ECG News
Truck Ship Compound Train Barge
ECG – The Association of European Vehicle Logistics
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**ECG - The Association of European Vehicle Logistics, Diamant Building, Bd. Reyers 80, 1030 Brussels,**
Tel: +32-(0)2-706- 8280, Fax: + 32-(0)2-706-8281, www.ecgassociation.eu

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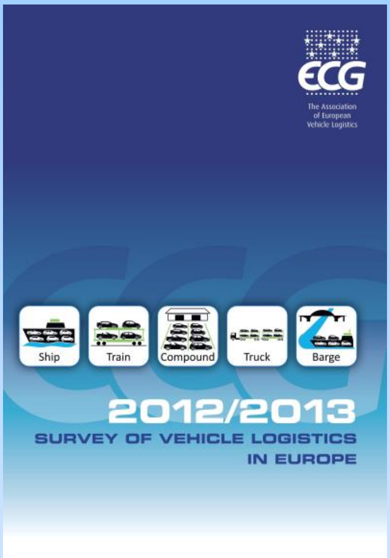


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# NEWS FROM BRUSSELS

## European Commission wants oversized lorries to cross borders

*(Source: Nomegatrucks.eu, 12th April 2013)* The European Commission is trying another attempt to legalise mega trucks in Europe. In a proposal for a revision of the Directive on Weights and Dimensions of Road Vehicles, which is going to be published on Monday 15th April, the Commission allows the cross border use of longer vehicles between neighbouring Member States. At the same time, the Commission abstains from setting mega trucks as the standard for all EU countries. Instead, the proposal focuses on better aerodynamics for trucks. The Deputy Chairman of the SPD fraction in the German Bundestag, Florian Pronold, said in answer to the Commission's proposal: "It has to be suspected that this shall be the gateway for a Europe-wide admission of mega trucks. The truck lobby did its job. Now it is up to our EU parliamentarians to prevent this." The Austrian Member of the European Parliament, Jörg Leichtfried, announced that the Parliament will examine the Commission's proposal with minuteness. "Let's hope that there is going to be a majority to prevent cross border journeys of mega trucks," Leichtfried said. Wolfgang Rose, Chairman of the Auto Club Europa (ACE) reminded that the vast majority of citizens in Europe reject the use of oversized lorries. "Opinion polls in many countries have shown that three quarters of people do not want any mega trucks on the roads," Rose said. He asked the European Parliament to respect the will of citizens: "The truck lobby should not have the last word when it's about the interests of all car users."

## Agreement reached on sailors' rights

*(Source: European Voice, 10th April 2013)* Members of the European Parliament (MEPs) and Member States' negotiators reached an agreement on Wednesday 10th April on new EU rules for labour conditions aboard ships that dock at EU ports. The update to the 2009 Port State Control Directive implements the commitments made by Member States as part of the International Maritime Labour Convention in 2006. The convention sets out the minimum requirements for seafarers to work on board a ship, conditions of employment, accommodation, recreational facilities, food and catering, health protection, medical care, welfare and social security protection. It is the first such global agreement for sailors, taking effect in August 2013. Under the new rules, Maritime Labour Certificate and the Declaration of Maritime Labour Compliance will have to be checked by inspectors at EU ports. An accompanying Directive to implement the convention's for flag states – the country in which a ship is registered – is still being negotiated. That proposal implements similar requirements for ships carrying an EU Member State flag, whether or not they are docking at an EU port. The agreement must still be rubber-stamped by the full European Parliament and the Council [of Ministers].

## Brussels unveils green performance scheme for products

*(Source: Euractiv.com, 11th April 2013)* The European Commission has proposed EU-wide methods for companies to measure and communicate their "greenness" and the environmental footprint of their products. The voluntary scheme, called "Building the Single Market for Green Products", will make use of the EU Joint Research Centre's controversial "Lifecycle Assessment" method (LCA) for calculating the environmental performance of a product. A three-year testing period will begin after the Commission adopts the Communication, aimed at developing product-specific green rules and benchmarks, easing the application of environmental footprint methods by companies, and assessing different compliance and verification systems. The EU executive will also weigh different strategies for communicating the green credentials of products and organisations to consumers, including packaging and pricing signals. Environment Commissioner Janez Potočnik said on Tuesday 9th April: "To boost sustainable

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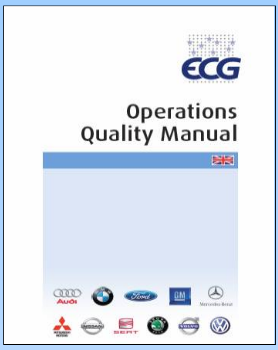


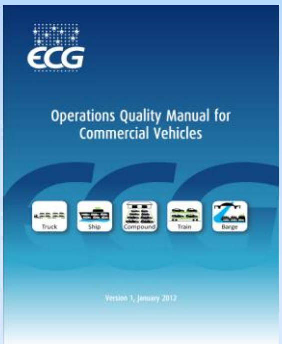


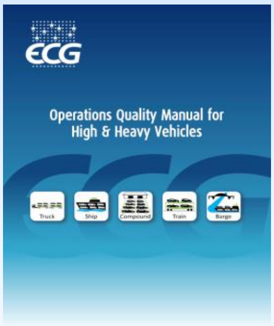


- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

For comments or inquiries please contact: info@ecgassociation.eu
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growth, we need to make sure that the most resource-efficient and environmentally-friendly products on the market are known and recognisable. By giving people reliable and comparable information about the environmental impacts and credentials of products and organisations, we enable them to choose. And by helping companies to align their methods we cut their costs and administrative burdens." Companies now wishing to highlight their green credentials must handpick from the many different methods recommended by governments and private organisations, which often confuse consumers and incur high costs. The Communication proposes EU-wide standards as well as recommendations for companies and organisations on how to carry them out. In March, three major European industrial associations wrote to the President of the European Commission, José Manuel Barroso, expressing their concerns at the use of environmental footprint methodology in EU legislation. The consumer organisation ANEC, the engineering industries' group Orgalime and the European Automobile Manufacturers' Association ACEA said the methodology risked exposing companies to unfair competition and market distortion as consumers may base their buying decisions on unreliable and misleading information. They also claimed the green methodology would not do justice to the complexity of global supply chains. ACEA's Secretary General, Ivan Hodac, said: "LCA ignores the complexity and diversity of products and supply chains: the current 'one-size-fits-all approach' of the suggested methodology overlooks the diversity and variety of the different products made available to consumers. Only the making of an engine, for example, consists of a multitude of different components, parts and materials that are sourced in complex, multi-layer, global supply chains." Eurocommerce, the European retail and international trade group, said it supported the environmental methodology but called for the Commission's scheme to remain voluntary. Christian Verschueren, Director General of Eurocommerce, said of the EU paper: "This is a step in the right direction. It should provide all actors with clear guidance to help them calculate their environmental footprint. However, the proposed methodologies are just one of many options. Retailers and wholesalers already use a variety of effective means to calculate their environmental impact. One size will not fit all in this instance. It is therefore essential for the commerce sector that the implementation of this new European proposal remains voluntary." According to a recent Eurobarometer poll, 48% of European consumers said they were confused by the wealth of environmental information and various certifications on the market. There are more than 400 environmental labels and 80 mainstream methodologies and initiatives world-wide, the European Commission said.

# AUTOMOTIVE INDUSTRY

## GM will invest €4bn in Opel through 2016

*(Source: Automotive News Europe, 10th April 2013)* General Motors said it will invest €4bn in Opel by the end of 2016 to support new model launches, renewing its commitment to its money-losing European division. "As a global automotive company, GM needs a strong presence in Europe – both in design and development as in manufacturing and sales," GM CEO Dan Akerson said on Wednesday 10th April in a statement. Akerson said at a press conference that GM is "more convinced than ever" that Opel will succeed in its turnaround. Opel's European operations have lost $18bn since 1999, including $1.8bn in 2013. The unit said it plans to introduce 23 new or refreshed models and 13 new powertrains by 2016. With this investment GM is addressing criticism of Opel's relatively low fuel efficiency by renewing 80% of the brand's engine portfolio by 2016, including an all-new family of 1.6l diesel engines developed entirely in-house. Opel's 10-year plan, called "DRIVE 2022", foresees a return to profitability by the middle of the decade. Opel plans to eliminate $500m in annual costs over three years, in addition to cutting $300m in spending. GM is aiming for a slight

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improvement in its European business this year, but not enough to avoid a 14th straight annual loss as car sales on the continent plunge to their lowest in almost two decades. Opel's turnaround is being led by Karl-Thomas Neumann, CEO of Opel and Head of GM Europe since Friday 1st March 2013. "The investment by our parent company is a clear commitment" to the division's success, Neumann said. Opel's turnaround plan is "based on conservative assumptions, not just on hope," he said. The spending will include modernising current production capacity, Henrik Hannemann, an Opel spokesman, said. Meanwhile, Opel is currently running at 70% capacity in three-shift operation, Opel production chief Peter Thom said. "In two-shift operation, utilisation is around 100%," he said. German press had recently reported Opel plants in Europe were running at half their capacity, far below the 80-85% generally needed for a carmaker to be profitable.

## Nissan will move Primastar van production to France from Spain, report says

*(Source: Automotive News Europe, 10th April 2013)* Nissan plans to move production of the Primastar van from Spain to a Renault plant in France, sources told Reuters. The move will help Renault to keep a pledge to raise domestic output in return for union concessions. The next version of the Primastar will be built at Renault's Sandouville factory alongside Renault's Trafic and a version of the Opel/Vauxhall Vivaro, which shares the same vehicle platform. "The decision to pull Primastar out of Barcelona is made," a source close to Nissan said. "It's logical that Primastar production will be combined with other alliance commercial vehicles." In February, Nissan said it will build 80,000 units a year of a new compact car in Barcelona. The model will rival cars such as the Volkswagen Golf and Ford Focus and will mark the automaker's return to the European mainstream compact segment that the company quit when it stopped selling the Almera in the region in 2006. The Nissan Primastar's move will follow the 2014 introduction of a new Renault Trafic, which is also being transferred to Sandouville in France from Vauxhall's plant in Luton, England, under previously announced plans. The Barcelona factory produced just 4,600 Primastars in 2012, but sales are expected to rise with the replacement of the 12-year-old model. Carlos Ghosn, who heads both companies, has promised to increase Renault's French production by 100,000 vehicles for its own brand and 80,000 for Nissan and Daimler by 2016, in return for wage restraint and other union concessions. French production plans for Renault's partners will be announced within months, he said on Wednesday 13th March. Under Renault-Nissan's 3-year-old partnership with Daimler, Renault already produces diesel engines for the German luxury carmaker, as well as the Mercedes-Benz Citan delivery van based on the Renault Kangoo. According to Jacques Verdonck, the alliance Director in charge of co-operation with Daimler, Renault's Maubeuge plant will build 40,000 Citans in 2013, contributing an increase of 26,000 vehicles over 2012 output towards Ghosn's 80,000 vehicles target. But in a setback for the Renault-Daimler partnership and French production, the German carmaker said it had reconsidered tentative plans for a battery-powered Citan paired with Renault's electric Kangoo. "Right now we don't see a need for an electric version of the Citan, after a close look at the business case and customer demand," a Daimler spokesman said. The larger Mercedes Vito has recorded fewer than 1,000 deliveries of an electric version launched in early 2011, suggesting demand for a battery-powered Citan "is not on a scale that would make a business case," the spokesman said.

## GM workers in Spain accept wage freeze to boost competitiveness

*(Source: Automotive News Europe, 09th April 2013)* General Motors workers at the company's Opel car plant in Spain accepted a two-year salary freeze as part of a labour deal aimed at boosting competitiveness against other European

## ECG AGENDA

► **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

factories. The roughly 6,000 employees at the plant near Zaragoza will not get a wage increase in 2013 and 2014 as part of a five-year collective bargaining agreement, said Pilar Guridi, a spokeswoman for GM's Spanish division. The agreement should help the Zaragoza plant be "part of the company's investment plans and allotment of new models," the carmaker said in a statement on Tuesday 9th April. Salaries at the Spanish plant, which makes the Corsa subcompact and Meriva minivan, could rise as much as 1.5% starting in 2015 and will be reviewed in 2016 and 2017 based on potential profit at GM in Europe, Guridi said. Almost 65% of workers participating in a ballot voted in favour of the agreement, she said. About 67% of the plant's staff participated in the ballot. As labour costs fall and Spanish Prime Minister Mariano Rajoy's legislation makes it easier for companies to cut wages and reorganise staff, carmakers including Ford, Renault and PSA Peugeot Citroën are boosting production in Spain. The Spanish government is also offering incentives for drivers willing to part with their old vehicles after car sales in the country dropped 13% in 2012.

### Dacia says strikes may push production to Morocco

*(Source: Automotive News Europe, 10th April 2013)* Renault's Dacia unit said on Wednesday 10th April that it may shift production to cheaper sites in Morocco if a pay conflict in Romania escalates. Workers at Dacia's assembly line in Pitesti, 117km west of Bucharest, downed tools for two days in March in pursuit of a 40% pay increase, which the company has responded to with a 9% offer. "If this protest will not end up reasonably and in a mutually beneficial manner and if employees will continue with unrealistic demands, there's a greater probability to transfer an important part of production to Morocco," Automobile Dacia Vice-President Constantin Stroe said. Recent strikes caused a €20m loss to the carmaker, which is Romania's largest exporter, accounting for roughly 3% of gross domestic product (GDP). Dacia exports 90% of its output and sold about 360,000 cars world-wide in 2012, up 4.8% from 2011. The average monthly pre-tax wage at Dacia was 3,965 lei in 2012, compared with a national average of 2,100 lei. "The advantage of the plants in Morocco is that an employee earns only 54% of a Romanian employee's salary," Stroe said. Trade unions are set to unveil further action plans. In February, Dacia sales in EU and EFTA countries rose 15.4% to 20,423, according to industry organisation ACEA, while sales of the Renault brand dropped 14.8% to 58,423.

### GM cuts Korean production on weak Chevrolet sales in Europe

*(Source: Automotive News Europe, 09th April 2013)* General Motors is increasing production cuts at one of its South Korean plants because of slow Chevrolet sales in Europe. GM's South Korean unit will idle its plant in the south-western city of Gunsan for nine days in April, up from six days in March, a company official said. The plant builds the Chevrolet Cruze compact car and Orlando minivan and has an annual production capacity of 260,000 vehicles. It is one of five GM factories in South Korea. GM's Korean unit produces most of the Chevrolet models sold in Europe and more than 40% of those sold globally. "We are adjusting factory output in response to a fall in orders for Europe exports," the official said on Monday 8th April. Sales of Chevrolet vehicles slumped 39% to 18,790 units from January to February in the EU, according to industry association ACEA, under-performing a 10% fall in the broader passenger vehicle market amid the euro zone debt crisis and government austerity measures.

### Many parts to a whole GAZ light commercial vehicle

*(Source: Automotive Supply Chain, 10th April 2013)* The GAZelle NEXT light commercial vehicle went into production on Wednesday 10th April at GAZ Group's Gorky Automobile plant as Prime Minister of the Russian Federation, Dmitry Medvedev, pressed the start button. GAZelle NEXT – a drop-side truck with standard and long cargo platforms – will serve as the base for a full range of light commercial vehicles with a gross vehicle weight (GVW) of 2.8 to 5 tonnes, including passenger and cargo modifications with a two-row cab, frame buses

## Events in Brussels

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 "Expectations 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.
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with 19 seats, full-metal vans and minibuses, as well as more than 100 types of specialty vehicles. The President of GAZ Group, Bo Andersson said: “The GAZelle NEXT family has state-of-the-art technical solutions applied in vehicle design. High active and passive safety, as well as excellent cockpit ergonomics, make GAZelle NEXT the customer's best choice. Life-cycle durability and quick payback in operation for any business application are underpinned by a warranty extended to three years, low maintenance costs, high fuel efficiency and best-in-class price.” GAZelle NEXT is built using parts and components from Cummins diesel engine, ZF steering, Mando shock absorbers, Anvis silent blocks, braking system elements form Bosch and Mando, CSA Castellon adjustable steering column, Sachs clutch, Takata safety belts, Delphi HVAC, and driving seats from Isringhausen. “The release of a new model is always an exciting moment. But most importantly this model is really investing in the future and the name of the model proves that. It is crucial to modernise the technologies and facilities and to integrate flexible production. This approach allows you to quickly change production and respond rapidly to changing market needs,” said Medvedev. “Over the past 10 years, labour productivity has increased by four times at GAZ. This growth should be an example for our economy. Now we are making these changes in all production industries, and GAZ is an absolute model for them. I'm sure the new model will take its place in the market, and of course I want to wish you all bon voyage,” he added. New stamping and welding lines were installed at the GAZ plant, the paint shop underwent modernisation and new quality control stations were implemented to make the GAZelle NEXT production more efficient.

### Weak car output hits Czech economy

*(Source: Automotive News Europe, 08th April 2013)* Czech industrial production edged up in February but thinning order books show the central European country may not yet be coming out of its longest recession in two decades. The main problem has been falling car production. The country's main carmaker, Volkswagen's Skoda Auto, has said it only expected a recovery in the second half after a weaker first half, when it switches to the production of new models. A joint plant of Toyota and PSA Peugeot Citroën has also been scaling back output. February output and export data, which are crucial for the heavily industrialised and trade-driven economy, showed cooler activity than a year ago, mainly due to poor demand in the euro zone. The Czech Republic has been suffering from the drop in both foreign and domestic demand, caused by a decline in real incomes and government austerity measures that have slashed the budget deficit but hurt consumption. Industrial output rose 1.6% month-on-month, the best monthly result since late 2011, but it was still 5.7% lower year-on-year. Trade showed a rising surplus, a record February figure of 28.7bn crowns, but exports continued to drop, for the third month in a row. "We can expect that recovery in Czech industry will be delayed by a few months," said Patrik Rozumbersky, Economist at UniCredit Bank. "Hopes for the end of a recession in the first quarter are disappearing,” he added.

### Expanding Skoda’s home plant

*(Source: Automotive Logistics New, 10th April 2013)* Skoda began production of the Octavia Combi at its main plant in Mladá Boleslav, Czech Republic, following investments to expand production capacity that have included a new press line as well as a new logistics warehouse. “We are facing the third major start of production within a few months,” said Michael Oeljeklaus, Skoda Board Member for Production and Logistics. “My compliments to the entire team working in production, planning, tool-making and logistics for rising to this challenge with great competence and passion,” Oeljeklaus added. The capacity of the assembly line has been increased to produce 800 to 1,200 vehicles per day, including Octavia/Octavia Combi and Rapid models.

## ECG Office

**Mike Sturgeon**
Executive Director
T: +32 2 706 8282
Mike.sturgeon@ecgassociation.eu

**Tom Antonissen**
EU Affairs Manager
T: +32 2 706 8283
tom.antonissen@ecgassociation.eu

**Gabriela Caraman**
Research & Projects Manager
T: +32 2 706 8279
gabriela.caraman@ecgassociation.eu

**Natalia Savvina**
Office Administrator
T : +32 2 706 8280
info@ecgassociation.eu

**William Dénous**
EU Affairs Assistant
T: +32 2 706 8284
assistant@ecgassociation.eu

### Polish car production falls 24% in first quarter

*(Source: Automotive News Europe, 10th April 2013)* Polish car production slumped an annual 24% in the first quarter of 2013, following Fiat's decision to transfer car output and lay-off workers at its Tychy factory in Poland, industry monitor Samar reported. On a monthly basis, the number of passenger cars and trucks produced in Poland fell 20% year-on-year in March, a slight improvement from February's 29% drop. At the end of 2012, Fiat announced plans to lay off 1,500 workers at the Tychy plant and transfer production of the Panda, Europe's top-selling minicar, to its plant in Pomigliano, near Naples in Italy. Tychy, which employs 4,900 workers, also builds the Fiat 500, Ford Ka and Lancia Ypsilon. Nearly 99% of the cars assembled in Poland by producers, which also include General Motors and Volkswagen, are sold abroad. Production has taken a hit from dwindling demand in the euro zone, the country's main trade partner. The drop in Polish car manufacturing adds to a general economic slowdown in the country. Economic growth in Poland, the only European Union Member State to avoid a contraction in its economy since 2008, is seen by the central bank slowing to its lowest pace in 12 years in 2013. Manufacturing output is expected to drop 2.1% in annual terms in March. According to economists' estimates, car production accounts for around 7% of Poland's industrial production.

# EUROPE

### Special report on ro-ro

*(Source: LloydsLoadingList.com, 10th April 2013)* While much of the talk in European shortsea ro-ro continues to be about tough conditions across key trades, some lines are still pressing ahead with the introduction of new services. The majority of these new services, however, are focused on developing markets around the periphery of Europe, notably Russia and the Baltic States in the north and Turkey and North Africa to the south, where trade flows are still growing, or at least holding steady. One such line is **UECC** (**United European Car Carriers**) which has already expanded its operations in both those regions this year. UECC has added weekly calls at the Russian Baltic Sea Port of Ust-Luga as part of its regular service linking Germany (Bremerhaven) and Sweden (Wallhamn) with Finnish and Russian ports. “The Ust-Luga development reflects the continuing strength of the Russian new vehicle and heavy equipment sector. It is one of the few strong markets we see in Europe,” said Bjorn Svenningsen, Head of UECC’s Car Transport Sales Department. UECC has also this year boosted its capacity into North Africa, specifically Algeria and Libya. “We now have a total of four vessels going into Algeria (Mostaganem) and Libya (Misurata) on different slings out of Fos in France and Gioia Tauro in Italy, and a service out of Vigo, Spain, into Djen Djen, Algeria,” reported Svenningsen. “Traffic on those services is primarily new cars originating in the Far East, plus some vehicles from European manufacturers,” Svenningsen added. Other recent ro-ro service developments on the northern edge of Europe have included **Finnlines** introducing a third weekly sailing on its direct service out of Helsinki, Finland, to the German Baltic Sea Port of Rostock. The line is also adding the Finnish Port of Uusikaupunki to its Baltic ro-ro network in order to accommodate Daimler car parts and new cars like the Mercedes A class model. Perhaps more surprisingly, some of the struggling economies in southern Europe, such as Spain and Italy, have also recently seen further ro-ro service development. In the case of Spain, for example, P&O Ferries and Transfennica have jointly launched in 2013 a “land bridge” solution for ro-ro traffic moving between Spain and the UK involving transhipment via the Belgian Port of Zeebrugge. And UECC has also started this year a new service out of Vigo in northern Spain to Le Havre in France, Zeebrugge and the UK Port of Sheerness “on the back of some new car business secured at the end of 2012,” Svenningsen said. He added: “Export traffic from Spain is actually quite strong at the moment. We have also boosted our sailing frequency out of Santander, from

where we are now going three times a week to Le Havre, Zeebrugge, Rotterdam and Southampton." In southern Europe, **Grimaldi** announced at the end of 2012 that it was launching a new thrice-weekly "Motorway of the Sea" shipping service for rolling units, including cars, vans, trucks and semi-trailers, linking the Italian Ports of Ravenna, Brindisi and Catania.

## Vehicle exports bolster European ports

*(Source: Automotive Logistics News, 10th April 2013)* A *Finished Vehicle Logistics magazine* survey of vehicle handling activity in 2012 at European vehicle ports has revealed a relative stability in volumes, thanks to rising exports, despite the overall decline in the market. The survey, which included nearly 35 responding ports or port amalgamations, showed that ports reported a rise in vehicle exports of 8% in 2012 compared to 2011, which helped keep total vehicle handling volume stable even despite a drop in imports of 9%. However, within that overall stability there have been a number of more radical developments. There was no change in the top ranking ports in 2012, with the northern European ports of Bremerhaven, Zeebrugge and Emden occupying the top three positions respectively. Bremerhaven saw a 5% change on the previous year and handled 2.15m vehicles in 2012. The Port of Antwerp in Belgium has taken the fifth position from the UK's Port of Tyne following an 18% increase in volumes, thanks largely to exports. The Port of Tyne has slipped to sixth while the UK's Grimsby, Immingham and Killingholme port complex remains in fourth place despite a 6% drop in volumes to just below 790,000. But at the same time, those Humber ports saw a huge boost in exports in 2012 reaching 150,000 compared to 64,000 the year before. That jump was largely due to General Motors movements at ABP Grimsby and Immingham. However, it is in depressed southern Europe that some of the bigger surprises have been found. While markets there remain in a slump, rising transhipment volumes to North Africa or the Black Sea have helped certain ports overcome declines of between 30-40%. The Port of Pireaus in Greece was able to rank as the 11th largest port in the survey, despite the on-going turmoil in the country's economy, thanks to a 23% jump in exports. Growth in parts of North Africa has offered hope to other ports of the Mediterranean Sea and southern Europe regions. According to Peter Menzel, Commercial Director at **Neptune Lines**, North Africa is the future. "The truth is that the economic downturn does not have much effect on imports from Romania, Turkey and Morocco, all of which sell lower-priced cars," he said. Chinese imports to that region are also growing, particularly to Algeria. New shipping services, infrastructure improvements and exports have also helped some Spanish ports offset the collapse in imports. The **Port of Barcelona** only slipped one place, to eighth, from last year as Southampton in the UK moved up from ninth to seventh following a 26% increase in vehicle handling, thanks in part to exports from Honda.

## New anti-competition complaint against Fret SNCF

*(Source: LloydsLoadingList.com, 05th April 2013)* **DB Schenker**'s French rail freight subsidiary, Euro Cargo Rail (ECR), has made fresh claims that rival operator Fret SNCF is engaging in anti-competition practices. It is planning to file a complaint with France's competition regulator, the "Autorité de la Concurrence". In December 2012, Fret SNCF had been condemned for a number of commercial practices designed to hinder and delay the arrival of new market entrants into France's rail freight sector. It followed a complaint lodged by ECR in 2009. Parent French rail operator SNCF was handed a €60.9m fine by the regulator, but has lodged an appeal. "SNCF continues to offer rates which are below cost price and we are in the process of building a case, bringing together all the examples of this kind of practice that have come to our attention, and intend to file a complaint with the regulator before the summer," said ECR Chairman Alain Thauvette. He added: "We are not at war with SNCF. Their attitude, like our reaction, forms part of the normal adjustments when a market is opened up to competition. Five years from now, there will no longer be this kind of issue." Meanwhile, ECR must indicate by Thursday 18th June if it will claim damages from SNCF following its rail freight unit's conviction for anti-competition practices in December 2012. "This is a decision for our parent company (DB Schenker Rail UK)," Thauvette said. In 2012, ECR posted its first positive operating net result: €2.2m, since it entered the market in 2006, on a turnover of €184m. It followed a net loss of €1.8m in 2011 on a turnover of €168m. A break-even position would be attained by increasing earnings before interest and taxes (ebit) by €4m, and this is the objective for 2013, Thauvette revealed. "Our portfolio of customers is very diversified, which allows to take the economic crisis in our stride," he said, adding that 35% of ECR's activity was new traffic, not handled by Fret SNCF previously. However, ECR's activity was hampered by the poor quality of the freight trains slots allocated by France's rail network, RFF, Thauvette stressed. "At midday Fridays, only half of the slots have been confirmed to operators for the following week. The situation is getting worse year-on-year and the RFF is incapable of explaining why. We have appealed to the rail regulator for answers," Thauvette concluded.

## DB and SNCF in war of words

*(Source: LloydsLoadingList.com, 10th April 2013)* Europe's two biggest state railways, Deutsche Bahn (DB) and SNCF, have locked horns accusing each other of unfair competition in the rail freight sector. SNCF Geodis chief Pierre Blayau said that the new attacks were "unacceptable" and equated to the systematic blackening of SNCF's

name. He said: "What we're being accused of, DB is doing it on its domestic market. We've taken a discreet line on this until now, but I can reveal that our rail freight subsidiary in Germany, Captrain Deutschland, lodged three complaints against DB with various German authorities between November 2012 and March 2013 for anti-competition practices." In its judgement, the French regulator stated that SNCF had offered some "very low rates, below cost price, which made it impossible for new market entrants to compete." However, it did not fine SNCF for this practice, preferring to serve an injunction, obliging the state operator to take all necessary measures to prevent it from happening in the future. "We have conformed to the regulator's wishes," Blayau said. He added that of Captrain Deutschland's three complaints against DB, one concerned sales related to below cost pricing, another focused on energy bills and a third on the price of train slots. Blayau went on to point out that there had been a marked improvement in Fret SNCF's performance in recent weeks with its customer satisfaction rating up 20%. "Of course obtaining a harmonised framework in France relating to the employment of workers in the rail sector is indispensable if a break-even position is to be attained. The next three years will be crucial in that respect. It's the prospect of harmonisation being introduced and the enhancement in the quality of our services which has triggered nervousness among our competitors," Blayau said.

## Owners denied state aid for SOx compliance

*(Source: LloydsLoadingList.com, 05th April 2013)* Despite Brussels saying that European Union Member States should offer assistance to ship-owners to meet requirements of the Sulphur in Fuels Directive, few are actually doing so. EU rules will reduce the permitted amount of sulphur in fuels from 1% to 0.1% in the Emission Control Areas (ECAs) in 2015 and from 3.5% to 0.5% outside ECAs in 2020. Finland is the one European country that has made a clear pledge to help ship-owners with funding. The problem, according to P&O Fleet Director John Garner, is that Member States simply do not have the funds available to support shipping. The initial costs of installing a scrubber on a ship are among the biggest hurdles facing owners, he said. Owners have so little cash available that they cannot retrofit their vessels, which forces them to use distillate fuels and to pass on the cost to the cargo owner. The vessels hit hardest by the 2015 low sulphur rules will be ferries and ro-ro vessels that operate almost exclusively in an ECA. These vessels are docked every two years for a two-week process on average, and technicians would struggle to fit a scrubber during a time frame that tight. Ralph Jurgens, from systems manufacturer Couple Systems, said that owners approached the company, not to ask what a scrubber was, but to get more direct relevant information about specific vessels. However, some observers believe that owners are keeping quiet about their decisions in order to remain competitive. There is a serious fear that, should vessels switch to more expensive distillate fuels and pass on the costs to customers, cargo owners will switch their goods to road and rail, and that the number of passengers will drop as ticket prices rise. Stena Line is concerned about its Gothenburg to Kiel route, served by the *Stena Germanica*. Stena Manager Claes Berglund said this ran almost parallel with a major haulage route that crossed the Öresund Bridge linking Sweden and Denmark. If the company increases its rates, it would lose lorries to the road option. That is why the *Stena Germanica* is to have its Wärtsilä main engines converted to dual fuel, running off methanol, not liquefied natural gas (LNG), which many see as the fuel of the future. Having considered its options, Stena concluded that it would not use scrubbers and has found cost issues with the supply of LNG. However, it is possible to store methanol at the same pressure and temperature as a liquid, making it easier to transport. It may also be possible to modify a vessel's existing bunker tank spaces to store methanol. LNG-sourced methanol is the most common type, but it can easily be blended with renewable methanol. However, the problem with methanol is that it is highly flammable and toxic. Nevertheless, Stena will be pushing ahead with trials, working with the International Maritime Organisation (IMO) on developing the international "gas-as-fuel code", which covers all low-flashpoint fuels. Berglund said that if the tests with the *Stena Germanica* go well, the company would roll out a rapid five-year conversion programme on the other 25 vessels of its fleet which operates within the European ECA.

## Foreign drivers to face lesser sanctions than UK drivers over Driver CPC non-compliance

*(Source: Commercialmotor.com, 05th April 2013)* Foreign truck drivers who do not comply with the Driver Certificate of Professional Competence (CPC) requirements when driving in the UK will effectively only ever face a £30 roadside penalty – though UK drivers in the same situation could face fines of up to £1,000 as well as possible action against their driving licence, Vosa and the Driving Standards Agency (DSA) have confirmed. A spokesman for the enforcement agency admitted that while UK drivers who cannot produce a Driver Qualification Card (DQC) at the roadside will face a Graduated Fixed Penalty (GFP) of £30, if a driver is found to be committing more than three offences, the matter may be reported to court, where a maximum penalty of £1,000 could be applied. Repeat offending will also lead to Traffic Commissioners being informed, which "could, for example, result in the suspension of the driver's driving licence and/or their employer's operator's licence," a spokeswoman for the DSA said. Where the driver is from outside the UK, however, a Court Deposit equivalent to the £30 GFP will be taken at the roadside if drivers cannot produce the relevant DQC or driving licence, said the Vosa spokesman. In theory, foreign drivers would then face the same £1,000 maximum fine in court but the chances of them turning up are

extremely slim. As the agency spokesman admitted: “If the offender does not turn up at court, then the Court Deposit is forfeited as the fine for the offence.” Since neither foreign drivers nor foreign truck operators fall under the remit of the UK’s Traffic Commissioners, meanwhile, no action can be taken in the UK against their respective licences. There is, additionally, no scope for UK authorities to prevent such drivers or operators from returning to the UK or to bring any repeated non-compliance in the UK to the attention of regulatory bodies abroad, admits Vosa. “The regulations do not contain any requirement for one Member State to notify another Member State of the offending of its members. It is incumbent upon each Member State to ensure that its drivers are fully compliant,” confirmed the spokesman. Vosa does hope to develop some kind of system for reporting such drivers and operators to foreign licensing authorities but “there are no current plans to introduce such a system,” he admitted.

### More drivers for the UK

*(Source: Automotive Supply Chain, 10th April 2013)* The trend of declining qualified large goods vehicle (LGV) drivers has halted, as the 2012 financial year end figures show an increase for the first time since 2005. This area of transportation is seen by many in the UK as unattractive, with limited career progression and relatively poor pay for long hours. The struggle to find qualified drivers has afflicted many British and European logistics companies. The latest statistics from the Driving Standards Agency suggest that the popularity of practical LGV tests, and the pass rate, is set to grow in 2013. Geoff Dunning, Chief Executive of the Road Haulage Association and Head of the Skills for Logistics’ Drivers’ Occupational Craft Skills Group, said any increase in people passing their LGV tests had to be welcomed. A total of 11,682 LGV tests were conducted in the second quarter of 2012/13 – only 2% fewer tests than the same quarter last year – with women having a higher pass rate, at 55.4%.

### TomTom rates Moscow traffic worst in the world

*(Source: Thinkinghighways.com, 08th April 2013)* Moscow traffic is rated the world’s worst by Dutch GPS manufacturer TomTom, which has issued its annual Congestion Report. Gridlock extends an average journey by more than a half, thereby taking at least five days from the life of a Moscow driver. Istanbul takes second spot on the list, with its traffic just a little less congested, with Poland’s Warsaw third. The Russian capital has topped the 2012 Congestion Index, revealing that the city traffic makes an average journey 66% longer than when the traffic is flowing freely. The morning rush hour figure goes as high as 106%, in the evening it increases to 138%. On average, a Moscow driver spent 127h in traffic last year, that is not counting the normal time needed to get from A to B. The busiest traffic day was 29th November 2012, when Moscow streets were nearly paralysed by heavy snowfall. Wednesdays are the busiest weekdays traffic-wise in the Russian capital, TomTom's index shows. The smoothest journeys are encountered by those travelling on Monday mornings and Friday nights. TomTom's Congestion Index measures traffic congestion in 161 cities across five continents and compares it to congestion levels in the previous year. It is believed to be the world's most accurate barometer of congestion in urban areas. The results are based on real travel time data captured by vehicles driving the entire road network. “The TomTom Congestion Index clearly shows that traffic in our major metropolitan cities is on the rise," TomTom’s Asia Pacific Vice-President, Chris Kearney, said in a statement. He added: "At TomTom we’re constantly working to help governments and road authorities make more informed decisions about tackling the issue of traffic congestion and the index aims to do just that.” Los Angeles, Paris, Sydney and Rome also made it to the top 10 of “traffic horror” venues. In 2011 Warsaw took the top spot for road congestion, in 2010 it was Brussels. The top 10 most congested cities, ranked by overall congestion level in 2012 are from 1 to 10: Moscow, Istanbul, Warsaw, Marseille, Palermo, Los Angeles, Sydney, Stuttgart, Paris and Rome.

## REST OF THE WORLD

### Tensions with North Korea could disrupt supply chain

*(Source: Automotive Logistics News, 10th April 2013)* On-going political tension in Korea that includes military threats from the North is causing concern amongst carmakers, with some looking at contingency measures in the face of potential instability in the supply chain. North Korea’s closure of a special co-operative industrial zone between North and South Korea also includes several automotive suppliers, although the current impact on production appears to be minimal. However, there is concern in the industry that a protracted crisis in Korea could lead to the sort of disruption that was seen in the wake of the Japanese tsunami of 2011 and the Thai floods that hit production later the same year. GM Korea, which has five plants in South Korea and produced 40% of Chevrolet vehicles globally in the country, is among the manufacturers planning for contingency measures. A spokesperson for the company said that it was watching the situation closely and maintained hopes for continued stability for all Korean people and the region. “Are we making contingency plans? Absolutely, we would be irresponsible not to. However, other than to say we are committed to upholding the safety of our employees and assets, and focused on

continuity of supply for our customers, we're not in a position to comment on those plans," said the spokesperson. GM CEO Dan Akerson, however, said last week that tensions with the North could lead the carmaker to shift production from South Korea in the long term – although he said this would be difficult. Union officials in South Korea said that Akerson's comment was meant as a threat to the country's unions ahead of negotiations on labour costs and practices. GM already announced in 2012 that it would not produce the next generation Cruze in South Korea. The country's competitive edge in costs has deteriorated following the rise of labour costs and the appreciation of the Korean won. A spokesperson for Ford, which has suppliers in South Korea, said that the company was watching the situation closely. Hyundai-Kia stated only that it was "inappropriate to discuss what we will do or what contingency plans we may have when the matter at hand is related to the entire nation." North Korea has already closed the Kaesong industrial zone, a special administrative industrial region of North Korea that includes an industrial park operated as a collaborative economic development with the South. The park includes four automotive parts suppliers – Daiwha Fuel Pump, J&J Trading, SAMAS and Uni World – as well as two firms supplying semi-conductors. However, GM and Kia said they did not expect any impact from the situation at the Kaesong industrial zone as the carmakers did not have any direct supply from there. The launch of a rocket in December 2012 and a third underground nuclear test in February this year, have led to international condemnation and a step up in sanctions. Following the commencement of military drills by the US and South Korea in March, the North Korean government under Kim Jong-Un said it was entering "a state of war" with the South and has threatened the US with nuclear strikes. North Korea has also restarted the Yongbyon nuclear reactor. Some commentators have speculated that the brinkmanship shown by the North Korean government is designed to damage foreign direct investment in South Korea or could be an attempt to force the US into fresh negotiations over the North's nuclear plans. South Korea's automotive production and domestic market appears so far to be unaffected by the crisis. Overall sales were relatively even compared to 2012, and imports actually on the rise. Exports, which make up the majority of the country's volume, did fall by 16% compared to a year earlier, but this was attributed to shorter working hours agreed by labour unions with Hyundai and Kia, and not to tensions or worries over North Korea. "Looking at the March domestic sales of South Korea, imports are still rising about 13% year-on-year, though domestic sales slightly dipped over 1% year-on-year," said Namrita Chow, Manager and Senior Analyst for World Markets Automotive and Supplier Business at IHS Automotive.

## Greenbrier responds to auto railcar demand

*(Source: Automotive Logistics News, 10th April 2013)* North American transport equipment maker Greenbrier has received orders for 5,400 railcars (wagons) between January and March 2013 valued at $575m. The orders cover a broad range of railcar types, including 700 automotive-related rail products. The railcars include 89-foot flatcars and the company's proprietary MultiMax auto racks for the North American market, as well as orders for open and closed car carriers in Europe. "Over the next three years, independent industry forecasts project that deliveries of automotive-related railcars will exceed 10,000 units in North America, with an equivalent number of racks being built," said Greenbrier's President and CEO, William A. Furman. "This demand is being driven by growth in automotive traffic by rail as a result of growing auto sales and a geographic shift in production of autos," he added. Furman also said that an aging fleet of automotive carrying railcars with an average age of approximately 20 years, and a 10% reduction in size of the automotive carrying railcar fleet in North America since 2009, was driving demand for replacements, something Greenbrier was well positioned to meet. The company offers three designs in North America: Auto-Max, an articulated, fully integrated two-unit railcar with flexible bi-level and tri-level configurations; Multi-Max, a new proprietary automotive rack with flexible bi-level and tri-level configurations; and a standard 89' flatcar for bi-level or tri-level rack service capable of taking either a conventional rack or Multi-Max. Greenbrier railcars are manufactured in the US and Mexico, and Furman said the company was equipped to take advantage of the geographic shift that has seen Mexico pass Japan as the largest exporter of light vehicles to the US. "At the same time, automotive rail loadings are up 16% from 2011 to 2012 in the United States and are forecast to increase in each of the next three years, all helping fuel demand for our automotive products," Furman said. He added that the company was also well-positioned in Europe and has produced more than 1,800 automotive railcars in the last five years from its facility in Swidnica, Poland.

## Joint venture to develop auto hub at Dayaowan Port

*(Source: Automotive Logistics News, 10th April 2013)* In China, Dalian Port Group, Dalian Free Trade Zone and Anji Automotive Logistics have signed a co-operative agreement to develop an automotive logistics terminal on the north side of the Dayaowan Port area in Liaoning province. It is designed to operate as a logistics hub for finished vehicles and vehicle parts in Northeast Asia. According to the agreement, Dalian Port Group and Anji Automotive Logistics will work together on automotive shipping, warehousing and trading by establishing a 50/50 joint venture Dalian Haijia Automotive Terminal, while Dalian Free Trade Zone will provide the relevant policy support.

# PRESS RELEASES

## European Commission proposes renewed resources for combating pollution at sea

*(Source: European Commission, 03rd April 2013)* On Wednesday 3rd April the European Commission proposed funding of €160.5m over a period of seven years for the European Maritime Safety Agency (EMSA) to allow continued action to combat pollution caused by ships. The funds will enable the agency to maintain its network of specialised anti-pollution vessels available to Member States to recover pollutants and to further develop satellite images to detect pollution.

The funds are intended to maintain the network of specialised anti-pollution vessels which strengthen the capability of Member States to respond to pollution caused by oil and other substances. These “reserve vessels” which EMSA let at the disposal of affected Member States have state-of-the-art equipment for containing and recovering pollutants from the sea.

In parallel, the funds will support CleanSeaNet, the efficient system of satellite imaging that has been developed to detect pollution in good time and which underpins efforts from Member States to prevent illegal discharge and accidental spillage of oil.

The funds will allow a response to spills from off-shore oil and gas installations using additional specialised equipment. EMSA will also continue to work with third countries – for the Mediterranean Sea in particular – although the funding for such activities will be outside this Multi-annual Financial Framework.

In 2004, EU legislation gave EMSA a mandate to combat pollution caused by ships. An envelope of €154m was allocated for the duration of the 2007-2013 financial period. This mandate was confirmed in the most recent revision of EMSA's founding regulation, and extended to cover marine pollution caused by oil and gas installations and assistance to third countries sharing a regional sea basin with the European Union.

To access EMSA CleanSeaNet, please click on the following link: https://csndc.emsa.europa.eu/web/csn?l=n&n=0