: http://www.ecgassociation.eu/Activities/ECGDinnerDebates/ECGDinnerDebate2013.aspx

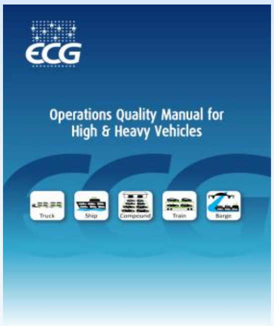
New "Going Abroad" webpage to help you prepare your trips across the EU

(Source: European Commission & ECG, 21st March 2013) The Road Safety Unit of the European Commission's DG MOVE has created a new webpage where traffic rules in all EU Member States can be found. To access this webpage please see: http://ec.europa.eu/transport/road_safety/going_abroad/index_en.htm

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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Tough EU fuel economy rules could create 443,000 jobs by 2030

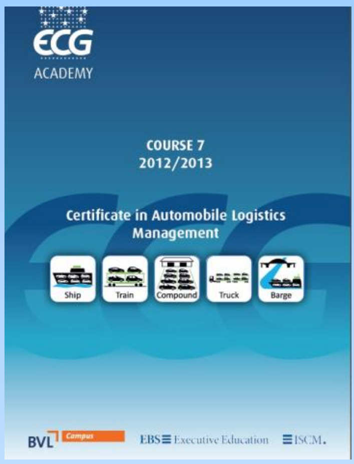
(Source: Euractiv.com, 18th March 2013) Robust fuel efficiency standards for cars could create up to 443,000 new jobs by 2030 and add €16bn per year to Europe's GDP, according to the first economic study of the effects of CO_2 legislation on the car industry. Implementing the EU's proposed 2020 auto-standard of 95 grams of CO_2 per km (g/km) for automobiles and 147g/km for vans – as a stand-alone measure – could result in 356,000 new jobs, says the report by Cambridge Econometrics and Ricardo-AEA. But if the realised target were 90g/km for cars and 141g/km for vans with annual 3% (and not 1%) efficiency gains in the following years, the jobs harvest could top 443,000. "Over-achieving on targets is a plausible scenario, because several carmakers have already met their 2015 goals ahead of time," the report says. Around one-third of the forecast new jobs would be created in the automobile industry value chain, due to the labour intensity of the low-carbon car manufacturing process. The other two-thirds would result from a shift in spending away from fossil fuels to other areas. But the jobs gains would not accrue until 2030, due to the 10-year period it takes for an uptake of new cars to feed through to the economy. The report also finds that efficiency improvements would add an extra €1,000 to the cost of an average car in 2020, but that this would be offset for consumers by fuel savings in the long run. Fiona Hall, the Environment Committee member tasked with managing the passage of the EU's legislation through the European Parliament, welcomed the paper. "Cutting the CO_2 emissions from cars not only helps tackle climate change, but it also creates new jobs in auto technology companies and gives a boost to Europe's economy by reducing our spending on expensive oil imports," the British MEP said. The European Automobile Manufacturers Association (ACEA), though, argues that increased prices of this type encourage customers to buy used high carbon-emitting cars, rather than greener but more expensive vehicles. "There is no real proof that more stringent regulation leads to new jobs in Europe," said Cara McLaughlin, a spokeswoman for ACEA. "The spill-over effects are questionable and there are a number of contradictory estimates with no clear positive effects on the EU economy," she added. The Cambridge Econometrics and Ricardo-AEA report was compiled using data from the car industry, models applied by the European Commission, and fuel projections from the International Energy Agency. Some industry groups like the European Aluminium Association (EAA) welcomed the paper, for the boost it could give to the use of lighter car manufacturing materials. "Opting for lightweight solutions not only has a positive climate impact but also a real economic advantage," said Gerd Götz, the EAA's Director General. He added that it was "a must in the current economic situation." The report came as the European Parliament's Industry Committee prepared to vote on an opinion of the EU's proposed 2020 CO_2 standard on Tuesday 19th March. The MEPs' opinion calls for delaying any decision on auto targets for 2025 and 2030 beyond the EU's favoured 31st December 2014 deadline. Several other amendments weakening the Commission's proposals by widening exemptions and derogations in the legislation's "super-credits" clauses have also been tabled by the centre-right European People's Party. The key vote on the proposed new legislation will take place on 25th April in the Parliament's Environment Committee, which has the lead on the legislation.

Commissioner has "high hopes" for the Clean Europe Week initiative

(Source: TheParliament.com, 19th March 2013) European Environment Commissioner Janez Potocnik has said that marine waste is the "most serious consequence of inadequate waste management." The Slovenian official was speaking on Monday 18th March at the launch of the first ever annual Clean Europe Week, which will take place in May 2014 with the backing of the Commission. The week of activities and communication on litter prevention will be launched simultaneously in participating countries, including Germany, Finland,

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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France, Sweden and many more. Potocnik said: "Nearly 80% of marine litter started out on land, most of that litter is plastic waste. Sources are manifold, but in all cases, the phenomenon is linked to insufficient waste management infrastructure." On 7th March, the European Commission released a Green Paper on plastic waste in the environment, which emphasised the need to reduce waste in both land and marine environments. The Commissioner said that the paper is "intended to open the discussion on the best way forward to tackle all types of plastic waste, new ways to increase recycling and waste prevention." While there are varying levels of success in litter prevention across Member States, Potocnik said that "good governance" was important, and a common feature of successful litter prevention is a "functioning waste management infrastructure." "Regular waste collection, separate collection bins, public waste collection points for glass, metal, paper, solvents, bulky rubbish – all of these mean less littering. Making best practice systematically and proactively available to others has a huge potential to make fast progress in the fight against littering," he said.

EU issues WTO warning to Russia

(Source: TheParliament.com, 18th March 2013) According to *the Moscow Times*, the European Union has told Russia that it will face a legal battle in the World Trade Organisation (WTO) if it fails to end restrictions on European exports. The paper says the move from Brussels comes ahead of several meetings to be held in Moscow aimed at dealing with a series of conflicts between Moscow and Brussels, including trade disputes, Syria and energy. The EU is concerned about Russia's requirement since September 2012 that foreign cars must pay a recycling fee to be able to drive on Russian roads, raising their price in car showrooms and makes them less attractive at a time when European carmakers are struggling.

Car manufacturers “manipulating fuel efficiency tests,” report says

(Source: Euractiv.com, 14th March 2013) Drivers who find that the fuel efficiency in their new car does not match-up to the claims made by the manufacturer, now know it is not their driving to blame. A new report reveals that carmakers routinely manipulate official UN-backed miles/gallons tests, with a series of tricks including stripping the car down to weigh as little as possible, over-inflating the tyres and testing in the thin air at high-altitude tracks. The tricks of the trade are listed in a report by the Transport & Environment campaign group (T&E), which suggests the official fuel consumption cited by car manufacturers is on average almost 25% lower than that achieved in reality, and in some cases 50% lower. Among the 20 creative but legal ways European carmakers exploit loopholes and boost official performances are: taping over cracks around doors and grills to minimise air resistance, using special super-lubricants, stopping the car's battery recharging, adjusting the wheel alignment and brakes, and testing at unrealistically high temperatures and on super-slick test-tracks. Greg Archer, Clean Vehicles Manager at T&E, says: "This new evidence shows that carmakers in Europe are cheating their own customers by manipulating official tests, which leads to thousands of Euros of additional fuel costs for drivers. They are also cheating legislators, as EU laws intended to reduce CO_2 emissions from cars and vans are only being met in the laboratory, not on the road. The only way to rebuild this trust is by closing loopholes in the current test procedures, to ensure that cheaters never prosper." New tests which reflect better modern driving conditions are expected to be introduced to Europe in the next few years. But carmakers are said to be trying to delay their introduction. The official mileage test, called the New European Driving Cycle, was set up 30 years ago and is administered by a UN subsidiary body called the World Forum for Harmonisation of Vehicle Regulations (WFHVR). It is supposed to represent the typical usage of a car in Europe. But, T&E's report found, lax testing procedures are allowing carmakers to manipulate the official tests to produce unrealistic and flattering results. T&E's report said: "Testing and checks on production vehicles are inconsistent and

ECG AGENDA

►**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

inadequate, with manufacturers paying the organisations undertaking and certifying the tests." It added that, when the tests were introduced, "no one expected carmakers to adjust the brakes, pump up the tyres, and tape up all the cracks to reduce the air and rolling resistance. These practices are now commonplace, with testing facilities being paid to optimise the results of the tests." It concluded: "There is no evidence that carmakers are breaking any formal rules – but they do not need to – the current test procedures are so lax there is ample opportunity to massage the test results." The Society for Motor Manufacturers and Traders (SMMT) said in a statement: "We support enhancements to the test procedures and are contributing to the development of a new test cycle which is designed to better represent real world driving." The SMMT said the mileage data was "prone to error" because "a limited number of vehicles" were tested, but added: "Vehicle manufacturers carried out more than 3,500 independently verified tests in accordance with detailed legal guidelines set out by the European Commission. Each model received an initial test, which is followed by random monitoring of the same types of vehicle as they leave the production line, taking the overall test numbers into the tens of thousands." Testing undertaken for T&E by an independent laboratory found that older vehicles performed on average 19% worse in real world conditions than the results obtained in official tests. For newer models the average difference was 37%. "By creative interpretation of the test procedures, carmakers are able to achieve multiple small improvements that lower the test results," the report said. It added: "The current procedure also inexplicably allows the CO_2 results declared by the manufacturer to be up to 4% below the measured results."

AUTOMOTIVE INDUSTRY

Ghosn favours incentives to revive car demand

(Source: Automotive News Europe, 18th March 2013) Renault CEO Carlos Ghosn supports the use of scrapping incentives to mitigate falling demand for new cars in Europe, which is headed toward a sixth straight year of decline as austerity measures keep customers out of showrooms. "There is no debate that at some point there will be a need for economic policies to stimulate Europe," Ghosn said at a news conference in Cascais, in the outskirts of Lisbon, Portugal. "But I'm not expecting it in the medium term, over the next three years." Ghosn, Fiat CEO Sergio Marchionne, who also chairs Europe's ACEA car lobby, and Volkswagen CEO Martin Winterkorn, voiced their concern about government austerity measures at the Geneva Motor Show earlier this month. The use of incentives is not backed by all carmakers because there is usually a big decline in demand when the subsidies end. "You need to anticipate demand when you need it," Ghosn said. "Look at what central banks are doing today; they're swamping markets with liquidity. But these liquidities, they will take them back later on. That's how you deal with crises," he added. Spain reintroduced incentives in February to spur car sales in the country. French Industry Minister Arnaud Montebourg said on 3rd March he favours car-scrapping incentives to revive the auto market and push people to buy more fuel-efficient models, as opposed to a proposal being discussed to raise taxes on diesel fuel. The French government is not likely to make any decision on the matter this year, he said on 5th March. The Euro area's economy will shrink in back-to-back years for the first time in 2013, driving unemployment higher as governments, consumers and companies curb spending, the European Commission said on 22nd February. Gross domestic product in the region will fall 0.3% in 2013, compared with a November 2012 prediction of 0.1% growth.

EU industry boss defies German pressure on car coolants

(Source: Automotive News Europe, 21st March 2013) The European Union's Industry Commissioner Antonio Tajani said he will enforce new rules that ban

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extremely potent greenhouse gases in car air-cooling systems, defying opposition from the German government and the country's carmakers. Daimler has led resistance to using an alternative, less-polluting coolant made by US supplier Honeywell International Inc., which Daimler says is dangerously flammable. German ministers have written to the Commission asking for a temporary suspension of the new law. Tajani said he had to listen, but he would begin infringement proceedings against any Member State that did not comply. "I am saying very clearly that the Directive is in force and has been since 1st January 2013. There is no extension. The Directive must be respected throughout the European Union," Tajani told the Environment Committee of the European Parliament. "Since there was some information from Germany there was a problem, I am obliged to ask for information, but it's not giving them time. I am not weak," he added. A separate Commission statement underlined that any carmaker using R134a, the former industry standard for air conditioning, would face infringement procedures that can lead to daily fines. British Liberal Democrat Member of the European Parliament (MEP) Chris Davies has followed the car air conditioning systems debate since it first began in 2003. He welcomed Tajani's stance. "The Commission position is very strong indeed. In fact so strong, it amounts to a declaration of war on Daimler," he said. "New models using the old refrigerant must not be sold," he added. Daimler is not only at odds with the European Commission, but also with Honeywell, which developed the coolant, adopted as the new industry standard, in partnership with Dupont. Honeywell says its coolant is highly efficient and safe and has been subject to comprehensive testing. Named HFO-1234yf, the Honeywell fluid is only four times more potent than CO_2 and therefore easily meets the EU requirement that bans air conditioning fluids with a global warming potential exceeding 150 times the impact of CO_2. The old standard R1234a is more than 1,000 times more potent than CO_2. In a Daimler test of HFO-1234yf last year involving a simulated leak, the new coolant burst into flames. "We feel that the security concerns raised by some car producers should be taken very seriously," an EU diplomat said. "Therefore, we feel that it would not serve the desired purpose if we forced car producers to use HFO-1234yf," he added. The Commission does not prescribe which coolant is used provided that it meets the criteria, but the problem is that any alternative Daimler can develop will take time. Earlier this month, Daimler said it had tasked its engineers with developing a completely new air conditioning system that employs non-flammable carbon dioxide as an alternative to Honeywell's refrigerant. At the time, Daimler Research and Development chief Thomas Weber said that rival carmakers Audi, BMW, Porsche and Volkswagen had also agreed "to press ahead with this sustainable and safe solution" with Daimler.

Dacia output halted by pay strike in Romania

(Source: Automotive News Europe, 20th March 2013) Renault's Romanian unit Dacia stopped production at its Mioveni assembly line on Wednesday 20th March as employees went on strike in a dispute over pay, the company said. "We're negotiating on the collective work agreement," Anca Oreviceanu, a spokeswoman from Dacia said. "We don't know the impact on production yet," she added. Local media reports said Dacia's striking employees are seeking a 25% pay increase. The average monthly gross pay at Dacia was 3,700 Lei (€836) in 2012, which compared with a national average of 2,100 Lei. Dacia is the country's largest exporter, accounting for roughly 3% of gross domestic product, with more than 90% of output sold abroad. Romania's economy, the EU's second-poorest, grew 0.3% in 2012 and is expected to rise by 1.5% this year. Hit hard by the world economic and financial crisis, Romania was plunged into a deep recession in 2009 and had to turn to the International Monetary Fund (IMF) for help. Dacia's low-cost vehicles have proved popular in austerity-hit European markets and sales have grown strongly in comparison with Renault's core brand, which continues to lose market share in the region. In February, Dacia sales in EU and EFTA countries rose 15.4%, according to data from industry organisation ACEA,

while sales of the Renault brand dropped 14.8%. Dacia sold about 360,000 cars worldwide in 2012, up 4.8% from 2011.

Fewer Board Members means more control at PSA

(Source: Automotive Supply Chain, 13th March 2013) The Supervisory Board at PSA met on Tuesday 12th March to approve proposed resolutions and restructure Peugeot SA, and from April, the Managing Board will have four members instead of six. Guillaume Faury, Executive Vice-President of Research and Development and member of the Managing Board of Peugeot SA leaves to replace Lutz Bertling as Chief Executive Officer of Eurocopter and member of the EADS Group Executive Committee. Frédéric Saint-Geours, Executive Vice-President of Brands and Chairman and Chief Executive Officer of Banque PSA Finance, will continue to give the group the benefit of his expertise in the capacity of special advisor to the Chairman of the Managing Board. This leaves Philippe Varin, Chairman; Jean-Baptiste de Chatillon, Executive Vice-President of Finance; Grégoire Olivier, Executive Vice-President of the Asia region; and Jean-Christophe Quémard, Executive Vice-President of Programmes managing the PSA Peugeot Citroën Board. This reorganisation makes sense, as Philippe Varin decided he needs a tight team and a direct contact with leaders of the two brands to give them “a little leeway”. The Supervisory Board of PSA Peugeot Citroën approved the proposed resolutions submitted by the Managing Board, which will be presented for approval at the Annual Shareholders Meeting next 24th April. This meeting will see shareholders ratify the appointment of Louis Gallois, who was co-opted on 12th February, re-elect to the Supervisory Board and elect two new Supervisory Board members: Anne Valleron, representing employee shareholders, and Jean-François Kondratiuk, representing employees.

EUROPE

Legislation could benefit modal shift in Europe

(Source: Automotive Logistics News, 20th March 2013) Carmakers and logistics providers are doing their best to cope with the sixth straight year of decline in European sales by adjusting transport networks to find efficiency savings and to better serve growing markets abroad. However, their efforts in finding more efficient multimodal solutions could be better supported by changes to existing EU legislation according to speakers at last week’s Automotive Logistics Europe conference in Bonn, Germany. Weights and dimensions regulation on the roads and bottlenecks on both road and rail are just two of the main concerns. The issue of weights and measures legislation on car hauliers in Europe is well documented. Under current EU haulage regulations trucks must conform to a maximum [*loaded*] length of 18.75 metres with a 40 tonne weight limit to move between countries. Vehicles longer or heavier than this need to be decoupled at borders and the modules [*or part of the load*] driven across individually. With vehicle overhangs often technically exceeding the maximum length, any further enforcement would mean a significant impact on transit times and an increase in the risk to quality. According to Tom Antonissen, EU Affairs Manager at the **Association of European Vehicle Logistics** (**ECG**), addressing this is a [*ECG*] priority. There is also a financing gap for road infrastructure [*maintenance*] at a time when Member States do not have any sufficient capital to invest and the banks are not lending. Discussions have opened again on road charges for freight, which Antonissen said ECG was also following closely. As a mode, road haulage is the guinea pig for the European Commission’s drive to internalisation of the external costs of transport [*to society*]. “This means that, next to the costs you think you have, such as fuel and labour, there are other [*external*] costs, including air pollution, noise, CO_2 and congestion,” explained Antonissen. “So the whole legislative aim is to put all this into a cost model and make road transport more expensive because [*the aim is to ensure*] it pays for all these costs,” he added. ECG’s response is that road infrastructure should be funded and maintained by public authorities arguing that it is a general service to a country and citizens that a government should maintain its roads [*while ECG also supports the “user pays” principle as long as it is fair, transparent and applies to all road users equally*]. Antonissen said ECG was pressing for the clearance of bottlenecks and the construction of missing links, including intermodal connections, as well as the implementation of intelligent transport systems. “There is a lot of technology to make traffic flow more smoothly but someone needs to invest in it, usually the public authority,” he said. Bottlenecks are also a problem at the ports according Dr Maximilian Altmann, owner of rail provider **ARS Altmann**. “There is not one important terminal for vehicle export in Europe which does not suffer from bottlenecks on rail,” he said. “Without those bottlenecks there would be much higher capacity and a greater potential for more efficient rail transport in terms of cost and quality,” he added. This is central to the argument on multimodality in Europe. Seat’s Finished Vehicle Distribution Manager, Manuel Medina, also pointed out that he did not know any dealers with a rail connection or factories with good rail connections to the ports. He also pointed out there was an imbalance on rail trade North and South, particularly as Spain has seen vehicle imports plummet while exports have been fairly strong. Elsewhere, Daimler’s Manager of Worldwide Transportation and Vehicle Distribution, Jan Maes, said the

company was intensifying rail movement and reviewing its ports strategy to help meet its ambitious volume growth plans and new model launch programme with the right transport modes. Logistics provider **GEFCO** has already introduced several long distance trains between France and Russia, as well as from China to Russia, which the company expects to increase under its ownership by Russian Railways (RZD). “In future, given environmental considerations and more polluter-pays taxes, I think that long distance transport by road will have to stop,” said Antoine Redier, the company’s 4PL Director. “We’re not there yet, because we don’t have the rail capacity.” Antonissen said that in 2010 a regulation was proposed to put in place a network across the EU devoted to freight that required co-operation between Member States on getting more capacity for freight and establishing a priority over passenger transport, something that could address the bottleneck problem. “But freight doesn't vote, passengers do, so getting a priority for freight is tricky,” he said, adding that Member States were working on it but there was not much to show yet in reality. Greater interoperability on traction is needed between Member States but they are resistant to EU approval on the standard, preferring to regulate locomotive and wagon standards themselves.

To read the full report from the Automotive Logistics Europe 2013 conference, please see:
http://www.automotivelogisticseurope.com/

Crumbling UK road network needs urgent investment

(Source: Commercialmotor.com, 14th March 2013) One in five local roads in England and Wales are in a poor condition, according to a report published on Thursday 14th March. In the Annual Local Authority Road Maintenance survey of councils ahead of the UK budget, the Asphalt Industry Alliance urged the Chancellor to make increased investment in the local road network a priority on Wednesday 20th March. Alan Mackenzie, Chairman of the Asphalt Industry Alliance, said: “The additional £215m over the next two years announced in 2012’s Autumn Statement was welcome, but it was clearly not enough. Last year’s extreme rainfall created an estimated £338m of damage, to be covered by a service already struggling with an annual shortfall of over £800m.” Previous research by YouGov for the alliance has put the cost, in terms of lost productivity, of poor roads to businesses at £5bn. According to the report: there is a £831m shortfall in the annual road structural budget; it would take 12 years based on current budgets to clear the carriageway maintenance backlog in England (excluding London); councils spent £112.7m filling potholes in 2012; 33% of the budget was used on reactive maintenance in London. In response to these findings, Maria Eagle UK Member of Parliament (MP), Labour’s Shadow Transport Secretary, said: “Ministers can’t duck their responsibility for pothole Britain. Having cut £1.2bn from road maintenance budgets in the Spending Review, they should not insult motorists by seeking credit for restoring just a fraction of that funding.

UK budget positives for freight forwarders

(Source: LloydsLoadingList.com, 21st March 2013) The British International Freight Association (BIFA) has welcomed the news that the 3% increase in fuel duty planned for September 2013 will not go ahead. Peter Quantrill, Director General of the trade association for UK freight forwarding companies, said: “Over the past 12 months the government has twice postponed fuel duty increases. I hope that the scrapping of September’s planned increase is a sign that the government will now eliminate fuel duty rises for the rest of this parliament. That would go some way to delivering the sort of long-term certainty that our association’s members want, but it does not mean that we will stop asking for an outright cut, the introduction of an essential user rebate and some form of fuel duty stabilisation mechanism.” Prior to the UK budget, BIFA expressed hope that the budget would bring some positive news about investment in transport infrastructure, and Quantrill also welcomed the news that the government will allocate an extra £3bn every year from 2015-2016 to 2020 to infrastructure projects including roads and railways.

New ro-ro lines to make the Mediterranean coasts come closer

(Source: Ship2Shore, 18th March 2013) Representatives of Cagliari Port Authority supported by members of the Italy-Algeria Association headed for Algeria in order to negotiate operational details of the plan conceived in previous meetings between the Ministry of Transport and representatives of major Algerian ports. This plan was aimed at launching new lines to Sardinia to enhance trade between the two countries, possibly taking advantage from a recent agreement sealed by Cagliari Port Authority with Montevideo, Uruguay, and Bahia Blanca, Argentina, institutions to ship South American meat to Sardinia. Meanwhile, Algeria could be importing Sardinian products and the Italian island could turn into a tourist destination for the soaring Algerian upper-middle class. In the meantime, Hercules Haralambides, President of Brindisi Port Authority, welcomed the Honorary Consul of Turkey, Pinar Bolognini, to discuss the launching of a new link between the Apulian Port in Italy and Izmir in Turkey, a project which is currently under active consideration. Haralambides and Bolognini reported they also target further trade development to North Africa. While political and maritime institutions are meeting to outline forthcoming scenarios, shipping operators put words into actions: CTN (Compagnie Tunisienne de Navigation) inaugurated a new bi-

weekly ro-ro service between Genoa, Italy, and El Khoms in Libya; also calling at Rades, Tunisia, departing from Genoa Port Terminal each Monday and Tuesday to Rades, to proceed each fortnight to El Khoms. Leghorn-based Mediterranean Sea Agency, representing Maltese Mediterranean Maritime Services Limited (MMSL) in Italy, announced the launching of a bi-weekly ro-ro service with a 28h final lead time offering trailers reaching Tunis, Tunisia – from Italy, Spain and France – a further link to Zuara and Tripoli/Al Khoms, Libya, deploying the *Carolyn* on the Tripoli/Al Khoms line and the *Alastair* on the Zuara line.

Achilles works with carmakers on SCM tool

(Source: Automotive Logistics News, 20th March 2013) The supplier management provider Achilles is working with Toyota Motor Europe, Aston Martin and Jaguar Land Rover to develop a supply chain mapping (SCM) tool that will allow automotive companies to mitigate supply risks, such as bottlenecks, by providing enhanced visibility. The tool is undergoing tests and is expected to go live in the next couple of months according to Achilles. “As automotive supply chains become more complex, the potential for major disruption through the failure of a lower tier supplier rises,” said Adrian Chamberlain, CEO at Achilles. “So we are working with these companies on technology that will enable them to map and understand their supply chains right through the many tiers. This will allow them to see the interaction and dynamics of them and risk assess in a way that has never been done before,” Chamberlain added. Speaking for Toyota Motor Europe, Guillaume Jacques, Purchasing General Manager, Projects & Strategy Planning, said: “Our recent experience showed us that most of our supply chain problems came from tier two suppliers and below, while our current supply chain risk management process was covering mostly tier one suppliers.” “We warmly invite other OEMs to join Achilles’ automotive solution as the targeted efficiency gain will be fully delivered only if the solution becomes an industry-wide standard,” continued Jacques.

A new inland waterway network for Northern Italy

(Source: TEN-T EA, 15th March 2013) The project supported by the TEN-T Programme will contribute to the upgrade of the Northern Italian inland waterway network – the Po River and its canals – to class Va – capable of accommodating vessels up to 110 metres long and displacing 3,000 tonnes with 3 layers of containers loaded. Additionally it will also develop the multimodal interconnections with the existing road and rail networks as well as the Adriatic Sea – Short Sea Shipping and South East Europe Motorways of the Sea – TEN-T Priority Project 21. The ultimate objective is to increase the capacity of the Northern Italian waterway system to meet existing and future demand for freight transport in this heavily industrialised and congested region of Italy. The project focuses on upgrading the connection between Mantova and its industrial zone to the Adriatic Sea along the Fissero-Tartaro-Canal Bianco and Po-Brondolo segments. This will be achieved by: building new locks at Brondolo and Cavanella to provide class Va infrastructure and allow larger vessels to safely use the locks and continue navigating on the canal; setting up an automated and remote control system for the lock chambers in the Veneto segment so as to increase the efficiency, speed, safety and competitiveness of inland waterway navigation; building a new lock chamber in the area of Valdaro in order to connect the industrial zone of the lakes of Mantova to the Adriatic Sea; improving the structures, performance and accessibility and hinterland connection of the Mantova Valdaro Port, thereby strengthening its capacity to serve as an ideal inland waterway transport intermodal node; building a new road connection between the Mantova Port and the A22 Brennero motorway. Construction of the railway overpass and the connection of the Mantova Port and the A22 Brennero motorway have been suspended as the implementing body needs to republish the tender for these works, which are unlikely to be completed before the end of 2014. The project started in May 2009. The TEN-T Programme is contributing 10% – or a maximum of €8,172,300 – of the total cost of the works, with the rest of the money coming from the Italian State. The total cost of the works being realised should ultimately be €81,723,000 and the project should be completed by December 2013. Completion of the project is expected to lead to an improvement in the accessibility of the industrial pole of South East Lombardy, to foster the interoperability of the Valdaro Port area with road and rail networks and to increase the efficiency and safety of navigation. The project will deliver a greatly improved inland waterway network in Northern Italy and guarantee connections to intermodal nodes, ports and road and rail networks in a key geographical region, situated at the crossing of two key TEN-T Priority Projects: the railway axis Berlin-Verona/Milano-Bologna-Napoli-Messina-Palermo – Priority Project 1 – and the railway axis Lyon-Trieste-Divaèa/Koper-Divaèa-Ljubljana-Budapest-Ukrainian border – Priority Project 6.

REST OF THE WORLD

Strong show from LSPs at GM awards

(Source: Automotive Logistics News, 20th March 2013) At its 21st Supplier of the Year Awards recently held in Detroit, General Motors handed out accolades to 83 of its best global suppliers, including 13 logistics service

providers (LSPs). Speaking at a ceremony held at the Charles H. Wright Museum of African-American History, GM's Vice-President of Global Purchasing and Supply Chain, Grace Lieblein, noted the critical role suppliers played in its business. "Each winning company consistently exceeded our expectations by being innovative, delivering high quality products and services on time, and by creating outstanding value," she said. This year's awards recognised 46 companies that were repeat recipients of the award. Among them was Italian ship-owner **Grimaldi Group**, which received the award for the twelfth time. "It has been a great honour for us to have been chosen for the twelfth time as the best supplier by one of our biggest customers" said Managing Director, Emanuele Grimaldi. "We are pleased to receive this award which is the result of the continuous efforts of our Group to offer high-quality logistics services to General Motors," he said. Maersk Line and **Höegh Autoliners** were also recognised for ocean transport and logistics services. Another repeat logistics recipient was DSV Air and Sea, the division of DSV that manages alternative routes. It has been organising supply chains for GM from Europe, Africa and the Near East to production locations and spare parts centres in Europe, North America, South America, Asia and Australia. It is the second year the company has been recognised with an award. "Our customers demand reliable, cost-effective transportation, but the biggest and best also want transparency and close co-operation in all aspects of the supply chain," said Jens Bjørn Andersen, CEO of DSV. "This is what we continue to deliver to General Motors, and they have rewarded our efforts by making us Supplier of the Year. It makes me very proud on behalf of DSV and our employees," he added. Amongst the other logistics providers receiving awards were Algai, Amports, Chunil Cargo Transportation, CJ Korea Express, FedEx, Mueller – Die Lila Logistik, Rich Transport, Ryder System and Union Pacific.

To read the Grimaldi Group press release on its Supplier of the Year award, please go to the "Press Releases" section of this ECG News issue.

Indian Railways seeks investment for autos

(Source: Automotive Logistics News, 20th March 2013) State-owned Indian Railways is developing a new automobile freight train operator (AFTO) policy, which it hopes will prompt investment from Maruti Suzuki and APL Vascor, the logistics subsidiary of APL. Both companies have already discussed increasing their investment in this sector. At present, just 5% of total automotive movement takes place by rail. However, attempts to increase this through the introduction of an earlier AFTO policy resulted in no new investment being made in the railways. The problem was that this required companies to acquire a 20-year licence at the cost of $900,000, although there was the possibility to extend this by a further 10 years. The licence allowed companies to invest in dedicated car transporters and offer them to manufacturers, with the owner paying freight charges to the railways. In the amended policy, the rate structure has been simplified. There will now be just two freight rates: one for loaded trains and one for empty trains. Maruti Suzuki has already filed patents for a new transporter wagon, which was developed by the Railway Designs & Standards Organisation, while APL Vascor has contracted Titagarh Wagons to produce its own design. When these new wagons are rostered into block trains, up to 318 small cars can be transported on each. This compares to current loadings of 150-170 cars or up to 270 cars, depending on the type of service being run. The Freight Marketing Department of Indian Railways has defended the decision to implement a charge to move empty car transporters. This is being done not only to cover costs, it says, but also to prevent automotive manufacturers from deliberately running empty trains to prevent competitors from using the service.

JAC plans to boost global exports

(Source: Automotive Logitics News, 20th March 2013) Chinese carmaker Jianghuai Automobile (JAC) said it intends to sell more than 1.6m cars by the end of the 2015 with exports accounting for 25% of the volume. The company's largest market share is in South America. In 2012 it reported exports there of around 30,000 units. In terms of localised production in South America, JAC is already assembling complete knock-down (CKD) kits at a plant in Venezuela, imported from China, and in November 2012 it began to work on a $600m plant in Brazil at Camacari, Bahia. The plant is expected to be operational by 2014 and is set for a production capacity of 100,000 vehicles. In an interview with the *China Daily*, JAC's Chairman An Jin said that the company would be focusing on improving quality both for the domestic market and for overseas buyers. He also said the company has been setting up maintenance outlets overseas to provide post-sale services and would not rush to export to countries without those outlets. "Without a maintenance network, a Chinese auto company's presence overseas will not last long," he said. The emphasis on quality reported follows the recall of just more than 117,000 Tongyue vehicles in China that had been fitted with rusted chassis. The vehicles were exposed by a corporate malpractice investigation aired on China Central Television. Volkswagen was also targeted in the programme for its problems with its direct shift gearbox (DSG) transmission, which is reported to be causing cars to speed up or slow down during driving.

PRESS RELEASES

The Grimaldi Group recognised by General Motors as a 2012 Supplier of the Year

(Source: Grimaldi Group, 18th March 2013) On Wednesday 13th March, during the 21st annual awards presentation ceremony which took place at the Charles H. Wright Museum of African-American History in Detroit, the **Grimaldi Group** has been recognised by General Motors as a 2012 world-class automotive Supplier of the Year.

"It has been a great honour for us to have been chosen for the twelfth time as the best supplier by one of our biggest customers," said Emanuele Grimaldi, Managing Director of the Grimaldi Group. "We are pleased to receive this award which is the result of the continuous efforts of our Group to offer high-quality logistics services to General Motors," concluded Mr. Grimaldi.

The Grimaldi Group is one of the 83 suppliers awarded by GM, having consistently exceeded the expectations of GM thanks to its innovative services, the timely delivery of products, the high quality services and the high creation value. This is the twelfth time that the Neapolitan group receives the GM Supplier of the Year award in the last 13 years.

"The Grimaldi Group played an important role in contributing to achieve GM's excellent results in 2012 with its dedication and commitment to consistently exceed our expectations thanks to its innovative nature, the timely delivery of products, the high quality services and the exceptional creation value," said Grace Lieblein, GM Vice-President of Global Purchasing and Supply Chain. "We are very happy to award the Grimaldi Group, which we consider a worldwide supplier."

The Supplier of the Year award is recognised to less than 1% of the nearly 18,500 suppliers to GM worldwide. The winners are awarded for their contribution of innovative technologies, their superior quality, the high quality crisis management and their cost-competitive services.

With over 60 years of experience in shipping, the Grimaldi Group is specialised in the operation of roll-on/roll-off vessels, car carriers and ferries. It is a dedicated supplier of integrated logistics services based on maritime transport to the world's major vehicle manufacturers. With regards to General Motors, the Grimaldi Group provides logistics services for the transport of GM vehicles between North Europe, the Mediterranean, West Africa, North and South America.

2E3S welcomes a group from all around Europe for a LIFE MOS Numina course

(Source: Escola Europea de Short Sea Shipping, 18th March 2013) Between the 9th and 12th March 2013 the first LIFE MOS Numina of the year took place on the **Grimaldi** Lines crossing between Barcelona, Spain and Civitavecchia, Italy. This course was exceptional as it combined various groups from seven European countries.

In total, 69 representatives attended this international course on maritime logistics. The University of Huddersfield (UK), the Institut Supérieur du Transport et de la Logistique (France), the SRH Hochschule für Logistik und Wirtschaft (Germany), the Hogeschool van Arnhem en Nijmegen (The Netherlands), the JAMK University of Applied Sciences (Finland), the University of Pardubice (Czech Republic) and the Universidad Camilo José Cela (Spain) were all represented.

This course was carried out in English, and taught by a combination of professionals and professors from the transport sector. These included representatives of the **Port of Barcelona**, Grimaldi Lines and the Escola Europea de Short Sea Shipping.

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