ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 13.16, 15th – 19th April 2013

CONTENTS

Registrations Open!

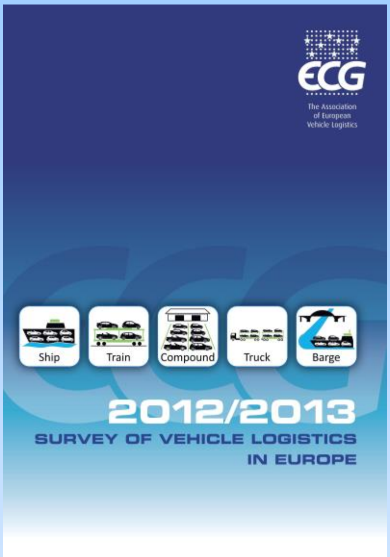
ECG Spring Congress & General Assembly 2013

23/24th May, Dublin, Ireland

Please click here for full details

Now On Sale!

The new ECG Survey of Vehicle Logistics 2012-2013



From €100 for Members
From €250 for Non-Members

- Unique scientific publication, created by the sector to represent the reality of the industry in each single country across Europe, including Russia, Turkey and Ukraine.
- It combines global and European data and information on the automotive industry in general, and the finished vehicle logistics sector in particular.

To order a copy of the new ECG survey please click on the following link: http://www.ecgassociation.eu/PublicationsReports/ECGBiennialSurvey.aspx

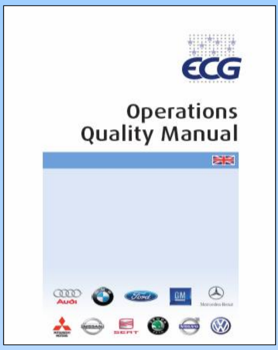
NEWS FROM BRUSSELS

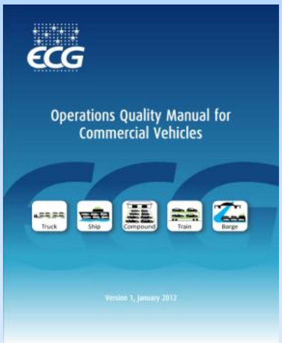
EU Commission proposes new lorry design rules

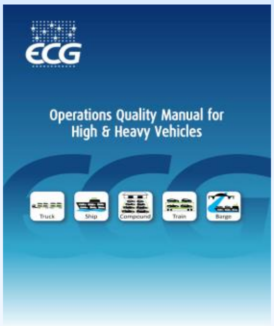
(Source: European Voice, 15th April 2013) Lorries in Europe would be re-designed to be safer and more fuel-efficient under a proposal put forward on Monday 15th April by the European Commission. The changes to the Weight and Dimensions Directive [*Dir. 96/53/EC*] would allow cabins to be designed with a rounded shape and would also allow the use of aerodynamic flaps at the back of the trailer. The Commission says this would save approximately €5,000 per year in fuel costs for a typical long-distance lorry covering 100,000km. This represents a 7%-10% cut in greenhouse gas (GHG) emissions. Changing to a curved shape would also enhance the field of vision of the driver, helping to save the lives of 300 to 500 vulnerable road users such as pedestrians or cyclists every year, the Commission said. Existing European Union law states that the front end of lorries must be square. Environment and safety NGOs welcomed the proposal. “European lorries have been stuck in the past and this is costing Europe billions of euros in wasted fuel,” said William Todts of Transport & Environment (T&E). “The proposal is a small step towards freight transport fit for the 21st Century,” he added. Lorries represent just 3% of the vehicle fleet but they cause 25% of road transport emissions and are involved in 18% of fatal crashes, which kill approximately 7,000 people annually. “Lorries have an infamous reputation when it comes to road safety, and rightly so. Currently, a frontal crash with a lorry is like hitting a brick wall,” said Jeannot Mersch, President of the European Federation of Road Traffic Victims. “These improvements should be mandated for all lorries as soon as possible,” Mersch said. The proposal also contains a provision which would explicitly allow new “mega-lorries”, extra-large vehicles that are currently being used in some Member States on a trial basis, to cross borders. The European Commission changed its legal interpretation of the existing Directive in 2012 to allow mega-lorries to cross borders between two countries conducting the trials. Under EU law, lorries may not be longer than 18.75 metres or heavier than 40 tonnes, but Member States are allowed to use larger ones if they wish as part of temporary trials. Before the legal re-interpretation last year, the Commission had said the Directive requires these mega-lorries used on a trial basis to stay within their Member State. However the re-interpretation angered some Members of the European Parliament (MEPs), who demanded that the change be put to them as a legislative proposal so the Parliament could approve it or not. Environmental groups, which say the mega-lorries cause more pollution and discourage a modal shift to rail, said they will try to convince MEPs to reject the change. “The Commission has opened the door to cross-border use of mega-trucks in Europe without appropriate guarantees for both citizen safety and environmental protection. We need better trucks, not bigger trucks,” said William Todts. Road haulage associations have been lobbying for the large vehicles to be allowed, saying they would cut costs by 20%-30% and result in fewer trucks on the road. But rail organisations say it would result in a 30% shift of freight from rail to road, which would be contrary to the climate goals set out in the Commission's Transport White Paper. There are also safety concerns about the extra-large lorries.

ECG Note: *ECG welcomes the publication of the anticipated Commission proposal to amend the current Directive 96/53/EC as we indeed believe several aspects of this directive, which dates from 1996, should be updated according to present-day technology and transport practices. This review also allows the opportunity for policymakers to take into account the current difficult economic conditions for road transport operators, and to reaffirm their aim of helping such businesses to operate (more) efficiently while saving on ever-increasing fuel costs (and thus reducing CO_2-emissions as a direct consequence). In this regard ECG is disappointed that the Commission has not taken on board our request to allow for more efficient cross-border operations of vehicle transporters (as described in*

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

For comments or inquiries please contact: info@ecgassociation.eu
T: +32 2 706 82 80

our March 2012 Position Paper "Harmonisation of allowable loaded truck lengths for vehicle transporters" which can be downloaded via http://www.ecgassociation.eu/Portals/0/Documentation/EU%20Affairs/ECGPositionPaper_LoadedTruckLengths_March2012.pdf), so we will continue our awareness-raising campaign among MEP's as well as national governments in the hope of achieving a workable solution for the finished vehicle logistics sector.

For further information on this important issue, please see the official press release published by the European Commission under the "Press Releases" section of this ECG News, along with a collection of reactions by stakeholders.

New call for Brussels to limit truck size

(Source: LloydsLoadingList.com, 12th April 2013) The UK's 'Freight on Rail' lobby is calling on Brussels to set limits on the length and weight of HGVs in its new legislation, which it claims could allow massive road-trains to move across Europe. On Monday (15th April) European Transport Commissioner Siim Kallas published the EC proposal for revising directive 96/53 which governs the international circulation of HGVs. Freight On Rail is calling for the new legislation to set maximum HGV dimensions at 18.75 metres in length and a maximum weight of 44 tonnes for international transport, "to prevent general circulation of massive road-trains", leading to more fatalities, road congestion and pollution. The group also said that "the new legislation should not allow cross-border traffic of mega-trucks, and in countries which allow mega-trucks, national limits should be set prohibiting them from using roads other than dual-carriageways and motorways in order to protect cyclists, pedestrians and general traffic." It added that "the Commission's own research stated that mega-trucks were more dangerous than existing HGVs." Freight on Rail Manager Philippa Edmunds said: "Unless the EU sets maximum weights and length limits for HGVs in international traffic in its current revision of the legislation, there will be more needless fatal collisions, more road congestion and more pollution." She added that if Brussels would allow cross-border traffic of mega-trucks between consenting countries, the UK road haulage industry would pressurise the UK government to allow them on British roads on competition grounds. Edmunds said: "European bureaucrats are proposing permitting cross-border mega-trucks traffic without evaluating the impacts, contrary to the Commission's own rules. Instead, the European Union should be promoting freight by rail, in line with its own policy."

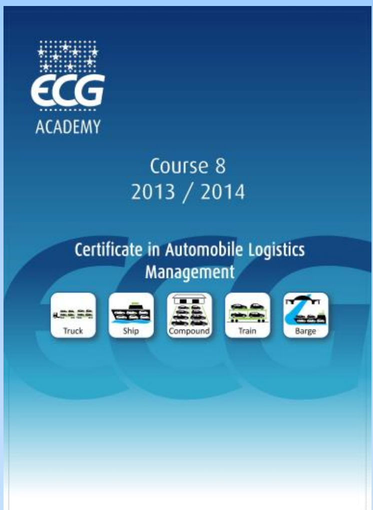
AUTOMOTIVE INDUSTRY

Opel's Bochum plant to close in late 2014

(Source: Automotive News Europe, 17th April 2013) General Motors' Opel unit solidified plans to close its car plant in Bochum, Germany, at the end of 2014 after workers rejected a wage freeze. It is the first shutdown of a car factory in the country since World War II. The Opel Supervisory Board approved managers' decision on halting vehicle production at the site, the Ruesselsheim-based division said on Wednesday 17th April in a statement. GM's European operations, which also include Opel's UK sister brand Vauxhall, have accumulated $18bn in losses since 1999. GM has vowed to break-even in Europe by 2015, including plans outlined on Wednesday 10th April to invest €4bn mainly to bring out 23 new models and 13 engines in three years. The company is attempting a turnaround amid a European market that is shrinking for a sixth consecutive year. Combined Opel and Vauxhall first-quarter sales in the region declined 8% to 208,994 vehicles. European industry-wide deliveries fell 10%. Workers at Bochum voted in March against forgoing pay raises in exchange for maintaining production until the end of 2016 of the Zafira model at the site. GM tied the agreement to a plan to expand a logistics centre at Bochum and replace car-making there with parts production after 2016 that would have maintained 1,200 of the factory's more

ECG Academy

Course 8 commences on Tuesday 8th October 2013 in Berlin, Germany.



This practice oriented course takes place over **five modules**, 22 days of intensive training. The modules are held at different locations in Europe to give the participants insights into practical realities of the different elements that make up vehicle logistics. It is targeted at both experienced practitioners and new entrants to the supply chain management.

Benefits:

- Acquiring a vast wealth of knowledge in an accelerated timeframe, but in as much depth as it is required
- Unique networking opportunities. Each course brings together over 20 individuals representing companies from across Europe
- The course culminates in the award of Certified Automobile Logistics Management, which is an accredited qualification

For more information please contact info@ecgassociation.eu

than 3,000 jobs. The employment-preservation plan is "off the table" after the concessions were rejected, Ulrich Weber, an Opel spokesman, said. The carmaker has no plans to wind down the Bochum logistics centre, he said. Opel employees at its other four German plants agreed in March to wage freezes in return for GM's pledge to refrain from mass firings until the end of 2016. The carmaker has not indicated that it plans to shut any other plant besides Bochum. Union leaders in Bochum, a former coal mining town in the economically depressed Ruhr region of northwest Germany, believe colleagues at Opel's other three German plants were too willing to sacrifice Bochum in order to save their own factories. Betting GM would not take the unusual and costly step of shifting production and tooling of the Zafira prior to 2017, the Bochum works council led opposition against a compromise deal that would have kept the plant running through the end of the model's life cycle. "General Motors said they were willing at most to keep 1,200 people on board, but nothing was set in stone. It never made any concrete binding offer to the work force, so our entire staff would have had to hope they kept up their end of the bargain," Bochum works council head Rainer Einenkel, who also sits on the Board of Opel, said. Wednesday's decision will likely mean that the historic home plant of Opel in Ruesselsheim will profit from Bochum's demise as company sources say it is set to build the Zafira during the last two years of the model's life cycle. "If a decision is taken to shift production of the Zafira to another German factory for 2015 and 2016, then I hope the work force would refuse out of solidarity to Bochum," Einenkel said. Sources at the company said no decision had yet been made on where the Zafira would be built during the two years.

Opel to push growth in Russia

(Source: Automotive News Europe, 15th April 2013) Opel will push growth in Russia and Turkey as part of an export drive to offset slumping European business, but steer clear of China, General Motors CEO Dan Akerson told a German newspaper. "For Opel, Russia is of great importance," Akerson told the *Bild am Sonntag* in an interview published on Sunday 14th April. "In a few years' time, the Russian market could become bigger than the German one," he added. Opel CEO Karl-Thomas Neumann said the brand is growing almost twice as fast as the Russian market with vehicles' sales of more than 80,000 in 2012. Opel is regarded as a "quintessentially German brand in Russia and has almost a premium image," Neumann said in the same interview. "We see a similar picture in Turkey where we sell some 50,000 vehicles per year," he added. Opel will continue its export campaign after entering markets in Australia, Chile and Singapore last year and the United Arab Emirates this year, Neumann said. By contrast, boosting exposure in China would cost Opel "hundreds of millions of euros," Neumann said, adding that the brand has other priorities. He said Opel vehicles have the same quality as those from Volkswagen brand but VW has higher pricing. "We want to enhance our brand and models so customers will pay more money for an Opel," he said. Akerson said he has complete confidence in Opel's future. "The European market is very important for GM, not least because it is larger than the North American one. We will not leave this market to the competition," he said. "Opel is progressing better than I expected even a year ago. I am sure Opel will make a profit again even in a declining market," he added. General Motors' European operations have lost $18bn since 1999, including $1.8bn in 2012.

Italy's car dealerships decrease 31% in 5 years

(Source: Automotive News Europe, 16th April 2013) The number of Italian car dealerships has fallen 31% since 2007, including a 7% drop in 2012, according to figures released on Tuesday 16th April by the automotive think tank Quintegia. According to these figures, Italy had 3,450 car dealerships in 2002, 2,950 in 2007 and 2,011 at the beginning of 2013. Italy's dealerships are being badly hit by a drop in car sales as overall deliveries in European markets face a sixth consecutive annual fall. New-car sales in the Italian market fell 19.8% in 2012 to

ECG AGENDA

► **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

1.4m, the fifth consecutive annual drop, and are seen falling again in 2013 to about 1.3m. The total number of dealerships will shrink to 1,500 by 2017, Quintegia said in a study presented ahead of its Annual Dealers' Workshop in May. The think tank said fewer dealerships did not necessarily mean each dealer sold more cars. For mass-market brands, the number of cars dealers sold per brand fell to 630 in 2012 from 1,050 in 2007, the study found. Car dealerships employed around 1.2m people in Italy and account for 40% of jobs in the Italian automotive sector in 2012, according to the country's trade group Federauto. To cope with the drop in demand for cars, Italian car dealerships need to shift their focus away from selling new vehicles and embrace used cars and after-sales maintenance, Quintegia Chairman Leonardo Buzzavo said in the study.

EUROPE

Real-time GEFCO tracking

(Source: Automotive Supply Chain, 13th April 2013) The new real-time electronic proof of delivery (ePOD) "track and trace" system for groupage deliveries across the **GEFCO** network in the UK and across Europe is an extension of its current Transport Management System. The cadis operational Transport Management System (oTMS) guides drivers workflow by scanning each shipment onto their vehicle at the Coventry distribution centre and off again at the point of delivery, where the time and location data is automatically added for proof of delivery. The system monitors each individual shipment via GPRS and customers are able to access proof of delivery via the internet within minutes of each delivery being completed thanks to mobile radio communication in the drivers' handhelds. "Installing Kratzer's cadis oTMS has enabled GEFCO to offer a higher level of customer service with electronic POD system service levels," said Paul Branfield, IT Manager at GEFCO UK. "It has also given us a competitive edge as we can now offer a swift and comprehensive tracking capability to a standard that was previously only offered by some parcel carriers," he added. This technology, designed by Kratzer Automation and already operational in France, Germany, Poland, Romania, Italy and the Czech Republic, will be rolled out across the GEFCO network throughout 2013 and has previously only been available within GEFCO's spare parts operations. Cedric Chacon, GEFCO's Overland Manager, said: "Being the first company to be able to offer this tracking technology for groupage deliveries is a source of pride for us at GEFCO. The service improvements we offer will be substantial as a result of the new cadis oTMS software. The adoption of this system demonstrates our innovative approach to offering customers an unparalleled level of service." Cadis oTMS is a standardised logistics software that is customisable to meet the individual requirements of commercial carriers.

Vigo Port drops fees for vehicles

(Source: Automotive Logistics News, 17th April 2013) Vigo Port Authority in northwest Spain has approved a reduction in storage fees for finished vehicles. Henceforth, irrespective of whether they are kept in the Port's vertical storage facility or at the Bouzas Ferry Terminal, fees charged will be the same. Previously, there were three distinct tariffs in force: one covering the use of the vertical storage facility, another applied for using the terminal for no more than three days and one for any vehicle held in the Port for longer than three days. Now, as long as vehicles do not stay more than three days, fees charged will drop by 67%. Those exceeding three days of storage will see fees cut by around 50%, while any vehicle kept in the storage compound for between three and seven days will be eligible for a rate cut of 8%. According to the President of the Port Authority, Ignacio López-Chaves, this reduction in storage fees is intended to enhance the competitiveness of the sector and matches similar initiatives brought in by other administrations, most notably the Galician regional government, which

Events in Brussels

Public Hearing on "The 4th Railway Package: will it revitalise the European railways?" by the European Economic and Social Committee (EESC) on 24th 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.
Supported by ECG

has made available subsidies of €120m to the sector. In addition, in recent months, the Vigo Free Zone Consortium has also invested heavily in and around local production facilities. Traffic at the Port is currently increasing. On Monday 25th March, the Bouzas Terminal handled a record 5,000 vehicles in one day, involving four vessels and the participation of **Suardíaz** shipping line and agents **Bergé** Maritima. The ships were conveying a wide range of models, some of which were being imported for domestic consumption while others were being rotated out again by sea for destinations in Europe, North Africa and the Middle East. To handle the enhanced traffic, Vigo Port Authority has put forward a project to extend the existing Ro-Ro ramp, using a mobile one, which will enable ships to be handled in more extreme weather conditions. Funds are being sought as part of the EU's TEN-T Programme, with sponsors being the Port Authorities of Vigo, Saint Nazaire – with whom Vigo is developing a sea motorway service, the Suardíaz shipping line and Spain's National Ports Authority, Puertos del Estado.

British business should copy Jaguar Land Rover supply chain approach

(Source: Supplymanagement.com, 11th April 2013) British industry should follow Jaguar Land Rover's example of investing in the supply chain to strengthen domestic capability to boost exports, according to the Confederation of British Industry (CBI). Its report published on Thursday 11th April and entitled "The Only Way is Exports", called for sectors across British business to identify skills, quality and performance gaps in their specific supply chains and invest to improve them. It held up Jaguar Land Rover and Rolls-Royce as examples of businesses that put time and money into developing suppliers, through offering supply chain finance, providing funding and building strong relationships with their supply chains. "There is plenty of scope to strengthen the UK supply chain network – helping businesses invest in skills, quality and performance improvement, innovation and physical capital," the report said. "This requires cross-sector analysis to determine areas where there are gaps, as well as needing more intensive co-operation between UK businesses of all sizes," the report added. The study, which concerned what the UK should do to boost exports, and in particular Small and Medium Enterprises' exports. The CBI recommended the government should review the practical impact of the Bribery Act on UK businesses competitiveness abroad – echoing the sentiments of a House of Lords committee – to set out which industries will have visa processes streamlined to attract talent, and work to get strong protection for intellectual property across Europe.

What is Italy waiting for before betting on LNG?

(Source: Ship2Shore, 15th April 2013) As seriously debated at the first "National Conference on Liquefied Natural Gas (LNG) for Transport – Italy and the Mediterranean Area" organised by Simposia and the World Energy Council in Rome and despite the on-going international negotiations, the appealing long-medium term earning prospects and EU allocation of several millions of euros, LNG's debut on the Italian market is still ailing, allegedly due to the total lack of support from Rome institutions. Neapolitan ship-owner Salvatore Lauro, who attended the meeting, announced LNG's debut in shipping: "Although definitely betting on pure natural gas propulsion, we'll soon start refitting the former *Siremar* ferry and turn it into the first Italian dual-fuel unit, and although we have not chosen any yard yet, we have already contacted Fincantieri." Before ordering a pure LNG unit, currently being designed by Rolls-Royce, Lauro is joining the natural gas segment with a difficult start and different plans in mind, such as the deployment of the Gas tanker *Bilton* – currently refitted at Megaride Naples shipyard – on the Linosa-Lampedusa link. Moreover, ship-owners complained about shipyards and politics, while Valeria Novella, President of Confitarma Young Owners argued that operators' interest in natural gas investments was in no way fostered by a political leadership, pinpointing Italian market's high

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

potential in terms of natural gas use on cabotage lines. "90m passengers per year transit through Italian ports, many of which are situated in the Tuscan Archipelago, in the Gulf of Naples, on the Strait of Messina and in the Venetian Lagoon. Italy holds the leading position in the world ferry fleet ranking but regarding LNG we didn't succeed in getting an answer from the Ministry of Transport," Novella said. The continuous enhancement of the Emission Control Area (ECA) will spur the use of clean fuel – natural gas, marine distillate or marine residual oils. Admiral Cristiano Aliperta, Italian representative at the International Maritime Organisation (IMO), announced that "further areas will be soon added to the existing ECA zone, such as the Mediterranean Sea, the Caribbean areas, Hong Kong, Singapore and Japan."

REST OF THE WORLD

Peugeot 208 hits full output in Brazil

(Source: Automotive Logistics News, 17^{th} April 2013) Peugeot has started full production of its 208 model in Brazil following the launch of the vehicle there in January 2013. The vehicle is being made at its $460m production centre in Porto Real in the state of Rio de Janeiro. The French carmaker will make 55,000 of that model this year at the plant, mainly for Brazil and Argentina. It will be fitted with Flex-fuel engines made by PSA Peugeot Citroën at its plant also located in Porto Real. The 208 will add to a total of 150,000 vehicles made at the plant in 2013, including all Brazilian-made Peugeot and Citroën models. A spokesman for Peugeot said that 84% of the parts supplied for the 208 will be sourced in Brazil and Argentina and that **GEFCO** will be handling inbound logistics to the plant. The remaining parts are being sourced from Europe. About 15% of the vehicles produced in Porto Real plant are exported said Peugeot, with the main market being Argentina, though some volume will be shipped to other Latin America countries. The spokesperson said that exports would mostly be transported via road which remains "a challenge in terms of logistics." The launch of the 208 in Brazil comes a year after the start of sales in Europe where more than 300,000 already been made at the company's Poissy and Mulhouse plants in France, and at its Trnava facility in Slovakia. It actually sold 221,000 208 cars in 2012. PSA Peugeot Citroën said the launch in Brazil is part of its strategy to make vehicles with a global profile and is part of its aim to push sales in non-European countries to 50% in 2015. In 2012 the company sold 38% of vehicles outside Europe, up from 33% in 2011. As the European market continues to contract, PSA saw its market share across Europe drop to 12.7% last year. "Brazil is a key market, as well as a key focus of our international expansion strategy, which is well underway," said PSA's Chairman Philippe Varin. "The local launch of the Peugeot 208 is a very exciting project," he added. Three Flex-fuel versions are on offer in Brazil: Active and Allure, fitted with a 1.5L engine, and Griffe, with a 1.6L engine. The Porto Real production facility also makes Peugeot 207 and Citroën C3 variants. The plant made its one millionth car in October 2012. GEFCO Brazil operates a 6,200m^2 logistics hub in Guarulhos, northeast São Paulo to consolidate multi-modal services for PSA. Following the Brazilian government's launch of the Inovar-Auto stimulus plan carmakers are doubling their efforts to capitalise on a presence in the country. According to Brazil's 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. Companies will be able 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 – though introducing the scheme fully has been delayed this year. By 2017, the 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.

Chinese logistics enters a new phase

(Source: Automotive Logistics News, 17th April 2013) With logistics costs in China now at a historic high, and posing a major challenge to the country's expanding automotive industry, the government and private industry are now stressing the country's need to shift to a more "sustainable growth", it was revealed this week at the Automotive Logistics China Conference in Shanghai. Logistics has become a major focus for economic and government policy, including reforms in the country's railways that could eventually lead to an increase in the amount of automotive cargo it carries, and private companies investing in it. Speaking at the conference, Cai Jin, Vice-President of the China Federation of Logistics and Purchasing (CFLP), said that high costs – including those for logistics – have become the number one challenge for the automotive industry in 2013. After logistics cost as a percentage of GDP rose to a record level of 17.8% in 2011, Cai said that such costs rose above 18% in 2012. Carmakers and tier suppliers confirmed the high costs for logistics in the automotive sector. Dr Jörg Biesemann, Director of Logistics for Automotive in Asia-Pacific at the tier one Continental, said that logistics, as a percentage of product costs, often exceeded 20% in China. Comparable costs for automotive in Europe or North America are closer to 6%-7%, he said. Partly as a response to these costs, the Chinese government, now under new leadership, has put a new focus on increasing multi-modal transport, including on-going plans to liberalise its railways. Zhang Xiaodong, Professor of the Transport College at Beijing Jiao Tong University, revealed that the Chinese government has changed the structure of its state-owned railways, replacing the Ministry of Railways with several new departments. In an effort to increase safety, for example, planning and standards will now be set by a National Railways Bureau. Meanwhile, in a move towards opening up the market to more competition, the China Railway Corporation will be responsible for operations. "This is the foundation for a further marketisation of the railways, and many policy decisions are currently still being decided," he said. Logistics providers, both domestic and foreign, are being actively encouraged to participate in the plans. Ideas from industry experts need to be integrated, said Dr Liu Xilong from China's National Development and Reform Commission (NDRC), a powerful government policy department. "I hope the industry can work closely with the government to better service the growth of the industry. There is a bright future ahead if we can address quality and efficiency," he said. According to the CFLP's Cai and other speakers, the other major challenge for automotive logistics is overcapacity. Although production capacity utilisation is above 100% in some cases, Chinese carmakers are producing at around 60% of capacity, said Biesemann. "I'm getting a bit nervous as I know the Chinese OEMs are planning to set up another ten assembly plants," he said. "Rather than continuing to grow at breakneck speed, the industry needs to re-focus its growth towards one that is more sustainable and profitable," said Cai. "We need to address costs and capacity. To solve them we need to look at the economic transition model, and concentrate on efficiency and quality for better profitability," he said. That transition model will be important for identifying the priorities for the future of the automotive logistics industry, according to the NDRC's Liu. He pointed towards a re-balancing of the Chinese economy from mass manufacturing towards light industry and service. "The service sector is going to be a major driver for the economy," said Liu. "Our production model is a factor. Because in the past our economy was in shortage, we focused on mass production. Now we need to look at a new method of production. And then we need to change the management of logistics. This will bring savings," added Cai. Although Chinese economic growth is moderating, the logistics sector continues to expand at a fast pace. While China's GDP grew 7.7% in the first quarter of 2013, the logistics industry expanded by 9.5%. Automotive production has also grown by 13.5% compared to last year.

PRESS RELEASES

New European rules for safer and more environmental lorries

(Source: European Commission, 15th April 2013) The European Commission proposed on Monday 15th April new rules to allow manufacturers to develop more aerodynamic lorries which will reduce fuel consumption by 7%-10%, cut emissions of greenhouse gases, and also enhance the safety of vulnerable road users.

The proposal will allow cabins with a rounded shape and the use of aerodynamic flaps at the back the trailer. These measures will considerably improve the aerodynamics of vehicles, saving approximately €5,000 per year in fuel costs for a typical long-distance lorry covering 100,000km. This represents a 7%–10% cut in greenhouse gas (GHG) emissions – or 7.8 tonnes of CO_2 for the same long-distance lorry covering 100,000km. At the same time, the field of vision of the driver will be improved, helping to save the lives of 300 to 500 vulnerable road users such as pedestrians or cyclists every year.

Commission Vice-President Siim Kallas, responsible for transport, said: "A brick is the least aerodynamic shape you can imagine, that's why we need to improve the shape of the lorries on our roads. These changes make road transport cleaner and safer. They will reduce hauliers' fuel bills and give European manufacturers a head-start in designing the truck of the future, a greener truck for the global market."

The rules setting the specifications for heavy goods vehicles (HGVs) date back to 1996 (Directive 96/53/EC). They now need to be updated to take account of technological developments.

The main advantages of the proposal are:
• Better environmental performance: In the EU, transport depends on oil and oil products for about 96% of its energy needs. Reducing the fuel consumption of long-distance road haulage by 7%–10% will make a very important economic and environmental contribution. In addition, the proposal allows for additional weight, specifically to accommodate the use of heavier batteries required by alternative propulsion systems (hybrid, electric) for lorries – mainly urban – and coaches. However, the loading capacity of lorries will not change.
• Better road safety: The current "brick shape" front of the cabin can increase the severity of injury to road users in a collision. It also reduces the driver's sideways field of vision. This is particularly dangerous for cyclists and pedestrians at junctions. A more rounded shape increases the field of vision and in the event of a low-speed collision – typically in an urban environment – reduces the risk of serious injury.
• Better for hauliers: Improved aerodynamics of vehicles will save approximately €5,000 per year in fuel costs for a typical long-distance lorry covering 100,000km.
• Industrial opportunity for vehicle manufacturers: European heavy vehicle manufacturers are market leaders and the sector is one of the largest corporate investors in research and development. The conception of the new aerodynamic cabins and rear flaps will be an opportunity for manufacturers to develop new models, which will support job creation and economic growth in Europe.
• More consistent controls and reduced road damage: Up to one third of controlled vehicles are overloaded, causing damage to roads and compromising safety. On-board weighing systems linked to the digital tachograph and weigh-in-motion stations on the main roads will allow for more consistent controls from country to country. Overweighting of lorries currently is estimated to cost €950m per year to the taxpayer.
• Promoting inter-modal transport: Red tape will be reduced allowing 45 foot containers to be switched more easily between ship, road and rail.

In June 2012, Vice-President Kallas provided guidance on the conditions under which longer lorries can cross borders. The main point of this guidance was to underline that the use of longer vehicles is an issue for each Member State to decide, in line with the principle of subsidiarity, based on different local conditions. No Member State is obliged to authorise the use of longer vehicles if they do not deem it appropriate. However, the guidance indicated that the use of longer vehicles can be authorised by adjacent Member States as long as it remains restricted to transport between only those two Member States which already allow this, and does not significantly affect international competition. This guidance is now incorporated in the revised Directive.

The current proposal must be adopted by the European Parliament and Member States before becoming law. The new trucks could be expected to be seen on the roads by 2018-2020.

For further information please see:
http://ec.europa.eu/transport/modes/road/weights-and-dimensions_en.htm

To read the MEMO issued by the European Commission please see:
http://europa.eu/rapid/press-release_MEMO-13-329_en.htm

Weights and Dimensions: a further step towards innovative, flexible trucks of the future

(Source: ACEA, 16th April 2013) The European Automobile Manufacturers' Association (ACEA) fully supports a revision of the EU rules covering heavy goods vehicles (the "Weights and Dimensions" Directive 96/53). "Manufacturers need an up-to-date regulatory framework that provides sufficient flexibility to accommodate future transport developments and demands, and that strongly supports the development of the truck of the future," stated Ivan Hodac, ACEA Secretary General. "With some adaptations, this important and long-awaited proposal will represent a step in the right direction," he added. ACEA welcomes the Commission's holistic, "performance-based" approach to vehicles and vehicle combinations, allowing aerodynamic improvements at the rear and to some extent at the front, as an effective means to reduce fuel consumption and CO_2 emissions from commercial vehicles. Such an approach, if correctly implemented, will allow industry to further incorporate innovation into vehicle designs.

European Commission proposals ensure democratic due process but door remains open to "gigaliners"

(Source: Greens Group in the European Parliament, 15th April 2013) The European Commission presented on Monday 15th April its proposal to revise the current EU legislation on truck dimensions. The move marks a reversal by EU Transport Commissioner Siim Kallas who had originally announced that he was planning to change EU policy on heavier and longer trucks – so-called "gigaliners" – with a view to legalising their cross-border use, without making a legislative proposal and thereby avoiding a co-decision process. The Greens welcomed the fact that the legislation will now be revised through a democratic co-decision legislative process but regretted that the door to gigaliners remains open. Commenting on the proposal, Greens transport spokesperson [*MEP*] Michael Cramer said: "Today's proposal will ensure that EU rules on truck dimensions will be decided in an open democratic process. This is a welcome reversal from the original intention by Transport Commissioner Kallas, who had announced plans to completely reverse EU policy on cross-border traffic of gigaliners through the backdoor, without any legislative process. The content of the proposal is nonetheless regrettable. The Commission still envisages permitting cross-border operation of longer and heavier trucks, but justifies this with misleading claims about efficiency. The gains in efficiency and safety can be achieved without substantially changing the dimensions of vehicles. The failure by the Commission to present any supporting evidence on the effects of gigaliners, such as an impact assessment, to support its claims is a clear indictment of this proposal and flies in the face of good regulating. There has also been no attention given to the potential impact of a change in the rules on the shift of freight away from rail, which is clearly safer, more efficient and better for the environment. Studies show that more than 35% of single-wagon load could be shifted from rail to road. Meanwhile, the Commission is trying to open the door to the use of gigaliners across the European Union, by allowing Member States to decide on whether to allow the cross-border transit of these mega-trucks by bilateral agreements. Clearly, this will create pressure on Member States to open their borders to these mega-trucks, which are not only worse for the environment and climate change but are also more dangerous. The Greens will fight to ensure this is not included in the final legislation."

Rail organisations opposed to cross-border use of mega-trucks

(Source: CER & UNIFE, 15th April 2013) The Community of European Railway and Infrastructure Companies (CER) and the Association of the European Rail Industry (UNIFE), have expressed their opposition to the new proposal to formalise the cross-border use of longer and heavier vehicles – so called mega-trucks – between neighbouring countries. The new proposal from the European Commission will allow vehicles which exceed the current European truck limits of 40 tonnes – 44 tonnes if part of combined transport – and 18.75 metres in length to cross borders between countries, if both countries agree. The rail sector remains opposed to the concept of cross-border use of mega-trucks, believing that their use in this way will start a process that will inevitably lead to a "domino effect" and in time their general use across Europe. Furthermore, this approach is contrary to the Commission's own agenda for modal shift from road to rail transport, most recently set out in the 2011 Transport White Paper which stated a goal of shifting 30% of road freight to rail and inland waterways by 2030 as part of the long-term move to significantly reduce greenhouse gas (GHG) emissions from transport. The rail sector also believes that pressure from supporters of mega-trucks to accommodate their wider use ignores the huge investment in infrastructure that would be necessary even though it would benefit only a small number of road users. CER and UNIFE are also particularly concerned by the way this change of policy has been proposed without an impact assessment on its implications. Studies undertaken for the rail sector have shown that the wider use of mega-trucks will undermine the viability of rail freight in many areas, in particular single-wagon-load freight. CER Executive Director, Libor Lochman, said: "The greater use of mega-trucks goes against what the Commission is trying to achieve in freight transport. If it wants to reduce the environmental impact of transport, it should be helping to further invest in rail and not just allowing ever-longer trucks to cross Europe." UNIFE Director General Philippe Citroën stated: "Despite low public approval of mega-trucks, there is a clear danger of EU-wide circulation of mega-trucks if this proposal is accepted. This approach will be very difficult to reverse once countries start adopting it. On the contrary, modal shift towards environmentally friendly transport modes like rail is the way forward. In this respect, we are keen to implement the objectives set in the 2011 Transport White Paper."

Broekman Group welcomes UECC in Rotterdam

(Source: UECC & Broekman Group, 18th April 2013) In the beginning of 2013, the first vessel of Ro-Ro operator **UECC** was discharged at the **Broekman** Automotive compound in the Port of Rotterdam. The short-sea vessel *Auto Sky* with a capacity of 2000 cars, is now calling Rotterdam Port on a regular weekly basis, connecting the northern part of Spain, Pasajes and Santander, directly with Rotterdam and vice versa.

The majority of the total volume being shipped by UECC vessels are cars. In addition to that service, an increasing volume of High&Heavy, Break-Bulk –steel/aluminium – and Project cargo are also handled. Furthermore, the Broekman shipping division is acting as port agent for the UECC vessels calling Rotterdam Port.

Both customers of UECC and Broekman benefit of this new service, being closer to the main car markets. There are also greater opportunities to target High&Heavy, Break-Bulk cargoes moving between the northern and southern part of Europe.

Although Broekman's Automotive compound is primarily a Ro-Ro cargo facility, it has a multi-purpose dimension that made it a perfect fit for UECC's future plan. Both Automotive as the Special Products division of the Broekman Group can handle the *Auto Sky* alongside its 800 metre-long berth, where cars are off-loaded by Broekman staff and then moved to the terminal area for Pre-Delivery Inspection (PDI), storage and other value-added services.

The terminal also has its own 5000m^2 warehouse and is equipped with a 100-tonnes capacity Gottwald mobile harbour crane, as well as tugmasters, reachstackers and heavy duty forklifts.

GEFCO-TC Axis joint venture ALGAI named a 2012 General Motors "Supplier of the Year"

(Source: GEFCO, 12th April 2013) On Wednesday 13th March, the **GEFCO**-TC Axis joint venture ALGAI was one of 83 suppliers selected from a potential 18,500 world-wide recognised by the Detroit-based GM car giant for its innovative technology, superior quality, and competitive end-to-end solutions.

Founded in 2007, ALGAI combines the expertise and assets of its founders to provide the full scope of services for FVL and distribution including international and domestic carriage, customised logistics solutions and compound storage. Its storage compound centres in Domodedovo, Bykovo and St. Petersburg are compliant with international standards and offer Pre-Delivery Inspection (PDI) services, 24-hour security, state-of-the-art IT systems and qualified staff to meet all the requirements of its automotive customers. The joint venture delivered 328,000 vehicles in 2012 with its fleet of more than 150 trucks. "With the Russian Ministry of Industry and Trade predicting that annual sales of new cars will reach 3m by 2014, Russia is well on its way to becoming the largest new-car market in Europe, opening up huge potential for finished vehicle logistics activities," commented Emmanuel Arnaud, Global Accounts Sales Director of GEFCO Group. "The General Motors award is further evidence of the broad, high quality expertise we can offer to automotive customers, and we will continue to invest in this activity with new routes and new distribution centres," Arnaud added. The General Motors' "Supplier of the Year" award was presented by William Hurles, Executive Director of General Motors Supply Chain and Christine Krathwohl, Executive Director of Global Logistics and Supplier Diversity, to Kamil Mezynski, General Manager of ALGAI and Emmanuel Arnaud, Global Accounts Sales Director of GEFCO Group.

GEFCO is the world leader in multi-modal automotive logistics with over 60 years of experience, engineering customised logistics solutions for many of the most important global car manufacturers. Its 90 finished vehicle logistics centres combine rail, sea and road to optimise transportation flows and reduce transit times considerably. The group transports 4m vehicles annually from production plants or ports to dealerships, and offers high added-value services including storage, PDI, PPO (Post-Production Operations) and vehicle customisation for dealers. To ensure maximum operational efficiency, GEFCO also deploys innovative IT solutions interfaced with its customers' systems. These solutions allow GEFCO and the customer to track handling and distribution of each vehicle in real time in order to ensure that delivery is on schedule or to deploy corrective measures if necessary.

IRU appoints Umberto de Pretto as new Secretary General, names Martin Marmy Secretary General Emeritus

(Source: IRU, 12th April 2013) The General Assembly of the International Road Transport Union (IRU) appointed on Friday 12th April Mr Umberto de Pretto as new Secretary General. He replaces IRU Secretary General Martin Marmy and will assume this new function as of 1st June 2013.

IRU President, Janusz Lacny, said: "Umberto de Pretto's profound background, experience and knowledge of IRU and the road transport industry, gained during his 18 years with IRU, makes him the best candidate, who will bring a new approach forward with his passion, seemingly endless energy and commitment, to continue building a bright future for the road transport industry and IRU members."

Mr de Pretto thanked IRU's members for their trust and confidence, and gave a special thanks to Martin Marmy, stressing that unity would be the key to IRU's continued successes. He said: "We need to be confident. We need to have pride. We are the team that can boast that 'without trucks, the economy stops.' We are the team that can offer the ‘Smart Move’ to mobility challenges, and which is available ‘anytime, anywhere’. As such, if we work as one, we will build on IRU successes!”

Mr de Pretto joined IRU in 1995 and was appointed Deputy Secretary General in 2002. He previously worked for the International Chamber of Commerce in Paris and the Canadian Parliament in Ottawa. Born in Ottawa in 1961, he is a Canadian and Italian national. He is happily married and a proud father of two boys.

Martin Marmy, IRU’s Secretary General for the last 20 years, culminated an illustrious 35-year career with IRU by being named IRU Secretary General *Emeritus* in recognition of his outstanding achievements and contributions to serving IRU members and the road transport industry world-wide.

IRU President, Janusz Lacny, said: “Martin Marmy deserves this recognition due to his personal merit, charisma, exceptional talent and numerous achievements during his 35 years’ career with IRU and for having successfully led IRU to new heights as an organisation which today is united, credible, respected and able to work at the highest level with its members and all public and private stakeholders.”

Mr Marmy told the General Assembly: “Thank you for giving me this prestigious award, which I dedicate to IRU, to my ‘dream team’, to each of you. Indeed, as I have always said: ‘alone, we can achieve nothing.’ The credibility and strength of IRU is based on three pillars: unity, continuity and capacity to work together according to the Constitution of our organisation and the Law. As Oscar Wilde said: ‘Progress consists of realising utopia.’ We did it. We did it together! And Umberto de Pretto will continue this prestigious task with all of you!”

Mr Marmy also expressed his gratitude to his six grandchildren, to his two sons, and to his wife for accepting the transformation of his job into a life totally dedicated to the IRU, its members and the road transport industry.