ECG News

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ECG – The Association of European Vehicle Logistics

Issue 13.14, 01st – 05th April 2013

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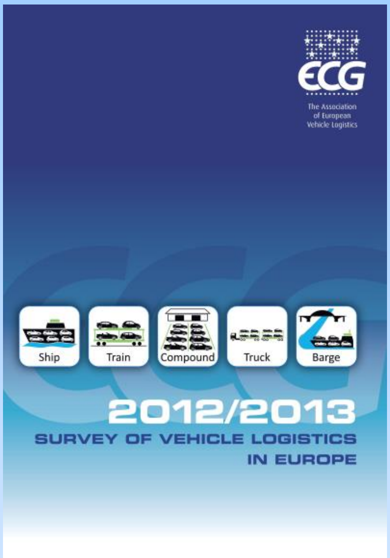

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NEWS FROM BRUSSELS

The ECG Quality Group meets again this April

(Source: ECG, 05th April 2013) The ECG Quality Group meets again on 16th April to discuss updates to the ECG Operations Quality Manuals. This meeting is open to Quality Managers or other interested parties from LSPs and OEMs as well as insurance companies and other stakeholders. All comments and suggestions should be submitted to ECG prior to the meeting please.

For registration and/or further details please contact ECG's Research & Projects Manager at: gabriela.caraman@ecgassociation.eu or +32 2 706 82 79

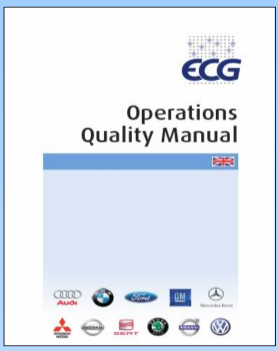
EU readies reporting requirements for ships

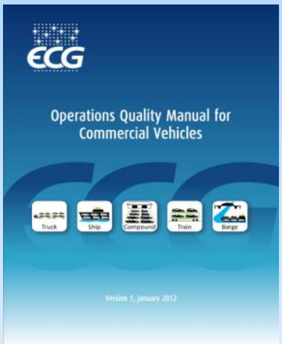
(Source: European Voice, 04th April 2013) A European Commission proposal requiring ships sailing in European Union waters to monitor, report and verify their CO_2 emissions is close to being finalised. It would require ships over 5,000 gross tonnes to begin reporting from 2017, according to a draft proposal. Ships would have to report all their emissions since their last port of call before entering EU waters or their first port of call after exiting the EU. The reporting would have to be verified by a third party and sent to the European Maritime Safety Agency (EMSA). The Commission has not ruled out eventually making shipping emissions subject to the EU's Emissions Trading Scheme (ETS) or to a different market-based mechanism. Under the legislation setting up the ETS, the Commission should have proposed such a mechanism by the end of 2012 if no agreement had been reached at an international level through the International Maritime Organisation (IMO). However, in October 2012, the Commission announced it would not fulfil this obligation, and would give the IMO more time. Until such a deal is reached, the Commission will begin monitoring emissions. The EU's inclusion of aviation in the ETS, which began on 1st January 2012, was frozen later in the year after non-EU countries said the EU should have waited for an international agreement through the International Civil Aviation Organisation (ICAO). The IMO is thought to be several years away from agreeing an international market-based system for lowering shipping emissions, and talks are currently focusing on first developing a monitoring system. The United States has recently submitted a proposal for monitoring which is broadly in line with the EU's thinking and which will be discussed at an IMO meeting in May 2013. Bill Hemmings, a campaigner with green transport group Transport and Environment (T&E), said that while it was now clear that the current Commission would not act to limit shipping emissions, the next Commission could revisit the issue. The monitoring proposal was a first step. "We will see how the monitoring proposal goes in the co-decision process. The EU could add a market-based mechanism to it later," Hemmings said.

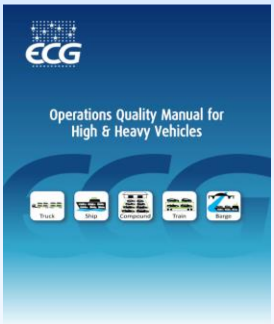
Promoting a European transport-technology strategy for Europe's future sustainable mobility

(Source: TRAN Newsletter, 28th March 2013) On Monday 25th March, MEP Michael Cramer presented within the European Parliament's Transport and Tourism Committee (TRAN) his draft report on "Promoting a European transport-technology strategy for Europe's future sustainable mobility." The rapporteur highlighted the need to align research and innovation more closely with EU Transport Policy. In particular, he called for seamless door-to-door mobility chains and for increased support for Small and Medium Enterprises (SMEs) through facilitating their access to EU funds and reducing administrative barriers. Committee Members broadly welcomed this approach. Speakers stressed the importance of noise reduction when it came to developing innovation for transport and mobility, especially in urban and residential areas. Among other points were the optimisation of transport flows and logistics chains, the compatibility of different transport modes and the need to encourage a change in behaviour.

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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Prices and integrated ticketing were identified as key factors relating to the transport sector competitiveness. Growth and job creation were also discussed, with emphasis laid on the social dimension. Some Members insisted that different research areas should be more integrated to achieve the goals of the last White Paper on Transport. Several Members, including the Rapporteur, considered that new technologies should focus on multimodality, passenger comfort and real-time information, whilst highlighting the need for technology neutrality. The European Commission representative also responded positively to the draft report, noting that the European Union is currently leading innovation in the transport sector. The importance of increasing the interaction between research initiatives and policy work at EU level was emphasised. The vote by the European Parliament in plenary session should take place in May 2013.

Reaching the 2020 target to reduce CO_2 emissions from new cars and new light commercial vehicles

(Source: TRAN Newsletter, 28th March 2013) The TRAN Committee confirmed the 2020 target of 95g CO_2/km proposed by the European Commission. It also proposed a long-term target for 2025 within an indicative range of 65g to 75g CO_2/km to be confirmed by the Commission in a legislative proposal by the end of 2015. It agreed on a "super-credit" scheme for cars emitting less than 50g CO_2/km. Such cars would be counted as 1.5 cars in the period from 2020 to 2023, with the increase of the target derived from the application of this multiplier being capped at 2.5g CO_2/km per year for each manufacturer. This scheme would aim at facilitating and accelerating the process of placing more ultra-low-carbon emission vehicles into the EU market by encouraging and rewarding manufacturers who have invested in low-emission technologies. Committee Members also supported a dual scheme where the footprint of the car may be used as an alternative to mass as a utility parameter from 2016 onwards to encourage the production of light-weight passenger cars. For both cars and vans, the TRAN Committee adopted a set of amendments aimed at ensuring that test procedures adequately reflect the emissions generated by real driving on the road, and asked for the adoption of the new World Light Test Procedure by 2014. As far as vans are concerned the Committee also confirmed the 2020 target of 147g CO_2/km. It favoured a long-term target for 2025 within an indicative range of 100g to 115g CO_2/km to be confirmed by the European Commission in a legislative proposal to be submitted by the end of 2015 in the same way. It again confirmed the super-credit scheme provided for in the current Regulation for the period from 2014 to 2018 for vans emitting less than 50g CO_2/km, but deleted the existing limitation of 25,000 vehicles to be taken into account for each manufacturer. The European Parliament's Environment Committee (ENVI), who has the lead on these files, is set to vote its reports on 25th April and 7th May for passenger cars and commercial vehicles respectively.

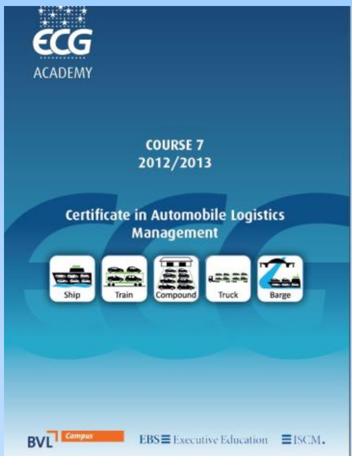
AUTOMOTIVE INDUSTRY

Weak March dashes recovery hopes for European carmakers

(Source: Automotive News Europe, 03rd April 2013) European car sales shrank again in March, threatening more losses for carmakers in the region after a dismal 2012, according to figures and forecasts. With euro-zone unemployment at a record high, forecaster LMC Automotive sees this year's sales dropping 3.1% in Western Europe to 11.4m vehicles. Annual sales slumped 8.2% in Europe in 2012 to a 17-year low of 12.05m vehicles as consumers in recession-hit countries postponed purchases. Italian car sales fell 4.9% in March, a smaller decline than in recent months only because a strike by car haulers a year ago dragged down the figures for March 2012. Filippo Pavan Bernacchi, Chairman of Italy's car dealers' association, said the figures put Italy on track for sales of 1.3m cars this year. That was "35% less than the 2m cars considered to be the minimum

ECG Academy

Course 8 will commence in October 2013.



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survival level for Italy's automotive industry," he said. In Germany, new car sales fell 17.1% in March to about 281,200 cars, the Frankfurt-based German carmakers' association VDA said on Wednesday 03rd April in a statement. First-quarter sales dropped 12.9% from a year earlier to about 674,000 vehicles. The decline was exacerbated by the Easter holiday shifting to March this year from April in 2012, the association said. French car sales fell 16.4% in March and 14.7% overall in the first quarter, according to figures published by the country's main auto industry body CCFA. The March decline also reflected a smaller number of days than in the year-earlier period. Adjusted for these calendar effects, French car registrations fell 12.5% in March and 12% in the first quarter. Spain is in its second recession in five years, and sky-high unemployment and limited credit have hit car sales badly. Spanish car sales fell 13.9% year-on-year in March, deeper than a 9.8% fall in February as a seasonal effect undermined a government subsidy scheme to stimulate the sector, car manufacturers' association ANFAC said on Monday 1st April. "The company car sector continues to be very worrying and continues to register falls of over 20%," David Barrientos, Head of Communications for ANFAC, said in a note.

Ford to boost Kuga output in Spain by 10%

(Source: Automotive News Europe, 03rd April 2013) Ford plans to increase production of its second-generation Kuga compact Sport Utility Vehicle (SUV) at its plant in Valencia, Spain, this year by 10%, or 8,000 vehicles, to meet increased demand, the company said on Wednesday 03rd April. In a statement, Ford added that it now expects to reach an annual production volume of 100,000 Kuga in Europe this year for the first time, including at its factory in Yelabuga, Russia. The carmaker said sales of the model rose 27% in February 2013 compared with the year before. Ford has said it expects to sell more than 1m SUVs in Europe in the next six years, with SUVs accounting for 10% of all Ford models sold in the region by 2016. The all-new EcoSport subcompact SUV will be launched at the end of 2013, and will later be followed by the larger, next-generation Ford Edge.

Opel says crash test shows new refrigerant is safe

(Source: Automotive News Europe, 04th April 2013) Opel has found no evidence in a crash test on its new Mokka small SUV that a controversial air conditioning refrigerant could catch fire in a collision and release toxic fumes. Opel's domestic rivals Daimler and Volkswagen are both developing expensive carbon dioxide-based air conditioning systems in order to avoid what they say is a fire hazard posed by Honeywell and DuPont's new refrigerant HFO-1234yf, which emits poisonous hydrogen fluoride gas when it burns. Ford also sees no problems with HFO-1234yf. "We believe it is perfectly fine," Wolfgang Schneider, Ford's European Vice-President for Governmental Affairs, said. Opel said on Wednesday 03rd April that a realistic test conducted together with the independent testing agency TUEV Rheinland had failed to ignite refrigerant that leaked from the system after impact. The test is the first to be published since Daimler said in September 2012 that HFO-1234yf, the only air conditioning coolant on the market that conforms to a new EU Directive on greenhouse gases, could be the primary source for a vehicle fire; "None of us can replicate this result," Ford's Schneider added. Many in the industry have questioned the relevance of Daimler's test procedure, but its findings have nevertheless rattled global carmakers, which had so far universally agreed to employ the chemical. It could also cost the two producers of the patented HFO-1234yf billions of dollars in lost investments and revenues. The EU has ordered a phase-out of the widely used refrigerant R134a because of its potency as a greenhouse gas. Opel began installing HFO-1234yf -based systems in its Mokka model at the start of 2013 but Daimler is violating the EU Directive by continuing exclusively to use the non-flammable R134a. Opel R&D Chief Michael Ableson said there was "no alternative in the near future to refrigerant HFO-1234yf. Other possibilities such as CO_2-based refrigerants are still in the development stage and are years away

ECG AGENDA

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

► **ECG Quality Group Meeting** on **16th April 2013** in Brussels, Belgium

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

► **ECG office closed** on **1st May 2013**

► **ECG Board Meeting** on **8th May 2013** in Munich, Germany

► **ECG office closed** on **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 Academy** Course 8 commences on **8th October 2013** in Berlin, 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

from entering the market." Daimler says frontal crash simulations that it conducted internally in August 2012 showed that a fire could ignite under the hood of a car when the new Honeywell refrigerant, mixed with air conditioning lubricant, came into contact with the manifold of a turbo-charged gasoline engine at around 650C°. Opel said it had crash-tested a 1.4l turbo-charged Mokka at a speed of 50km/h against a movable deformable barrier, meant to simulate driving head on into the last car in a tailback. It said the impact had damaged the air conditioning system, causing a leak near the Mokka's hot engine manifold, but without causing a fire. Gunnar Pflug, Head of the Traffic Safety Centre at TUEV Rheinland, said the test had been designed and conducted under TUEV Rheinland's supervision to recreate the extreme conditions that Daimler says are necessary to induce a fire. It included reaching an engine temperature more than 100C° higher than that recorded by Daimler. "Much faster speeds and there would have been nothing left of the engine compartment, basically," he said. "What we did was no standard test, this was the first of its kind," Pflug added. Manufacturer Honeywell concedes that the mixture is indeed flammable and releases toxic gases when burning, but argues that Daimler's simulations employed "ideal" conditions expressly designed to create a desired effect. Daimler says simulations, as opposed to real crash tests, were necessary because each car deforms differently during impact, even if the same test parameters are always applied. Pflug said this was only partly true: "The same parts are not always damaged exactly the same way down to the millimetre, but if it isn't the third air conditioning fin that breaks, then it's the second or seventh."

German carmakers face trade probe in South Korea

(Source: Automotive News Europe, 02nd April 2013) Four German carmakers have been raided by South Korea's Fair Trade Commission (KFTC) on suspicion of price fixing and collusion, the importers' association says. The South Korean authorities hit BMW, Mercedes-Benz, Audi and Volkswagen just a month after the combined market share for non-Korean carmakers topped 10% for the first time, following recent free-trade pacts. Investigators from the KFTC visited the local offices of BMW, Mercedes, VW, Audi and Toyota, the top five import brands, in February 2013 said Yoon Dae-Sung, Executive Director of the Korea Automobile Importers and Distributors Association. Regulators took away digital copies of documents, Yoon said. Authorities were investigating the foreign brands for alleged price fixing of spare parts and after-market parts. They are also looking into whether the importers abuse their leverage over local dealers by unfairly raising prices, Yoon said. Regulators also may be looking into whether the head offices are limiting dealer discounts and discriminating against external financing, a spokeswoman at one automaker said. Spokespeople or executives from the five companies confirmed that they were being investigated by the KFTC. Yoon and officials from companies deny any wrong-doing. Kang Seung-Bin, a KFTC official, declined to confirm whether an investigation was underway. It is the commission's policy not to do so until after an investigation finishes, he said. Yoon said he was not sure whether the raids were a backlash against the recent surge of import sales in South Korea's long-closed market. Sales got a boost from a Free-Trade Agreement (FTA) with the European Union, which took effect in 2011, and from a free-trade pact with the United States, that went action last year. Imports accounted for less than 1% of the South Korean market in 2002, Yoon said. But in 2012, sales climbed 25% to a record 130,858 units to take 10% of the domestic market. When asked if the investigation had political undertones, Yoon said, "I don't think the Korean government has that intention. But import car sales are rising, so we are worried about the impact on our customers." Regulators conducted a similar raid in the past with no findings of misconduct, Yoon said. A VW spokeswoman confirmed similar investigations in years past with no action taken. This time, regulators seemed to be looking into whether carmakers were manipulating the price of cars through limiting the amount of discounting available to dealers, VW spokeswoman Bang Sil said. "Of course, we are not doing that," she said. Carmakers are also accused of giving better terms

Events in Brussels

Transport and Energy Management Conference by CEN-CENELEC on 10th April 2013.
ECG will attend

3rd iMobility Forum Plenary Meeting by iCar Support on 16th and 17th April 2013.
ECG will attend

Annual Testing of Vehicles: "Towards a single European area on vehicle technical inspections" by Forum for the Automobile and Society on 24th April 2013.
ECG will attend

Dinner Debate on "Expections of the Transport Sector on the Revised Public Service Obligation Regulation" by MEP Boguslaw Liberadzki in the European Parliament on 07th May 2013.
ECG will attend

11th European Business Summit on "Unlocking Industrial Opportunities: An EU Strategy for Competitiveness?" by Business Europe and FEB – Federation of Enterprises in Belgium on 15th and 16th May 2013.

CER 25th Anniversary: "25 years of CER and EU Transport Policy: On the right track for a single European railway area?" by the Community of European Railway on 17th June 2013.
ECG will attend

Dinner Debate on "What does the Automobile Industry expects from the Fourth Railway Package?" by MEP Boguslaw Liberadzki in the European Parliament on 18th June 2013.
ECG will attend

to customers who use in-house financing, instead of independent services. Ute Wueest Von Vellberg, a spokeswoman for Daimler's legal affairs division, described the KFTC visits as "dawn raids." "Mercedes-Benz Korea is co-operating with the KFTC and has provided the information requested," she said. Despite the FTA with the United States, German brands have gobbled up 74% of South Korea's import market. Japanese cars are next, accounting for 18%, even though Japan and South Korea have no FTA. Many of the Japan-brand cars are shipped to South Korea from the United States, including the Toyota Camry sedan. Ford is the top-ranking American brand, coming in seventh behind Mini. General Motors does not crack the top 18 on the importers' list because most of the cars it sells in South Korea are built locally and therefore do not count as imports. Including those sales, GM ranks n°3 in total domestic sales behind Hyundai and Kia.

BMW mulls exports of China joint-brand cars

(Source: Automotive News Europe, 04th April 2013) BMW may export cars built under a new brand developed with Chinese partner Brilliance Automotive to mature and developing markets, global sales boss Ian Robertson said. BMW had not decided which markets outside China the new brand would be sold in, but mature markets such as Europe had not been ruled out, Robertson said. The name of the new brand will be revealed at the Shanghai Motor Show this month, a BMW source said. Chinese media have reported that the local name is Zhi Nuo, which means The Promise. The new BMW-Brilliance brand is expected to base its models on existing BMWs built by the partnership at their plant in Shenyang, China, including the X1 SUV and 3-Series sedan. Foreign carmakers building cars in China have to develop a new brand with their local partner under Chinese regulations. A key condition is that a proportion of the cars produced must run with either a hybrid or full-electric powertrain. The idea is that global automakers help local firms produce cars good enough to establish a Chinese brand abroad, Robertson said. "Local brands have been largely directed at the domestic market. If I were the Auto Minister for China, I would say: 'Well, where are our Hyundai and Kia?' Out of that requirement, I'm sure a couple of these brands will be successful," Robertson said. A handful of joint brands already have been launched such as Nissan-Dongfeng's Venucia and Honda-Dongfeng's Ciimo, which both made their debut at the Beijing Motor Show in 2012. Robertson said one challenge BMW and Brilliance faced was choosing the name. "Today that is more difficult than it was even two years ago. There are some very smart people who copyright trade names, patents, any name you can possible think of, even names you think you own," he said.

EUROPE

GEFCO signs contract with VW Group in Spain

(Source: Automotive Logistics News, 03rd April 2013) **GEFCO** has signed a three-year agreement with the Volkswagen Group for distribution of Volkswagen, Audi and Skoda vehicles in the east of Spain. The contract, which has been in force since January 2013, means that GEFCO will manage the distribution of around 31,000 vehicles each year to dealerships in Catalonia, Valencia, Murcia and Albacete. This service will be integrated into GEFCO's current volume in Spain, which includes volumes from PSA Peugeot Citroën, General Motors and other OEMs.

Autometro moved 105,000 cars in 2012

(Source: Automotive Logistics, 03rd April 2013) Autometro, the subsidiary of the railway company owned by the autonomous region of Catalonia, Ferrocarrils de la Generalitat de Catalunya (FGC), transported more than 105,000 cars between the Seat factory in Martorell and the **Port of Barcelona** in 2012. This is

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equivalent to 58.5% of all vehicles arriving at the Port by rail. Another subsidiary, Cargometro, specialises in transporting automotive parts from the same factory and also from the adjacent free zone, although the latter is via tracks owned by the National track authority, ADIF.

GEFCO expands in Bulgaria and Russia

(Source: GEFCO Newsletter, 28th March 2013) In February 2013, **GEFCO** Bulgaria opened a new depot in Varna, a city in the east of the country. Managed by Sasha Doncheva, this second depot will provide high-quality logistics services and consolidate GEFCO's presence in the market. It will enable GEFCO to continue expanding in the region, while its location on the shores of the Black Sea will reinforce GEFCO's position in sea transport. Aleksander Raczynski, Managing Director of GEFCO Bulgaria, comments: "GEFCO has always been attentive to its customers' needs and, while offering world-wide coverage, it adapts to the specificities of each market. With this new facility in Varna, GEFCO Bulgaria will be able to respond quickly to all service requests with customised expertise." In Russia, GEFCO has opened a depot in Togliatti, in the Samara region, bringing the number of the Group's sites in the country to seven. GEFCO Russia works mainly in the automotive sector and is reinforcing its position in the Russian market with new and innovative offers such as just-in-time delivery and the GEFCO in-plant service for customers in the automotive industry. These customers benefit from the follow-through of a dedicated expert who oversees all their operations at the manufacturing site, ensuring smooth running and continuous responsiveness in order to eliminate any risk of a breakdown in the supply chain. The depot in Togliatti is already working with famous companies in the industry such as Faurecia Seating, Valeo and Gestamp.

Renault-Nissan consolidates in the Port of Tyne

(Source: Automotive Logistics News, 03rd April 2013) The Renault-Nissan Alliance has now made the Port of Tyne, in the northeast of England, its common entry point for vehicle imports to the UK, including Nissan, Infiniti and Dacia models. The carmakers have been using the Port since 1995, whereas Renault had been using the nearby Port of Teesport. The Port of Tyne is Europe's sixth busiest for handling finished vehicles and handled more than 666,000 vehicles in 2012, with Nissan being its top user. The move to consolidate is part of a unified logistics strategy that has already generated more than €200m in annual savings, according to the company. That is expected to rise to €220m in 2013. In a video released by Renault-Nissan, Colin MacDonald, Vice-President of Alliance Logistics Europe, called the move to combine brands at the Port of Tyne "a genuine breakthrough for the Alliance." The first shipment of Dacia Duster and Nissan Micra models was delivered in March from the Alliance plant in Chennai, India, while the company also plans to bring in Renault Sandero models from Romania through the Port. "We worked many times to try to merge all these operations into one port, but the economics never really worked," said John Martin, Nissan's Senior Vice-President of Manufacturing, Purchasing and Supply Chain Management for Europe. "The Dacia launch in the UK became the crucial event which enabled us to merge to one port," he added. Renault also uses the Port of Southampton on the south coast of England. According to MacDonald, the move to consolidate volume imports means the Alliance can bring around 495,000 vehicles through the same facility. "That brings a fixed cost reduction for Nissan, as well as Renault enjoying the cheaper rates," said MacDonald. "It is not just that we use the same port," said Christian Mardrus, Renault-Nissan Alliance's Logistics Managing Director. "It is that now we share the complete chain, from production to the delivery to the dealers." MacDonald said that the Alliance launched a common tender in 2012 between Renault and Nissan brands, which enabled it to get the best rates for inland distribution. Since 2010, Renault and Nissan have launched common Requests For Quotations (RFQs) for ports and distribution, which has tended to result in sharing the same providers. According to Paul Maddison, General Manager of Alliance Logistics Europe, Inbound

Engineering, the vehicles are delivered to the Port by Nissan Motor Car Carrier (NMCC) or **Höegh Autoliners**' vessels and are then moved by road to their UK stocking point at Nissan's Sunderland plant by the trucking provider **Stobart's**. From there, the vehicles are sent to UK dealerships by one of six road hauliers. Asked whether Nissan Leaf exports would fill return flows, Maddison said that it depended on the optimisation of car flows and whether Nissan was the main user of the vessel. "The reality is that about 80% of Nissan volumes are exported and therefore the Port of Tyne is the biggest exporter location within the UK, accounting for 80% of Nissan's volumes," said Maddison.

ECG Note: *For further information on its consolidated port entry strategy, please see the Renault-Nissan press release under the "Press Releases" section of this issue.*

DB Schenker expands logistics offering in Ukraine

(Source: Transportintelligence.com, 02nd April 2013) **DB Schenker Logistics** has announced it is expanding its service portfolio in Ukraine. Its national subsidiary has leased additional capacity in a new multi-customer warehouse in Belogorodka, 7km from Kiev, in the Amtel Terminal. The logistics centre offers a total area of 45,000m^2, a ceiling height of 12 meters and a cross-docking system. There are parking lots for up to 60 trucks. This new logistics complex also boasts office buildings with a total area of 3,500m^2. To start with, DB Schenker will use 3,100m^2, with the opportunity to grow further and serve customers from industries including consumer goods, electronics, chemicals and automotive. A further 600m^2 will be used for office space. "This brand new warehouse is energy efficient and properly designed. The facility is equipped with enough docks, has a good cross-docking platform which certainly affects the overall efficiency of our logistics operations. It will contribute to higher service quality and increased capability in accommodating larger customer demands," said Oleg Verzhbytskky, Managing Director of DB Schenker in Ukraine.

Mercedes imports to Turkey via Autoport

(Source: Automotive Logistics News, 03rd April 2013) Mercedes-Benz has in March 2013 begun using Turkey's Autoport Terminal at Izmit in Kocaeli for imports of passenger cars and light commercial vehicles from its European manufacturing plants. In addition also exports, e.g. of Mercedes-Benz buses built in Turkey, will start within 2013. The 15ha terminal, which was built by Arkas Holding and opened in 2008, has the capacity to move 400,000 vehicles a year. In 2012 Mercedes exported more than 4,000 trucks and buses from Turkey. "The automotive sector is the locomotive behind Turkish exports and has a larger share than other sectors," said Özgür Kalelioglu, Port Services Director for Arkas. "By 2023, the 100th year anniversary of the founding of the Republic, it is expected that automotive production in Turkey will reach 4m vehicles, 3m of which will be exported," he added. He went on to say that because Autoport was designed for automotive traffic, the sort of risks and service limitations that occur at other ports handling other freight were avoided. The facility is located near Turkey's main automotive manufacturing zone. "I believe that the capacity, quality and infrastructure needed by automotive brands in our area to reach their export goals matches perfectly with the founding purpose and goals of Autoport," said Kaleioglu. "We will soon be expanding our co-operation with Mercedes to include other automotive brands," he added.

UK's TruckPol delayed again due to funding doubts

(Source: Commercialmotor.com, 26th March 2013) The creation of the new TruckPol anti-crime service is being held up because of uncertainty over how it will be funded. As the first anniversary of the closure of the original TruckPol approaches, it has emerged that plans to establish the new initiative by April 2013 have had to be delayed because agreement over how the haulage industry will fund it has not been reached. The National Business Crime Intelligence Bureau (NBCIB) – a police-led initiative that is going to oversee the management of the new TruckPol – wants operators to pay a flat tariff for accessing the information about Large Goods Vehicle (LGV) crime that TruckPol will hold. However, the Road Haulage Association (RHA) believes a tiered model of fees linked to levels of access would be more flexible and appeal to operators of all sizes. RHA Security Manager Chrys Rampley said some large operators paying into the system might want access to more in-depth data and the ability to speak directly to police forces, whereas smaller companies may need less detail. "TruckPol used to have a tiered tariff. A flat tariff might work for individual companies, but for trade bodies, with members of various sizes, it won't," said Rampley. The RHA TruckPol working group is to meet in early April to "tease out" what members want from it, the results of which will be passed to the NBCIB to help finalise the model. TruckPol will be part of a bigger network of anti-business crime initiatives run by the NBCIB sitting under an umbrella organisation called the English Resilience Hub, which was launched on Monday 1st April. It had been hoped that TruckPol would also be ready to start then after the initial January re-launch was delayed. The original TruckPol closed in March 2012 following the withdrawal of government funding.

France's rising star to hire up to 600 redundant PSA-workers

(Source: Lloydsloadinglist.com 27th March 2013) The rising star of French logistics, ID Logistics, is close to signing an agreement to set up a warehouse on the site of a PSA Peugeot Citroën car manufacturing plant which is earmarked for closure at the end of 2014. The plant, situated at Aulnay-sous-Bois, in the Paris suburbs, employs 2,800 staff. 1,300 workers are to be offered posts at other Peugeot Citroën plants. The remaining 1,500 workers face redundancy, with Peugeot Citroën working on alternative employment solutions. ID Logistics founder and CEO Eric Hémar has outlined plans to hire up to 600 redundant workers who would be based in the new warehouse. "The project is not completely finalised but should be in the coming weeks. Discussions with the local mayors (who are playing a central role in the re- development of the land on which the car plant is built) are progressing well and I'm confident of a positive outcome," Hémar said. "The challenge is to ensure that the opening of the warehouse coincides with the closure of the plant which is scheduled for the end of 2014. For this to happen, we need to submit planning permission in the coming weeks," Hémar said. ID Logistics employs 10,000 staff, working from around 140 sites, in 12 countries and operates more than 2.5m square metres of warehousing in Europe, Latin America, Asia and Africa.

SNCB sells barging companies

(Source: Transportintelligence.com, 28th August 2013) The Belgian railways' SNCB Logistics Group has announced the sale of inland shipping companies H&S Container Line GmbH, Haeger & Schmidt International GmbH and RKE N.V. – a majority stake – to Felbermayr Holding. Felbermayr announced that the management and staff will remain in place and the continuity of the activities of the three companies is assured. SNCB Logistics stated that with this transaction, it executes another key measure of its restructuring plan. "SNCB Logistics indeed wants to focus on its core rail freight business, and notably become a competitive private railway company," said a company statement. For Felbermayr, the acquisition of these three barging companies complements the existing port facilities in Linz an der Donau and Krefeld am Rhein. Both companies intend to continue the mutually beneficial commercial co-operation, such as the key railway connections from the Belgian ports of Antwerp and Zeebrugge to Duisburg, Andernach, Ottmarsheim and Strasbourg.

Fret SNCF offers reward for lost wagons

(Source: Lloydsloadinglist.com, 03rd April 2013) French rail freight operator Fret SNCF is offering staff a reward if they can find around 150 – apparently empty – rail wagons that have gone missing over the past decade. Railwaymen are to be offered the sum of €82.10 for each wagon located. A spokesperson for parent company SNCF Geodis said the search for the wagons was part of an initiative to remedy a discrepancy between where the company's IT systems showed wagons to be and their actual location. One explanation for empty wagons "going off the radar" is when they are between two loading operations and can be parked in sidings or moved to maintenance sites and sometimes end up being mislaid or simply forgotten. Finding the wagons will be no mean feat as France's rail network covers a total 31,385km. "But let's put things into perspective; we're talking about 150 wagons when Fret SNCF handles 2m a year," the spokesperson said. While on the face of it, the idea of a reward for locating the lost wagons is something of a novelty, staff unions prefer to focus attention on what they see as the reasons behind why the wagons have gone missing in the first place: a shortage of labour. "Staffing levels at sites dedicated to identifying rail switching errors of this type, leading to wagons being lost, have been run down significantly," a senior official of the CFDT union claimed. The union underlined that Fret SNCF's global workforce had totalled 12,850 in 2009 but had shrunk to 8,823 in 2012, without a proportional diminution in freight traffic. According to union estimates, lost wagons cost Fret SNCF €900,000 annually. In its blog, the transport branch of the CFDT union said the "reward" was "an outright denial of the work of Fret SNCF staff who would rather spend their day transporting loaded wagons than go fishing for lost ones." It added: "It also demonstrates just how worrying a future Fret SNCF faces – and the rail freight sector in France in general."

REST OF THE WORLD

More outsourcing at Hero Moto

(Source: Automotive Logistics News, 03rd April 2013) In advance of opening a new plant in October 2013, India's Hero Motocorp has been looking to logistics providers to help improve inbound and outbound logistics costs and delivery times. Along with outsourcing more container imports, the manufacturer has introduced a new loading and securement system for outbound distribution. Hero Moto has also been pushing for more rail transport in India. Hero Moto, formerly a joint venture in India with Honda, is the world's largest manufacturer of two-wheelers. The company produces around 600,000 units each month across three plants in Gurgaon, Daruhera and Haridwar, with a fourth plant due to open this year in Rajasthan. According to Deepak Sharma, Head of Logistics, reducing

logistics costs and loading efficiency is crucial across such volume. One of the biggest bottlenecks that Hero Moto has been addressing is in moving vehicles to the company's 750 dealer points across India. Sharma said that the loading process for two-wheelers in India, which typically involves clamping vehicles in rows with an iron frame to secure the vehicles at their base, is inefficient. Because the iron frames need to be clamped at both ends of a two-wheeler, it requires more than one person. "It is tedious, time consuming and laborious," said Sharma. To address this issue, Hero Moto has turned to BLG Parekh Logistics, a joint venture between Germany's **BLG Logistics** and Parekh of India. The logistics company has been trialling a patented "clamped version" for two-wheeler movement in India. The system, which is based on a version BLG uses in Brazil to move Honda motorcycles, secures each vehicle on both sides from the footrest with clamps that are mounted on the floor. Though carrying capacity remains the same as in the conventional transport, the loading and unloading time is "drastically" reduced, according to Sanjay Gupta, Vice-President of BLG Parekh. He added that the system also reduces damage during transport. BLG Parekh has so far used the system on more than 30 trips with Hero Moto since January 2013, and Sharma described it as a "game changer" for two-wheeler logistics. Gupta confirmed that he was also in negotiations with Bajaj Auto – India's second largest motorcycle manufacturer – to introduce the clamp method. While Hero Motocorp has benefited from the faster loading operations, the challenge of the clamp system for BLG Parakh is the potential for more empty hauls. Whereas other motorcycle carries can slide down their decks and move different cargo, BLG Parekh's clamps are fixed in trucks and can only transport two-wheelers. To avoid more empty routes, these vehicles are thus being deployed in north India only. But Gupta said he was confident that once this model gains wider acceptance, there would be more opportunity to capture return loads. Hero Moto has also introduced the use of higher capacity vehicle carriers. Whereas a single-deck truck typically would have capacity for 55-65 two wheelers, and a double-decker truck for around 77 vehicles, Sharma said the company now has the capability to send 180 two-wheelers with the use of a four-deck carrier model. This format, provided by Bulktrans, a Delhi-based transport service provider, two-wheelers are palletised and fitted into the trailer-truck. Besides these vehicles, Hero Motocorp also has access to three-decker trucks that can carry 106 two-wheelers. The manufacturer has also been exploring rail movement in India. Almost 6% of total output is moved through rail, mostly in the north and south, although Sharma hinted that he would like to see this rise to 40% over the coming years.

Brazil extends Inovar-Auto programme

(Source: Automotive Logistics News, 03rd April 2013) A delay in agreeing regulation for Brazil's vehicle technology and supply chain incentive scheme "Inovar-Auto" has prompted the government to extend by a further two months the temporary clearance of those companies that have already joined the programme, which was supposed to have started by 31st March 2013. To date, 37 companies have joined the scheme, which provides tax breaks for suppliers who invest in technology associated with automotive production and operations in Brazil. Combined, these companies intend to invest more than $2bn, according to the Ministry of Development, Industry and Overseas Trade. Consumers in Brazil are already enjoying falling prices as a result in the reduction of import taxes on automotive products covered by the scheme. The temporary extension will continue to allow supply companies to take advantage of tax benefits established under the scheme, which will eventually have rules in place to measure the energy-efficiency and local content of automotive parts. By 2017, the Brazilian government expects investment of more than $2.5bn to have been made and for production to have increased from the current level of 3.3m vehicles to more than 4m. According to the Secretary of State for Production Development, Fernando Pimentel, the fact that 47 companies have so far sought qualification shows the success of the scheme, which he says is generating more investment in Brazil to allow the production of safer and more fuel-efficient cars. He also pointed to new production facility projects that are to go ahead, these being by Chery at Jacarei (São Paulo state), JAC Motors at Camaçari (Bahia) and Nissan at Rezende (Rio de Janeiro). At the same time, Mitsubishi Motor Company has announced that it is to start production of ASX and Lancer models in the country. Despite the advantages of Inovar-Auto, sources have said that some manufacturers are still having to import vehicles over and above agreed quotas and are not able to sell these at reduced rates, which means that the new tax advantages cannot yet be passed on to consumers. In many cases, the manufacturer has to average out prices between those vehicles that can be sold at cheaper prices with those that are more expensive.

US to narrow petrol sulphur content rules

(Source: Financial Times, 29th March 2013) The US Environmental Protection Agency (EPA) proposed on Friday 29th March tough new standards for the sulphur content of petrol sold in the US, in the face of opposition from the fuel industry. The new rules, known as Tier 3, are intended to cut the smog created by cars. They have been under consideration by the administration for more than a year. Sulphur in petrol affects the operation of catalytic converters, making them less effective in reducing the emissions of nitrogen oxides and hydrocarbons that create smog. The EPA is expected to propose a reduction in the maximum allowed sulphur content of petrol from 30 parts per million to 10, in line with the standard that has already been adopted by California. Frank O'Donnell of Clean Air

Watch, an environmental group, said his organisation was “absolutely thrilled that the Obama administration is at last moving ahead with this step.” He added that about 150m people in the US lived in areas where air conditions were potentially harmful. However, the oil industry has been fighting the move, arguing that it would push up the cost of producing fuel. The American Petroleum Institute (API), the oil industry group, has published research showing that the new Tier 3 rules would add up to 9 cents to the cost of a gallon of petrol, rising to up to 25 cents if combined with another new rule also under consideration for reducing emissions from fuel. The average price of regular petrol in the US has risen from $3.30 per gallon at the very beginning of 2013 to $3.68 in the third week of March. Bob Greco of the API said the impact of Tier 3 was particularly worrying at a time when a series of environmental policies, such as the mandate to use rising volumes of ethanol, was putting upward pressure on fuel production costs. “There is a tsunami of federal regulations coming out of the EPA that could put upward pressure on gasoline price,” said Mr Greco. “Consumers care about the price of fuel and our government should not be adding unnecessary regulations that raise manufacturing costs, especially when there are no proven environmental benefits,” he added. However, Bill Becker of the National Association of Clean Air Agencies, which represents states’ and cities’ pollution control agencies, described the warning of a 25 cent rise in the cost of fuel as “preposterous”. His organisation commissioned research showing that the impact of Tier 3 on fuel costs would be only about 1 cent per gallon – a calculation that has been supported by other studies. Mr Becker added that the new standard might have been held back until after the election because it was potentially politically sensitive, but the administration was now free to focus on the technical questions of pollution reduction. “We know of no other air pollution control strategy that can achieve such substantial, cost-effective and immediate emission reductions as Tier 3,” said Mr Becker. One measure expected to be included in the new rules to ease their introduction for oil companies is a three-year delay in implementation for smaller refineries.

PRESS RELEASES

GEFCO continues to expand its footprint in the Indian market with Mercurio Pallia-FIAT collaboration

(Source: GEFCO Newsletter, 28th March 2013) With the inauguration of the 12-acre, 2,000-car capacity stockyard at Ranjangaon, Pune, Mercurio Pallia, a member of the **GEFCO** Group, is consolidating its 3PL expertise in the Indian market by offering value-added yard management services.

The state-of-the-art stockyard was designed and built by Mercurio Pallia for FIAT Group Automobiles India in accordance with all the safety, security and environmental requirements of the FIAT Group. Mercurio Pallia will manage the modern, high-quality distribution facility and leverage GEFCO’s expertise in outbound automotive logistics and compound management to help FIAT meets its growth objectives for the Indian market.

The stockyard is equipped with a concrete-paved storage area, a separate loading area, a water harvest system with rain water drainage facility, an effluent treatment plant and a top-class PDI booth for thorough quality checks before cars are loaded for distribution.

Renault-Nissan establishes the Port of Tyne as common entry point for imports into northern England

(Source: Renault-Nissan Alliance, 27th March 2013) The Renault-Nissan Alliance has established the Port of Tyne in northeast England as its common regional entry point for vehicles imported from Renault and Nissan plants overseas.

Establishing a single port in northern England is the latest step from the fully integrated Renault-Nissan logistics team, which generated more than €200m in savings in 2012. The unified Alliance logistics team has already created common packing materials, integrated shipping and cargo operations, and put in place common logistics operations in Europe, as well as in Brazil, Russia, India and China – the so-called “BRICs.”

An integrated team also supports customs and trade across the Alliance. This team has negotiated better terms and implemented common practices to establish optimised customs and trade policies world-wide, contributing more than €100m per year in cost savings and cost avoidance.

Consolidating in the Port of Tyne

Since 1995, Nissan has used the Port of Tyne as its main entry port into the UK for vehicles manufactured overseas. Nissan employs more than 6,000 workers and last year produced 510,000 vehicles at its plant in Sunderland, home of the Nissan Qashqai, Juke and Note vehicles.

Nissan's partner Renault formerly relied on the Port of Teesport as its regional entry point for Renault vehicles and had also planned to receive Dacia vehicles there. As part of an Alliance tender activity in 2012, the benefits of consolidating the ports were confirmed and the recommendation to make the Port of Tyne sole port in the region for the import of Alliance vehicles was ratified.

"Moving to a single, consolidated port is the latest step in the deepening collaboration between Renault and Nissan. Using the same port in this critical region reduces overall costs and complexity," said Christian Mardrus, Renault-Nissan Alliance Managing Director for Logistics.

A few weeks ago, the first shipment of right-hand-drive Dacia Duster cars for UK customers arrived at the Newcastle deep-water Port from the Alliance plant in Chennai, India. The affordable, multi-award-winning Dacia Duster has already recorded more than 2,500 pre-orders since order books opened in 2012.

During shipment from India to the UK, the compact SUVs travel on the same vessels as Nissan Micras, which are also produced at the Renault-Nissan plant in Chennai. Workers complete final inspection and fittings on all vehicles at the Port of Tyne before loading them in shared Alliance trucks for shipment to UK dealerships.

Renault will continue to import Renault-brand vehicles for the UK through the Port of Southampton on the south coast of England.