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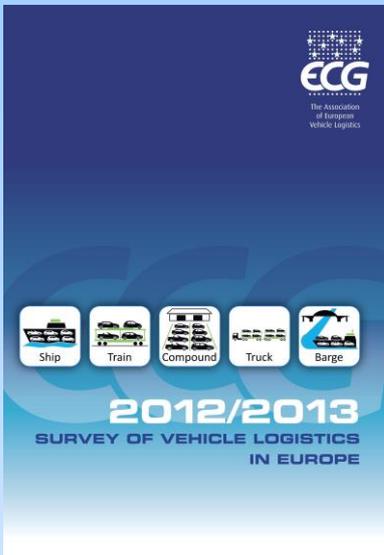
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NEWS FROM BRUSSELS

ECG welcomes the Port Network of Rome as a new member

(Source: ECG, 02nd May 2013) This week, ECG is very pleased to welcome the Port Network of Rome, one of the major ports of the Mediterranean Sea for goods and passengers. The Rome and Lazio Port Network consists of three ports: Civitavecchia, Fiumicino and Gaeta. It represents the "Lazio Logistics Platform". The system's location makes it possible to offer national and international customers a variety of opportunities in different sectors: from passenger traffic, cruise liners and coastal navigation to commercial traffic of all kinds – from food and agriculture-related goods to containers, from transport of solid and liquid bulk to cars. Moving 120,000 vehicles per year, the Port Network of Rome is considered as an important hub for the transport of finished vehicles in southern Europe.

EP Transport Committee adopts a draft report on European Electronic Toll Service and road vignette

(Source: EP TRAN Newsletter, 26th April 2013) On Tuesday 23rd April, the Members of the European Parliament's Transport and Tourism Committee (TRAN) discussed a draft report "on a strategy for an electronic toll service and a vignette system on light private vehicles in Europe", issued by Irish MEP Jim Higgins. The Committee expressed its disappointment in the lack of progress made with Member States in deploying the European Electronic Toll Service (EETS). It considered that the situation was not due to technological issues, which were already solved, but rather to the lack of political will and commercial interests on the part of Member States, toll chargers and EETS providers. It urged the Commission to take drastic actions through infringement procedures and then by taking all appropriate legislative measures. The Members reaffirmed their commitment to the success of the EETS as an important tool to improve the daily life of European citizens and businesses. In this regard, the step by step approach – regionalisation – suggested by the Commission was not considered satisfactory. The Committee made it clear that it should only be a transitional step, the ultimate goal being a full European service. The Members also underlined the need to preserve Member States' rights to decide on the introduction of a road charging system and on the use of the money collected. In any case, such a service should be proportionate, non-discriminatory, affordable, user-friendly and take into consideration the specific situation of cross-border users. The draft report was adopted with 35 votes in favour, 5 against and no abstentions. The vote in plenary session of the European Parliament will take place in May.

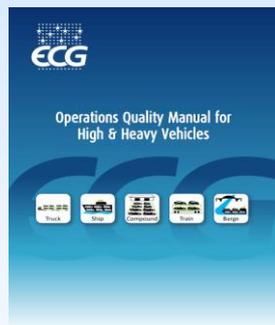
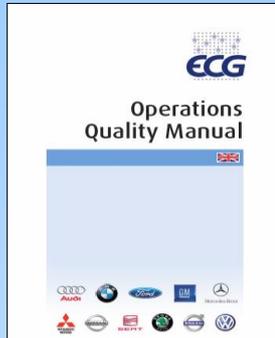
ECG Note: To read the press release published by MEP Jim Higgins, please see the "Press Releases" section of this ECG News issue. Mr Higgins will speak at the ECG Spring Congress and General Assembly in Dublin, Ireland, on 23rd - 24th May 2013. For more information, please see:

<http://www.ecgassociation.eu/Activities/ECGSpringCongressGeneralAssembly/SCGADublin2013.aspx>

EP TRAN Committee considers three proposals of amendments to the Roadworthiness Package

(Source: EP TRAN Newsletter, 26th April 2013) On Tuesday 23rd April, the Members of the European Parliament's Transport and Tourism Committee (TRAN) discussed three proposals of amendments to the Roadworthiness Package. Concerning the Roadworthiness testing, the debate focused on the type of vehicles that should be tested. In particular, the Members touched on the question whether to introduce compulsory EU testing for motorcycles, light trailers and tractors. There was also thorough discussion on separating repair and maintenance activities from inspections. Some Member States have a positive

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experience with the separation of these activities. Others allow both kinds of activities to be conducted by the same person and do also well in road safety statistics. Moreover, some Members stressed that the age and mileage of a car should affect the frequency of testing. The need to take measures against odometer manipulation was also underlined. Finally, many Members pointed out the importance of subsidiarity on this subject and called for a change from a Regulation to a Directive. On technical roadside inspections, the Rapporteur, MEP Olga Sehnaľová, mentioned the most controversial points, including: the choice of legal instrument – Regulation or Directive; the scope of the Regulation – inclusion of light commercial vehicles and tractors; the use and characteristics of the risk rating system; the number of checks to be carried out by Member States; and the inclusion of cargo securing rules. Ms Sehnaľová agreed with Mr Werner Kuhn's remark that a common definition of roadworthiness test is necessary and showed her willingness to find compromises. Concerning the registration documents, the Rapporteur, MEP Savisaar-Toomast, supported most amendments, except those seeking to delete the definitions of the withdrawal and cancellation of the registration, and others that, in her view, complicated the procedure of registration. Ms Savisaar-Toomast insisted on the reduction of the physical size of the registration document and the inter-linking of databases. Some concerns were raised about the distribution of data and whether it should be on an automatic or on an "on-demand" basis. The vote on the Roadworthiness Package will take place within the TRAN Committee at the end of May, and in plenary session of the European Parliament in July 2013.

TRAN Committee Members exchange views on road cabotage

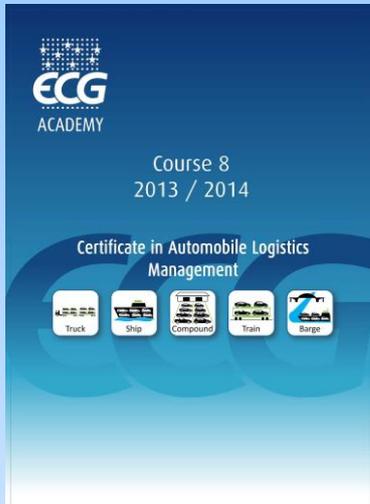
(Source: EP TRAN Newsletter, 26th April 2013) Even though road cabotage is only 1.2% of services provided by EU hauliers, two key changes had occurred in recent years: the amendment of the rules allowing cabotage operations on a temporary basis and EU enlargements. Two studies, one on "Social and working conditions of road transport hauliers" and another one entitled "Development and implementation of EU road cabotage," show that there is little evidence of effective international co-operation in the enforcement of the current rules. These studies also concluded that the liberalisation process since the nineties has contributed to degrading working environments for both resident and non-resident professional drivers. During the debate, most experts – including Mr Tommy Pilarp from the European Association for Forwarding, Transport, Logistics and Customs Services (CLECAT); Mr Lars Lindgren from the European Transport Workers Federation (ETF); and Mr Michael Nielsen from the International Road Transport Union (IRU), together with many MEPs, took the view that the time was not yet ripe for further market opening. Instead, it was said that emphasis should be laid on strengthening the enforcement of the existing rules.

European Commission proposes face-lift for lorries

(Source: Transport and Environment Bulletin, 30th April 2013) The European Commission has proposed new rules on the weights and dimensions of lorries which would make them safer and more fuel-efficient. If approved by the European Parliament and Member States, the new rules would allow for more rounded lorry cabs, removing some of the causes of accidents involving lorries. A more aerodynamic design of the cab and the use of aerodynamic devices at the back of trailers will improve fuel economy. In its proposal the Commission also confirms its controversial 2012 decision to allow cross-border use of 25-metre "mega-trucks". Transport and Environment (T&E) has said Europe needs "better trucks, not bigger trucks." Lorries represent 3% of vehicles in the EU but are responsible for 25% of road transport emissions. Steep emission cuts from lorries are needed to meet the EU's climate objectives, but over the past 20 years fuel efficiency improvements in lorries have been minimal. The improvements to the cabin and the allowance to use aerodynamic devices at the back of trailers could reduce emissions from long-haul lorries by 8-10%. This would save hauliers over €1500 annually and would also cut emissions by around 10 mega-tonnes every

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year. T&E Policy Officer William Todts said: "This is a welcome step towards driving lorries into the 21st Century. We need lorries to be cleaner, safer and more fuel-efficient. This proposal is a move in the right direction but much more needs to be done. Commissioner Hedegaard promised us a robust truck and a CO₂ strategy – we are still waiting." The proposal also has important impacts on road safety. T&E has said for a number of years that the "brick-like" front of lorries has serious safety implications, as a collision with a moving lorry is equivalent to driving into a wall. A 2011 study by the FKA consultancy in Aachen, Germany, demonstrated that a better-designed lorry front with a rounded nose and a better forward vision could save several hundreds of lives each year. The Commission's package published on Monday 15th April also says that longer lorries will be allowed to cross borders between consenting Member States. This proposal seeks to firm up the re-interpretation announced in 2012 by the EU Transport Commissioner Siim Kallas which lifted the ban on cross-border use of lorries of more than 18.75 metres. This decision was strongly criticised as a first step to wider the use of so-called "mega-trucks" in the EU, which it is feared will lead to a shift of freight from rail to road with higher emissions and more dangerous roads as a result. Todts added: "The Commission wants to remove a key barrier to EU-wide use of mega-trucks, but it won't do anything to rein in their negative impacts. For example, EU law prohibits charging them for their additional infrastructure and air pollution costs, and there are no guarantees for road safety whatsoever. That is not acceptable." The proposal will now be discussed by the Members of the European Parliament (MEPs) and Ministers. Unless deliberations run into serious delays, it could be adopted before the end of the current Parliament's mandate, around this time next year.

To access the T&E/FKA research, please see: <http://transenv.eu/smartruckstudy>

For the high-resolution T&E info-graphic, please see: <http://transenv.eu/ZMqZ2v>

MEPs back fuel efficiency plan for cars, including "super-credits"

(Source: *Euractiv.com*, 25th April 2013) The European Parliament's Environment Committee (ENVI) voted on Wednesday 24th April through a firm carbon emissions target for Europe's passenger cars to reach by 2020, and a ballpark figure for 2025. But the vote of the ENVI Committee, if backed later on by all EU institutions, will allow carmakers some leeway to meet their emissions reductions targets through the use of super-credits. A trilogue process involving all European institutions – Parliament, Council and Commission – will now fast-track the measure, which should be approved by the end of June 2013. From 2020, all new cars in the European Union should not emit more than 95g/km and from 2025, that figure will fall to between 68 and 78g/km. A decision on the exact figure should be taken before 1st January 2017. The Commission had wanted a decision by 2014 while the car industry had pushed for a delay until 2017. But observers saw a split-the-difference spirit of compromise in many areas of the final report, which allowed the Committee to approve it by a 45-vote margin. Reactions to the vote were split between a car industry that publicly blanches at the costs it says are involved, and environmentalists and consumer groups which welcomed the move to less polluting cars, with greater fuel economy. "The 95g target is very good news for consumers," said Otmar Lell, a spokesman for the Federation of German Consumers. "It will help consumers reduce their expenses. This is what consumers need these days, because fuel prices have risen a lot and continue to rise," he added. However, the automotive industry argues that increased manufacturing costs in Europe could put them at a competitive disadvantage and further slow fleet renewal. "The outcome of the ENVI Committee vote sends a worrying signal for the future of the industry in Europe," warned Ivan Hodač, Secretary General of the European Automobile Manufacturers Association (ACEA). "By setting unrealistic and politically-motivated long term targets without a scientific basis, MEPs have taken a dangerous shortcut on the road to



ECG AGENDA

- ▶ **ECG Board Meeting on 8th May 2013** in Munich, Germany
- ▶ **ECG office closed on 9th May 2013**
- ▶ **Webinar to present the ECG Quarterly Survey results on 13th May 2013**
- ▶ **ECG office closed on 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
- ▶ **Webinar to present the ECG Quarterly Survey results on 4th September 2013**
- ▶ **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
- ▶ **Webinar to present the ECG Quarterly Survey results on 18th November 2013**
- ▶ **ECG Spring Congress & General Assembly on 22nd & 23rd May 2014** in Athens, Greece

achieving the EU's long term climate goals," he said. Environmentalists, though, cited the super-credits provisions in the legislation as an example of how the EU had bent too far to try to accommodate industry concerns. When totting car manufacturers' CO₂ fleet targets, these would allow cars emitting less than 50g/km to be counted as 3.5 passenger vehicles in 2012 and 2013, 2.5 in 2014, 1.5 in 2015, and then 1 from 2016 onwards. The fear is that this would allow companies producing a nominal amount of electric vehicles to massively expand their production of gas-guzzlers. Franziska Achtenberg, Greenpeace's EU Transport Policy Director, said that depending on how widely they were used, and over what time period, the use of super-credits could increase emissions from Europe's cars to 97.5g/km. "MEPs have fallen into the trap set by carmakers claiming that standards can only be met if they are riddled with loopholes," she said. "But carmakers have cried wolf before, proving themselves wrong by innovating faster than they said they could," she added. ACEA contends that super-credits are needed to give industry an incentive to put clean vehicles on the market, saying only a small amount of plug-in hybrids and electric vehicles would qualify. What is more, it says super-credits already exist in Japan, Korea, China and the United States. "Why can't they exist here? Why do we again have to operate in a vacuum?" said Ivan Hodač, Secretary General of ACEA. Jean Marc Gales, CEO of the European Association of Automotive Suppliers (CLEPA), said: "We welcome the vote of the EP ENVI Committee on the revision of the 2020 targets for reducing CO₂ emissions from passenger cars. I believe that the 95g/km and 147g/km targets are the best compromise between costs and CO₂ emission reductions, and that they will help keep the competitive advantage that the European automotive industry has in terms of CO₂ emission reduction. The retention of super-credits and eco-innovation for low-emission vehicles will also boost the development of breakthrough technologies."

AUTOMOTIVE INDUSTRY

First quarter in Europe

(Source: *Automotive Supply Chain*, 22nd April 2013) The latest analysis from JATO Dynamics has found the European automotive industry still in decline but Great Britain forging ahead. Germany, which is historically one of the most resilient of the European markets, shows the largest fall in new-car sales, down 17.1% on March 2012, and down 12.9% on the quarter. Britain was the only "Big Five" market to see any growth during the month and in the first quarter – sales up 7.4% on the same period in 2012. Britain remains the market leader in automotive growth in Europe with new-car sales for the quarter up by over 40,000 units compared to the same period in 2012, although the German market is expected to pick up and catch up mid-2013. "Europe continues to be a difficult market for most brands but it is important to recognise the appeal of new products, premium brands and cross-over vehicles even in challenging economic circumstances. The success of new models from Fiat, Renault, Peugeot and BMW are proof that brands need to stay innovative and exciting to sustain sales," said Gareth Hession, Vice-President of Research at JATO. BMW was one of the very few brands to record an increase in Q1 sales compared to last year, with new-car sales up 0.5% on 2012 because of increasing sales of the 1-Series in Great Britain. Specialist premium brands Land Rover and Jaguar also recorded improved sales performances. Hession added: "With the majority of the 'Big Five' markets struggling, most of the top ten brands are finding it difficult to increase sales, even with the introduction of new models."

For a table of the top ten brands, please see: <http://bit.ly/11uF8Bo>



Events in Brussels

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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PSA faces EU anti-trust probe of restructuring plans

(Source: *Automotive News Europe*, 02nd May 2013) European Union anti-trust regulators are investigating whether a €7bn guarantee granted by French authorities to PSA Peugeot Citroën complies with EU State aid rules and also ensures the automaker's long-term viability. The European Commission said it needs to verify whether the plan will restore the company's long-term financial viability without continued state support and whether the aid will hurt competition. The Commission said the opening of the investigation would allow third parties to comment. "The Commission intends to verify whether the assumptions underlying the restructuring plan to restore the company's long-term viability without continued state support are sufficiently realistic, in particular given the recent trend on the car market," the EU watchdog said in a statement on Thursday 2nd May. "The aid was in line with the European law," French Finance Minister Pierre Moscovici said. "My belief is that the State did what it had to do so that the PSA bank could finance itself in a satisfactory way. We discussed the matter with the European Commission and we continue to discuss it," Moscovici added. France is also providing €85.9m in grants and re-payable advances to PSA, which has been hit hardest by the difficulties in Europe's car market. PSA reported a €576m operating loss in 2012. The automaker said in April that the first-quarter revenue fell 6.5% to €13bn as the European market sinks for a sixth straight year. Earlier in 2013, PSA won a temporary EU approval for €1.2bn of French-backed bonds.

PSA unions back job-cuts plan, French plant closure

(Source: *Automotive News Europe*, 30th April 2013) PSA Peugeot Citroën has received backing from a majority of its unions to move forward with a plan to eliminate 11,200 jobs and close a French factory, the central plank of the French carmaker's efforts to halt on-going losses. Five of the six main PSA unions favoured the proposal to cut 17% of the carmaker's French workforce and shutter a plant on the outskirts of Paris, Franck Don, the head of the CFTC union at PSA, said on Monday 29th April. Eighteen of the twenty workers representatives at the works council approved the plan, he said. The approval ends a nine-month long effort to push through the re-organisation, which the automaker first announced in July 2012. On Friday 26th April, a Paris court rejected a bid by two PSA unions, the CGT and SUD, which sought to block the re-organisation on the basis that the severance packages accompanying the job cuts were insufficient for employees and that the legal framework for such measures had not been respected by the carmaker. PSA's Chief Financial Officer Jean-Baptiste de Chatillon, said that the Aulnay site near Paris, scheduled to be shut in 2014, may be closed as early as 2013 as strikes disrupt production. A further contraction in Europe's car market in 2014 may also make new savings measures necessary, he said. Manufacturing at Aulnay has been hampered since January 2013 because of a strike by the CGT union. The plant is now making 40 to 50 vehicles a day, Anne-Laure Desclesves, a PSA spokeswoman at the site, said. The factory's daily capacity is 250 cars. The region's car sales may drop 5% in 2013, the automaker forecasts. PSA has been running losses of as much as €200m a month and expects to return to profit in 2015. The carmaker said it planned to seek further savings by negotiating labour concessions in such areas as working time and wage restraint.

VW may cut temporary staff in Europe

(Source: *Automotive News Europe*, 27th April 2013) Volkswagen may cut temporary posts in response to Europe's weak market but it won't close factories or reduce its permanent work force, VW CEO Martin Winterkorn said. "We will not withdraw any capacity from Europe but rather preserve capacity in Europe," Winterkorn said. But he left the door open to trimming temporary staff that the automaker built up in boom years. "The regular staff is certainly something we will hold on to. We will have to think about temporary staff," he said. On Thursday 25th April, Winterkorn told shareholders, at the company's annual meeting, to brace for a tough year because of slowing European consumer demand. He said VW will stick to its goal to snatch the global sales crown from Toyota in 2018

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despite the European debt crisis. "Regardless of whether we are in an upturn or a downturn, our goal is to ensure the Volkswagen group reaches the top of the automotive industry," he said. Volkswagen said it planned to almost double production capacity in China over the next five years to grab a bigger slice of fast-growing emerging markets and offset declining demand at home. As part of its growth push, the company plans to open 1,500 sales outlets in growth regions in the medium term, adding to its network of 20,000 dealers around the world.

Daimler and Renault may build a large van together

(Source: *Automotive News Europe*, 30th April 2013) Daimler and Renault said they are holding discussions to build a large van together as part of a possible expansion of their existing partnership. "We're in early talks with Renault," said Uta Leitner, a Daimler spokeswoman. "No decisions on possible production sites have been taken yet," she added. The two carmakers declined to comment that the Mercedes-Benz van will be built at a Renault site in France. Daimler currently works with Volkswagen in the large-van segment. The contract runs out at the end of 2016 and VW has announced plans to develop a new Crafter model on its own. Mercedes already sells the Citan delivery van, which is based on the Renault Kangoo. Daimler began its co-operation with Renault and Nissan in 2010. The next Renault Twingo and a four-seat Smart will share underpinnings and will be built at Renault's factory in Slovenia. Renault is seeking to increase capacity utilisation as the manufacturer struggles to maintain profit with the European car market sinking to a 20-year low. Van demand in Europe sank 9.8% in the first quarter of 2013 to 347,517 vehicles. Mercedes's current large Sprinter van is produced at German sites in Dusseldorf and Ludwigsfelde, as well as at locations in the United States, Argentina and China. The company is also preparing to produce an older version of the model in Russia with local manufacturer GAZ Group.

EUROPE

Rhenus attempts to simplify customs clearance at its Smolensk logistics terminal

(Source: *Transportintelligence.com*, 29th April 2013) Rhenus has announced it is working closely with the Russian customs authorities to develop a shortened customs procedure for selected customers at its customs and logistics terminal in the Smolensk region. The simplified procedure aims to cut the processing time to no more than 24h. "We are delighted at the positive prospects at our terminal, which are also due to the good relationships with the Russian customs authorities and the support provided by the German-Russian Chamber of Foreign Trade. The simplified procedure will minimise financial risks and provide greater reliability for planning work. It is crucially important in order to be able to meet the demands of our customers to have speedy import processes," said Olaf Metzger, Managing Director of OOO Revival Express. Rhenus has nominated ten long-standing customers that the Russian customs authorities are currently checking for the simplified procedure. Once confirmation has been provided, several options are available for carrying out the shortened customs procedure. The customers nominated by Rhenus mainly operate in the automotive, industrial plant, medical engineering, textile industry and project business sectors. The Rhenus bonded warehouse, near Smolensk, for short-term storage purposes was commissioned in February 2013. The number of customs officials working at the terminal is currently being increased from 4 to 10. The logistics services provider wants to see the number of Customs Officers working there increased again to 30 during the next few months.



Finlines to expand significantly its liner service network

(Source: *Multimodal.org.uk*, 30th April 2013) During summer 2013 **Finlines** will open several new routes for both the Baltic Sea and North Sea Services. Starting in the beginning of July 2013, Finlines will open several new services: There will be a weekly service connecting Finland and Russia to UK, Spain and France, and also Spain and France to UK: Kotka – Rauma – Hull – El Ferrol – Santander – Le Havre; and Santander – Le Havre – Hull – Helsinki – St. Petersburg. This service offers new possibilities for cargo flows from Biscay and North Sea area for both within the area, and to and from the developing Russian market. Another new weekly service will be offered between Finland and Poland: Rauma – Gdynia. Additionally, in the autumn, Finlines will open a new bi-weekly service between the west coast of Finland and Germany: Uusikaupunki – Travemünde – Uusikaupunki. This expansion was made possible by several new, long-term commitments with big freight customers.

Nissan Micra production in France will mean logistics savings

(Source: *Automotive Logistics News*, 01st May 2013) Renault-Nissan has announced it will produce the next generation of Nissan Micra at its Renault Flins plant in France. Production will begin in 2016 with an estimated annual output of 82,000 vehicles. The vehicle is currently produced at the Renault-Nissan Alliance plant in Orangadam, near Chennai, in southern India. Both carmakers have said that the production move will mean savings for logistics, customs and delivery times, although a recent labour agreement with French unions to increase production in France was among the main reasons for the move. The Chennai factory has produced the Micra since 2010, when production of the model was shifted there from Nissan's Sunderland factory in the north of England. Indian production will continue to produce the model for the wider Asian market, said a spokesperson for Nissan, and could see further models or capacity added to it. "By 2016 the Chennai plant will be at or very near 100% capacity. In addition to new, not yet announced, production we had two options: either build even more capacity at Chennai or use existing capacity within the Renault-Nissan Alliance. The prudent decision, and the best business case, was to assign some Micra production closer to the market where these vehicles are needed," a spokesperson for the Alliance said. Moving the Micra production closer to the European market will bring savings in terms of customs taxes, exchange rates and logistics costs, said a spokesperson for Renault. "The idea is to produce where you sell so that you can be more effective," she added. The decision could also reduce lead times on vehicle delivery. The carmaker did experience supply difficulties when it moved Micra production to India from the UK, as stocks of the Micra for Western Europe were completely depleted by November 2010 and did not return to normal levels again until March 2011, though the company said this was down to high demand created by the end of the scrappage incentive schemes in Europe. The decision to begin production at Flins follows the conclusion of labour negotiations with unions in France and the drawing up of a new contract for growth and social development in the country. "Part of this agreement was to give more volumes to the French plant," said the Renault spokesperson. "In terms of volume, what has been mentioned is a volume of 80,000 supplementary units per year for the French plant, and now Nissan has announced that 82,000 units will be produced at Flins," she added. Under terms of the agreement, Renault is committed to increase production volume at its French plants by 180,000 vehicles, to 710,000 vehicles per year. The renewal plan calls for 100,000 cars to come from Renault's new products and 80,000 vehicles from partners. The Flins plant also makes the new and previous generation of Clio and the Zoe electric vehicle, both B-segment passenger cars like the Micra, making integration of the Nissan model a good fit, according to Renault. The Chennai factory also produces the Dacia Duster, which is exported to Europe. In April, the Renault-Nissan Alliance announced that it would consolidate imports of Micra and Duster from India with imports from Japan and Romania at the Port of Tyne in the UK.

FTA says VOSA has upped its game, but 2012 was a tough one for hauliers

(Source: *Commercialmotor.com*, 22nd April 2013) While the short-term picture remains tough with hauliers running on tiny operating profits, enforcement agencies such as VOSA should be applauded for upping their game, the head of the Freight Transport Association (FTA) has said. Speaking at the launch of the Logistics Report 2013 – produced in association with PricewaterhouseCoopers (PwC) – at the House of Commons, FTA Chief Executive Theo de Pencier said that last year's headline statistics certainly made for grim reading. "Even large companies are operating marginally in this space," said de Pencier, who nevertheless praised operators' achievements against this backdrop in maintaining – the first time pass rate for Large Goods Vehicles (LGVs) remained the same – and improving safety standards – both reportable workplace accidents for transport (RIDDOR) and road casualties linked to LGVs down year-on-year again. However, in regards enforcement there was in 2012 "a playing field that was more level as enforcement agencies have done a good job" said de Pencier. The report backs this assertion up by pointing to an increase in the detection of over-loading, drivers' hours and roadworthiness prohibitions. With the government's stated aims for infrastructure, and additional funding revealed in the budget in March, FTA is keen to see projects get underway as "there are lots of plans but not a heck of a lot of evidence that things are actually getting built," said de Pencier. PwC's Coolin Desai, UK transport and logistics leader, echoed this sentiment at the report launch, when he stated: "Infrastructure remains a key lever for growth. We remain relatively



behind our international competitors in terms of investment.” With PwC forecasting in the report that the UK economy will remain in a low-growth phase for many years to come – a 2% growth rate would be “quite good” according to the professional services firm – de Pencier urged the government to do what they could to create the right conditions for recovery. “They need to be working with the industry to create the confidence for them to invest and for consumers to go out and spend,” he said.

Britain violates EU pollution law, court rules

(Source: *Euractiv.com*, 02nd May 2013) On Wednesday 1st May, British judges ruled that the British government has breached EU air quality rules and asked the European Court of Justice for guidance on what action needs to be taken, delaying immediate improvements to air pollution. Britain's highest appellate court, the Supreme Court, said the government was in breach of an EU Directive which put limits on nitrogen dioxide (NO₂), a colourless, odourless gas produced by burning fuels which can damage people's breathing. London has the highest levels of NO₂ of any European capital. Around 29,000 early deaths a year in Britain are attributed to air pollution, according to a body which advises the British government. Before deciding on further action, the Supreme Court referred a number of legal questions to the European Court of Justice in Luxembourg, which could take up to 18 months to answer. The Supreme Court could eventually force the UK government to take certain steps to improve air quality but does not have the power to issue fines, said Alan Andrews, Lawyer at ClientEarth, which brought the case against the government in 2011. The environmental law firm wanted to force the government to come up with an air quality plan to comply with EU limits on NO₂ concentrations by 2015. The High Court and the Court of Appeal refused to take action on the issue and the case went to the Supreme Court. "This historic ruling marks a turning point in the fight for clean air and will pile the pressure on Owen Paterson," said James Thornton, Chief Executive of ClientEarth, referring to the UK Secretary of State for Environment, Food and Rural Affairs. "He must now come up with an ambitious plan to protect people from carcinogenic diesel fumes," he added, which are largely blamed for creating NO₂.

£98m to reduce road congestion and boost local economies

(Source: *Thinkinghighways.com*, 10th April 2013) The UK Highways Agency is to deliver a further 58 schemes to boost the economy, reduce congestion and improve safety in the third, and final, stage of its pinch point programme. The 58 schemes – representing an investment of £98m – will remove bottlenecks and keep traffic moving on England's motorways and major “A” roads. They will be delivered by March 2015 and will bring an estimated £1.4bn of economic benefit. This announcement brings the total investment for the 123-scheme “Pinch Point Programme” to £317m. This includes an extra £100m announced by the Chancellor in his 2012 autumn statement. Secretary of State for Transport, Patrick McLoughlin, said: "The government is committed to cutting congestion and accelerating growth – that is why the Chancellor injected an extra £100m into the Highways Agency Pinch Point Programme last autumn. This third round of innovative schemes has the potential to help create more than 94,000 new jobs and 61,000 new homes, while making life easier for the thousands of motorists and businesses who use these roads every day." 32 schemes will install new technology to support the logistics industry and wider economic growth by improving driver information, signage and incident clear up times. The majority of schemes from the first two stages of the programme are in the detailed-design phase with construction due to start soon.

Russia could extend recycling fee to Customs Union

(Source: *Automotive Logistics News*, 01st May 2013) The Russian Ministry of Industry and Commerce is proposing to extend the country's recycling charge for imported vehicles to include Belarus and Kazakhstan, which joined a Customs Union with the Russian Federation in 2010. If the bill proposing the tax is passed, it will become effective from the beginning of July 2013. The move would likely lead to a decline in imports of cars from Belarus and Kazakhstan to the Russian Federation. The existing recycling tax, or “Utilisation Fee”, has drawn complaints from trade representatives from a number of States included in the World Trade Organisation (WTO). Under the system, which came into effect in September 2012, each foreign import is subject to an up-front fee equivalent to 5% of the sale price of the vehicle to cover the cost of recycling. This charge effectively takes import charges back up to the 30% imposed before Russia's accession to the WTO, when the government agreed to drop import fees on vehicles to 25%, with a further reduction to 15% scheduled on full compliance by 2018. Carmakers with local production in Russia, who commit to recycling the vehicles, can avoid the fee. This exemption has also been available to Member States of the Customs Union, as well as the customs free zone in Kaliningrad. According to Wilhemina Shavshina, Legal Director and Head of Foreign Trade Regulations at law firm DLA Piper, the Russian Commerce Ministry is now proposing to extend the fee across the Customs Union. A number of WTO Member States, including the EU, the US and Japan, have complained that the fee discriminates against imported products. They have said the ability of Russian-based manufacturers to avoid the charge represents an unfair advantage because foreign carmakers without a base in Russia will find it almost impossible to handle their own disposal. Other



observers have said that Russia's claim to be recovering recycling costs is questionable. According to Dominik Buszta, Senior Consultant at Frost & Sullivan, Russia lacks the proper means to recycle its growing vehicle fleet. Buszta called Russia's infrastructure for recycling cars a "myth". Back in February this year, European Commissioner for Trade, Karel De Gucht, said the EU had "very grave concerns" about the fees levied on imported vehicles alone. "This discriminates against European producers and clashes with the most basic WTO rules," he stated. "It also means cars imported from Europe are paying higher duties to the Russian government than before WTO accession. This situation is clearly unacceptable," he added.

REST OF THE WORLD

Mercedes chides dealers in China over sales

(Source: *Automotive News Europe*, 29th April 2013) As Daimler struggles to keep pace in China with rivals BMW and Audi, the company is picking a fight with its own dealers. In a strongly worded letter, Daimler China Sales Chief, Nicholas Speeks, accused independent Mercedes-Benz dealers in China of laziness and threatened them with consequences. "Your performance as dealers worries me," he wrote in a letter. "A telemarketer in a call centre could achieve these low sales volumes," he added. Speeks said any dealer who fails to meet Mercedes' standards must expect consequences. Rainer Gehnen, Managing Director of the German-Chinese Trade Association, said the letter could poison Daimler's relations with its dealers. "In my opinion, this mode of expression is a no-go for business correspondence, even in Germany," Gehnen said. "In China, where saving face is important, it will have a downright catastrophic effect and could irreparably damage business relationships. This is certainly not the way to motivate Chinese workers or dealers," he added. Mercedes' collapsing sales underscore the pressure on Speeks and his boss, Daimler China Chief, Hubertus Troska. In the first three months of 2013, Mercedes sales in China dropped 12% to 45,440 units, while BMW sales rose nearly 8% to 86,224 vehicles, and Audi sales jumped 14% to 102,810 units. Troska took over the top China post in December 2012 after running Mercedes' global heavy-truck business. He said one of the first things he did in his new post was visit dealers and do some "mystery shopping". Mercedes is accelerating its dealer expansion in China and streamlining sales operations to repair recent missteps that have contributed to the growing gap with BMW and Audi. Mercedes lost the global luxury-car sales lead to BMW in 2005 and ceded its second place to Audi in 2011. Daimler CEO, Dieter Zetsche, has vowed to win the global luxury sales crown back, and China – the world's biggest light-vehicle market – must play a key role in achieving that goal.

Renault hopes for China plant approval by summer

(Source: *Automotive News Europe*, 27th April 2013) Renault hopes to receive final approval from Beijing by this summer to build its first plant in China, CEO Carlos Ghosn said. He said French President Francois Hollande's last visit to China would help the carmaker over the administrative hurdles. "Renault already has a plan for China, which is ready and is currently being negotiated with the Chinese government. I hope we will have all the necessary agreements before the summer," Ghosn said on Saturday 27th April. Previously, Ghosn had said he expected final government approval for the plant by the end of 2013. Renault calls China its "new frontier" and plans a major push to boost sales in the country after being content in the past to leave the market to its alliance partner Nissan. In 2012, Renault signed a joint venture agreement with Nissan's China partner, Dongfeng Motor Group, to build between 200,000 and 300,000 cars annually in China. Although Renault is still a minor player in China, its vehicle sales in the market increased to 24,275 in 2012 from 5,321 in 2009. Renault and French rival PSA Peugeot Citroën are targeting China to offset weak sales at home, and are counting on the popularity of France's luxury fashion brands in the country to help them. PSA Peugeot Citroën predicts that China will overtake France as its biggest market as early as 2015, accounting for 15% of its global vehicle sales by the same year.

PRESS RELEASES

Renault-Nissan Alliance Logistics recognises UECC as their most innovative outbound supplier in 2013

(Source: *UECC*, 02nd May 2013) Renault-Nissan Alliance Logistics has recognised **United European Car Carriers (UECC)** with an award reflecting their innovation in Renault's outbound logistics.

The award recognises the new service concept that UECC offered in the last business tender for the Atlantic Trading Area and the execution of this enhanced service concept from the first day of operation. The new service



concept reduced Renault-Nissan's lead-time by almost 5 days compared to the previous concept. Additionally, UECC's new service concept provided Renault with substantial increased reliability and flexibility in meeting volume demands and market fluctuations by using a range of different UECC European short sea services. UECC has delivered this lead-time improvement and flexibility from day one of the service start up. Furthermore, UECC has already successfully handled significant volume fluctuations and new model launches on behalf of Renault in the first four months of 2013.

"An endorsement such as this one, from a highly respected customer like Renault-Nissan, is something all of us at UECC are very proud of," said Glenn Edvardsen, CEO of UECC. Mr Edvardsen further stated: "Our philosophy is simply to create a win-win situation with our clients. In order to achieve this, we need to focus on being solution orientated and understand our customers' strategy. Furthermore, I would like to take this opportunity to thank every member of the staff within UECC for this great accomplishment, as it is certainly only possible through a great team work."

The contract started in mid-January 2013 and represents a significant volume in between Spain, France, UK, Benelux and Germany. As a result of the increased frequency offered, UECC was successful in transferring some previous overland road based flows to short sea with considerable benefits to the environment.

UECC's new service concept is based on three-weekly sailings between the ports of Santander in Spain; Le Havre in France; Zeebrugge in Belgium; and Southampton in the UK. All the vessels are on a fixed rotation, with fixed days in all the ports, giving improved reliability and predictability to the customers. This new contract is a significant addition to UECC's volumes in this region and raises the profile of the company with such an important short sea customer. The UECC team is very satisfied and proud of what it has achieved, and will continue to delivering the service commitments and look for opportunities for further innovations in the future.

The Innovation Award was presented to UECC during the Renault-Nissan Alliance Logistics Europe Supplier Conference held in Guyancourt, France, on Wednesday 17th April 2013. The event was attended by all the main inbound and outbound service providers of the Alliance.

A survey carried out by GEFCO Baltic reveals the best employment prospects in Latvia

(Source: *GEFCO Newsletter*, 30th April 2013) Working in conjunction with the Snapshots design office, **GEFCO** Baltic has carried out a study on the professions which currently have the best employment prospects in Latvia. 31% of respondents considered the transport and logistics sector to be an ideal educational route to take in Latvia, with 44% saying the same about the information technology sector, and 23% about the chemical and pharmaceutical sector. 20% of those asked, believed the medical and entrepreneurial sectors to be those with the greatest employment opportunities.

"In order to support young professionals in their career development, GEFCO Baltic is working together with the Riga Technical University by awarding a series of grants and work placements. Over the course of the past 3 years, we have provided work placements for 15 students. In fact, 7 of our current employees originally joined the GEFCO group as students on the work placement scheme. Thanks to the success of this initiative, we plan to develop a new partnership with the Vilnius Technical University this year," explained William Le Clere, Managing Director of GEFCO Baltic.

LIFE Rail reaches out to French students

(Source: *Escola Europea de Short Sea Shipping*, 30th April 2013) The Escola Europea de Short Sea Shipping recently organised the first LIFE Rail Cargo course of 2013. This event marked the 10th edition of the LIFE Rail courses organised by the Escola, which aim to bring transport professionals closer to the scene of sea-rail and road-rail inter-modality.

30 participants attended the course-workshop. The group comprised of both students and professionals active in the French transport sector. The course was carried out in French and was sponsored by the **Port of Barcelona**, SNCF, Froidcombi, the Shortsea Promotion Centre of France, the Port of Santander, the Port of Bilbao, and RENFE. The professors included representatives from SNCF, Froidcombi, the Ports of Santander and Bilbao, and the Escola Europea de Short Sea Shipping.

This edition was the first aimed at a French market. The course presented an introduction to rail-maritime logistics and transport, the current situation in the ports in relation to rail transport, the rail-port infrastructures, the necessary services, a rail cost analysis and a comparison with other modes of transport, the relationship between rail and



sustainability, legislation, service booking and risk management in multimodal transport, Trans-European Transport Networks (TEN-T) and the Environmental Policy of the European Union. Additionally, the students were given tours of two Spanish rail-port terminals and had to complete a case study.

The next LIFE courses will take place during the months of May and June 2013. They will be for students from all over Europe, and mainly for students from Spain.

Road tolls: MEPs call for an effective strategy

(Source: MEP Jim Higgins, 25th April 2013) Members of the European Parliament (MEPs) have endorsed a report issued by MEP Jim Higgins (EPP Group) calling for the establishment of an effective European road tolls strategy

“The current European Electronic Tolling System (EETS) project has been a failure. We need to implement an effective EU-wide road tolls strategy to allow citizens and Small and Medium Enterprises (SMEs) to use Europe's roads without being subject to discrimination, as it has sometimes been the case in the past,” Higgins said.

The European Parliament's Transport and Tourism Committee voted in favour of the report entitled “A strategy for an electronic toll service and a vignette system on light private vehicles in Europe.”

“There are several issues to be addressed in relation to road tolls including the cost to the consumer, payment methods available, the ease and security of those payments and the impact the current system is having on SMEs and the transport sector,” Mr Higgins continued.

“The technology required to implement a workable tolling solution exists but has not been rolled out in an effective or cross-European basis, which undermines current attempts to establish the EETS,” he added.

There is little industry interest in moving towards a fully functioning EETS, according to Mr Higgins. Therefore a Regulation is needed to force stakeholders to come together and create an efficient road charging experience for the end user, particularly in the context of a more widespread use of road charging in the future.

“I am strongly urging the European Commission to undertake a comprehensive review of the current system and evaluate the fairness of current tolling payment models available. The Single Market prioritises the principle of free movement, so we cannot allow inconsistent tolling systems to hamper improvements to our transport network,” Mr Higgins concluded.

Message from Frits Mehrtens Consultancy

(Source: Frits Mehrtens Consultancy, 30th April 2013) Regardless of the stagnant economy, last Tuesday 30th April, we Dutch had a remarkable, festive and unforgettable day because of the abdication of Her Majesty Queen Beatrix and the inauguration of our new King, His Majesty King Willem Alexander, supported by his charming wife Her Majesty Queen Maxima. Coming home from a business trip, I noticed that the motorways in the Netherlands were unusually empty; everybody was watching the ceremonies on TV. After these ceremonies the Dutch came on the street. Many of you have watched on TV Amsterdam turning orange. Believe me, it was not only Amsterdam but the entire Kingdom of the Netherlands including the Caribbean part of the Kingdom which was coloured in orange. I wanted to go to the main square of my home town, Breda, but all the roads leading to it were blocked; too many people were celebrating on the square. Referring to the famous carnival in Brazil, I can ascertain that it is with reason that we Dutch are often called “the Brazilians from the North.”

Another occasion for me celebrating, although this can hardly stand in the shadow of this large orange inauguration party, is the first anniversary of my own company. I can look back on a relatively successful first year, and not only in finished vehicle logistics. This is also thanks to some readers of ECG News, so I thank you for your support during the last year and I remain at your disposal for assignments anywhere in the world. I look forward to see many of you in Dublin at the ECG Spring Congress & General Assembly at the end of this month.

Note: Frits Mehrtens is available to advise on terminal management, shipping, logistics and warehousing as well as logistics real estate development. He also provides recruitment services, not only for the vehicle logistics sector, but to all related sectors such as OEMs and distributors.