ECG News

ECG – The Association of European Vehicle Logistics

Issue 13.21, 27th – 31st May 2013

# CONTENTS

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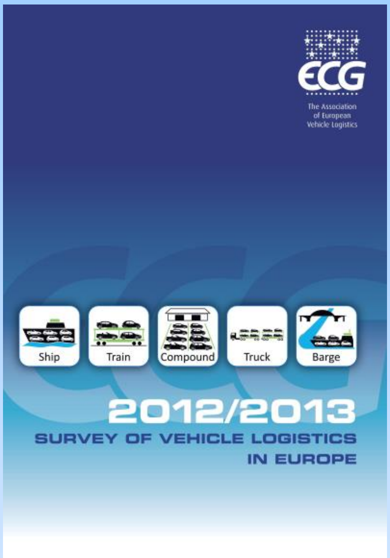


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# NEWS FROM BRUSSELS

## European car manufacturers now dependent on exports amid deepening domestic slump

*(Source: ECG Press Office, 28th May 2013)* Europe's car manufacturing industry is slipping deeper into recession and is increasingly dependent on export markets. Production of light vehicles across Europe has dropped back below 2007 levels, with Italy experiencing a particularly severe slump. The worsening crisis was the main topic of discussion at the Spring Congress organised on Friday 24th May in Dublin, Ireland, by **The Association of European Vehicle Logistics (ECG)**, which represents companies that ship European cars across the continent. Speakers revealed some shocking statistics. New car registrations in Italy have fallen to where they were back in 1978, Congress attendees heard. A third of all European car plants are running at just 20% capacity. If certain manufacturers are still in profit it was only thanks to strong orders outside Europe, particularly in China, where sales increased by over 10m between 2008 and 2012. "Many companies are struggling to survive," said ECG President Costantino Baldissara. "This is an emergency situation." Europe's political class has a responsibility to pay attention to the real economy, he underlined. "Without a strong response there will be a lack of hope, no new jobs and no activity." A re-launch of the car scrapping incentives that successively stimulated demand in 2009 was the best solution, he said. "If we are worried about the economies of countries like Greece then we should also be worried about the automotive sector, which makes a larger contribution to the European economy than Greece." The automotive sector that ECG serves is one of Europe's biggest economic drivers, employing around 12m and contributing around 16% of European Union gross domestic product. ECG member companies transport finished vehicles by ship, railway, truck and river barge. Together they directly employ 70,000 people and boast an aggregated turnover of €22bn. On a positive note, the Spring Congress confirmed the continuing success of the **ECG Academy** for young logistics managers. Now in its eighth year, the academy has already produced around 140 alumni, most of whom continue to work for both logistics service providers and car manufacturers. Seventeen graduates received their final qualifications at the Congress; around ten are already signed up for the next course, which the association oversees on a not-for-profit basis. In addition to negotiating skills and other core competencies, as well as the valuable experience gained at on-site visits to ports and railheads, the academy provides its students with unparalleled networking opportunities. During the ECG General Assembly which took place on Thursday 23rd May, prior to the Spring Congress, ECG members elected a new Board, which now comprises the following members: Maximilian Altmann (**ARS Altmann**); Peter Borrmann (**STVA**); Michael Bünning (**BLG Automobile Logistics**); Marcos Duato (**Flota Suardiaz**); Mats Eriksson (**AB Skandiatransport**); Ömer Gürsoy (**Me-Par**); Ray MacDowall (**ECM Vehicle Delivery Service**); Marek Nowicki (**P.W. Wega A**); Kirill Petrunkin (**Autotechnoimport**); Antoine Redier (**GEFCO**); Roberto Volpato (**Eliambrosetti**); and Konrad Zwirner (**Hödlmayr International**). The mandates of the ECG President, Costantino Baldissara, and Vice-President, Wolfgang Göbel, have another year to run.

***ECG Note:*** *To see all the pictures of the 2013 ECG Spring Congress & General Assembly, please click on the following link: https://picasaweb.google.com/102713711344787898228/GASpringCongressDublin2013 (a more detailed report about the Spring Congress & General Assembly proceedings will be published next week).*

## Plans to drop cabotage restrictions abandoned

*(Source: Commercialmotor.com, 24th May 2013)* The European Commission has backed down on plans to remove all cabotage restrictions in 2014 amid concerns

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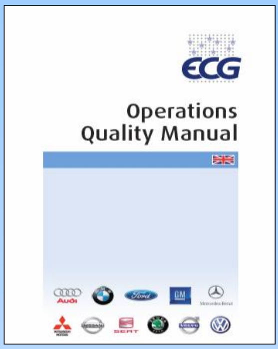


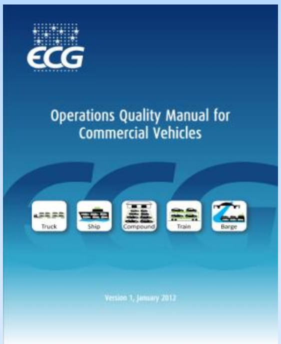


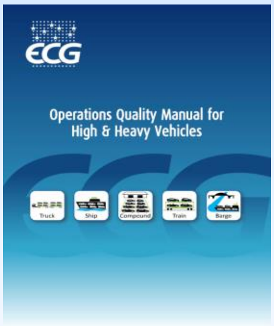


- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
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it would prove too complex and disruptive. Following lobbying from UK and European freight associations, a spokeswoman said on behalf of Siim Kallas, Vice-President of the Commission: "It is clear that cabotage rules must evolve over the long term, but it needs to be done properly and in consultation with all stakeholders. That process is complex and it takes time – making it difficult to deal with this issue in the lifetime of this Commission." She added: "In the short term, what will be possible is to improve enforcement of the rules, including the social aspects, and to make the market function better to the benefit both of those working in the sector and the overall EU economy, which vitally depends on efficient transport services." Karen Dee, Director of Policy within the Freight Transport Association (FTA), said it could not support further liberalisation of the market until action was taken to address unfair competitive disadvantages faced by UK operators. "The statement issued by Commissioner Kallas that the Commission's focus – at least in the short term – will be on improving the enforcement of the current regulations is welcome," she said. "Nevertheless, the FTA will continue to lobby for the delivery of a level playing field for UK operators," she added. The Road Haulage Association (RHA) said the removal of the current rules that limit international haulage operators to three journeys within a seven-day period would disrupt established markets. Policy Director Jack Semple said: "We don't think having drivers from all over Europe spending long periods in other markets is particularly good for the image of the haulage industry."

## Marco Polo programme – the results and outlook

*(Source: European Commission DG MOVE, 14th May 2013)* The European Commission adopted on 14th May 2013 a Communication on the Marco Polo programme (2003-2013) which helps companies introduce transport services that shift freight off the road and on to more environmentally friendly modes such as short-sea shipping, rail and inland waterways. From 2003 to 2012, 172 grants have been awarded providing financial aid to over 650 companies. The Communication also presents the Commission's intentions with regard to the next steps beyond the current Multiannual Financial Framework. Marco Polo is the only EU funding instrument supporting actions in the freight transport, logistics and other relevant markets. Its support was geared in particular towards shifting freight from the road to short-sea shipping, rail, inland waterways or a combination of modes of transport; overcoming structural market barriers in European freight transport; developing innovative Motorways of the Sea actions for large-volume and high-frequency transport services; developing traffic avoidance actions, which reduce freight transport demand by road with a direct impact on emissions; and promoting common learning actions to encourage co-operation and sharing of know-how in the freight logistics sector.

*To download the Communication of the European Commission on the Marco Polo programme, please see:* *http://ec.europa.eu/transport/themes/sustainable/news/2013-05-14-marco-polo-results-and-outlook_en.htm*

## EU declares the Marco Polo programme half a failure

*(Source: Ship2Shore, 20th May 2013)* The communitarian Marco Polo I programme, intending to shift from 2003 to 2006 some 47.7bn tonnes/kilometre (t/km) road transport to rail or shipping transport, only achieved 46% positive results; as a matter of fact only 21.9bn t/km freight (1.2m trucks) was transferred. The same occurred in the Marco Polo II programme (2007-2013), expected to switch 87.7bn t/km which, until April 2013, had only reached 19.5bn. The report submitted by the European Commission extensively illustrates how despite the fact that "the Marco Polo I programme undoubtedly generated €434m environmental benefits, taking almost 22bn t/km freight off the roads, only 46% of the original ambitious goals targeted by the Commission was reached, while the Marco Polo II has currently achieved an economic impact of €405m in terms of

## 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.

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savings and minor negative occurrences." However, no waste of public money arises; as a matter of fact communitarian funds were allocated on final results achieved by intermodal projects. In Marco Polo I about €74m out of 102 were reserved to 55 projects and only €41.8m were effectively allocated, while in Marco Polo II, €450m in funding was anticipated whereas from 2003 to 2012 only €172m were allocated to 650 transport companies. According to the Commission's report the programme's efficiency – ratio between allocated funds and shifted tonnes – confirms that each single euro funded by the Marco Polo I programme actually transferred 597t/km freight while the phase II of the programme recorded a 438t/km efficiency ratio. Brussels should acknowledge that intermodal transport (truck-ship or truck-train) is much more complicated than a pure road transport and some disappointing results also ensued from the current economic crisis which drastically cuts transport flows. A European Parliament report also states that "the forthcoming communitarian funding committed to the transport industry from 2014 to 2020 will mainly focus on the upgrading of European infrastructures aimed at improving connections and still pivoting on innovative transport modes granting lower environmental impact." Meanwhile, the Port of Genoa intends to join the new programme with a cross-border service to central Europe; the local Port Authority advised Genoese trade associations they will be available to assist the companies intending to conceive a rail service from the Port of Genoa to Novara, Switzerland and the lower German border. Minimum requirement is shifting an average of 60m t/km per year and, considering the Marco Polo II overall funds, almost €2m could be allocated to this project. "The project should generate no profit and possible revenues will be deducted from allocated European funding. In essence, a service in red should be operated, that's why the call for tender also accepts existing or about to be launched services." Projects must be submitted by 23rd August 2013 and finalised by 1st October 2013.

### Brussels moves to prevent price abuse at European ports

*(Source: LloydsLoadingList.com, 29th May 2013)* The European Commission has proposed fresh guidelines and legal changes to "prevent possible price abuses by operators with exclusive rights" at Europe's ports. This proposal excludes cargo handling – a violent clash point with European dockworker unions in the past – and passenger services from market-access rules. The Commission says the regulatory package will allow port operators to upgrade their services and facilities and increase their financial autonomy. Vice-President Siim Kallas, Commissioner for Mobility and Transport, said: "Our sea ports are vital gateways, linking our transport corridors to the rest of the world. We already have some of the finest port facilities in the world. We need to keep them. But we are facing major challenges in terms of congestion, traffic growth and investment. More of our ports need to reach these high standards." He said the proposals would bring Europe's port services into the 21st century, boosting both investment prospects and job creation. Although some 74% of goods entering or leaving Europe go by sea, a fifth passes through three ports: Rotterdam, Hamburg and Antwerp. The Commission said: "This imbalance between port performance results in congestion and extra costs for shippers, transport operators and consumers. The new proposals could save the European economy up to €10bn by 2030 and help develop new short-sea links." The proposal extends the freedom of ports to levy infrastructure charges and "reinforces transparency" in the way that charges are set and in the use of public funding. The Brussels regulator recognised that Europe's port authorities are "best placed" to identify user needs and to set charges. At the same time, the Commission argues: "A greater transparency will allow public funds without unduly distorting competition and will help in attracting private investors. Ports will also be able to reduce charges for vessels with better environmental performance." Port sector industry lobby, the Brussels-based European Sea Ports Organisation (ESPO), expressed concern about the implications that the proposed regulation may have on the autonomy of port authorities. ESPO Secretary General Patrick Verhoeven said: "We appreciate that

## ECG AGENDA

► **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

the Commission intends to recognise the central role of port authorities and we support the provisions of the regulation that aim to create greater financial transparency. At the same time, we are concerned about the competencies that the regulation attributes to other authorities and the impact some of the proposed procedures may have on the commercial freedom of ports and their ability to invest." On the point that the proposal excludes cargo handling and passenger services from market-access rules, ESPO argued that "an inclusive, non-legislative approach, covering all port services, would have been more balanced and proportional." ESPO plans to review the proposal and its impact on its membership. "We will then formulate a number of concrete recommendations for the forthcoming debate in the European Parliament and Council," said Mr Verhoeven. "We also look forward to exchanging views with other European stakeholder organisations, to see where we might have points in common," he added.

***ECG Note:*** *To read more about this topic, please see the press release issued by the European Commission under the "Press Releases" section of this ECG News.*

# AUTOMOTIVE INDUSTRY

## Toyota begins Europe exports to North America

*(Source: Automotive Logistics News, 22nd May 2013)* Toyota is now building models of its Yaris compact car in France for export to the US, Canada and Puerto Rico, the first ever model to be built in Europe for the North American market. Previously the North American-sold Yaris has only been made in Japan. The 1.5l petrol-fuelled model is being made at the Toyota Motor Manufacturing France (TMMF) plant at Valenciennes and Toyota said that full annual export volumes would reach 25,000. The plant is now exporting vehicles to more than 40 countries around the world. In 2012, Toyota sold 30,000 Yaris hatchbacks in the US, with 8,000 sold in Canada and a further 8,000 in Puerto Rico. This exceeds the 25,000 forecasted for TMMF's export production but Toyota said the Yaris SE sport version will continue to come from Japan. In addition, part of the figure includes the Yaris sedan which was previously sold in North America but which has been discontinued. The export models will mean a 10% increase in production at Valenciennes and the company is investing and additional €10m to make the North American model. The production increase also means extra demands on inbound parts supply. A spokesperson for the carmaker said there were around 500 new part numbers for the North American version that are being sourced 50% from France, with the remaining 50% coming from wider Europe, Turkey and Japan. As well as the 1.5l engine and automatic transmission, other differences between the European and North American versions include the front and rear headlights, a thicker bumper and a different front seat and floor pan. Toyota said there were three main reasons for beginning exports of the Yaris from France now. The first reason is because production of the model at the Valenciennes plant is globally competitive in terms of quality, efficiency and flexibility of production. The Yaris has been built there for more than 11 years across three generations, and includes the hybrid version for Europe, which was introduced last year. "It also allows us to maximise capacity utilisation at TMMF," said the spokesperson. "The volume for export is a welcome addition at a time when the Western European market has shown a 26% decline since its peak in 2007," the spokesperson added. The third reason is that Toyota wants to create a production structure that can avoid or limit the impact of currency fluctuations, said the spokesperson. Exports from Japan to North America have had an impact on margins at the Japanese carmakers during a sustained period of strength in the yen and many have announced production shifts over the last couple of years. While the yen has since

## Events in Brussels

"Electric mobility: driving the transformation of the city" by viEUws, EDF (Electricité de France) and the Press Club Brussels Europe on 30th May 2013.
*ECG will attend*

Green Week Conference 2013 on "Cleaner Air for All" by the European Commission DG Environment from 4th to 7th June 2013.
*ECG will attend*

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***

"Transeuropean rail freight transport: What future lies ahead?" by the Lithuanian Presidency of the EU Council and the Community of European Railway (CER) on 9th July 2013.
*ECG will attend*

weakened substantially, Japanese OEMs, including Toyota, continue to diversify their production sources. Production of the Yaris exports began on Monday 6th May and they are being transported by road to Toyota's main logistics hub at the Port of Zeebrugge in Belgium. Toyota has contracts with **GEFCO** and Macotruck – a Belgian finished vehicle carrier – to move the vehicles between the plant and the Port. From there the carmaker is using "public service" lines to transport the vehicles by ocean to the markets in North America. As well as the Port of Puerto Rico, vehicles for Canada will be taken to Halifax and Nova Scotia, while for the US they will ship to Newark, Jacksonville and Long Beach. Onward delivery will be by truck or train depending on the arrangements made by Toyota in the respective markets. At an official ceremony held to mark the production of the export models at Valenciennes, Toyota Motor Europe's President and CEO, Didier Leroy, said that as well as the highly skilled and quality-minded employees at Valenciennes, the proximity of good logistics and supplier networks were major factors in the success of the plant.

# EUROPE

## Transport providers fight for survival

*(Source: Automotive Logistics News, 29th May 2013)* As Europe's car industry slides deeper into recession the list of priorities in the finished vehicle sector has become an unfortunately simple one: there is only one and it is survival. Speaking at the Spring Congress and General Assembly of **The Association of European Vehicle Logistics (ECG)** held in Dublin, Ireland, its President Costantino Baldissara said that while there are a number of issues pressing on the industry, including the need for improvements to road infrastructure and safe parking areas, the crucial target for EU funding should be in a car scrapping incentive scheme to promote vehicle sales, similar to those rolled out in 2009. Production of light vehicles across Europe has dropped back below 2007 figures, with annual growth at -3.4% and a third of assembly plants now running at just 20% capacity according to figures from analyst LMC Automotive. While exports continue to offer a bright spot of activity for premium carmakers, capacity utilisation has dropped to 62% on average over seven quarters of contraction and the difficulties are likely to remain in place for the next five years said LMC Automotive's Managing Director Arthur Maher. Meanwhile, however, there are 60m vehicles more than 10 years old on the roads in Europe. A scheme to boost production would benefit the whole European car sector, but without new cars to move, finished vehicle providers in the region are facing some bleak business prospects. "Many companies are struggling to survive," said Baldissara. "This is an emergency situation." He went on to point out that the European automotive sector makes a larger contribution to the European economy than Greece, a country that continues to concern the EU. "If we are worried about the economies of countries like Greece then we should also be worried about the automotive sector," he said. Part of the problem, according to Baldissara, was that unlike other sectors – and perhaps Greece itself – which are characterised by strikes and production stoppages, the finished vehicle logistics sector is not making enough noise to get the attention of the stakeholders involved. However, that is not to say ECG has not voiced its concerns. Last February, the European Union announced that the proposed budget for transport infrastructure [*for the period 2014-2020*] would be cut by a third to €23bn, something that was described as a missed opportunity at the time by a collection of transport-related associations including ECG. Asked where the reduced resources should be targeted for the benefit of the sector, Baldissara said that the answer has changed. "If you had asked me this question five years ago I would have given you a lot of ideas," he said. "This does not mean that we don't have them now, but today we have another priority: to survive." Baldissara said that funding should be found for car scrapping incentive schemes. While better connectivity between the ports and roads was important,

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he said right now the finished vehicle sector needed to transport more vehicles otherwise those companies involved would start going out of business. That money appears to be available. "Italy is going to have a €15bn reduction in interest costs because now there is a more stable situation," said Baldissara. "Is it not possible that they could devote €300m to encourage people to buy a new car? The resources can be found and I think that these schemes are a bargain. It is an opportunity more than a cost," he said. Italy needs the reduction in interest rates badly, having been hit by a particularly severe slump recently, but it also deserves a different approach to manufacturing, especially for Fiat-Chrysler, which is at just under 41% capacity across its plants there. "Is it possible that all Fiat-Chrysler factories are at full capacity in the US but it does not have the possibility of producing more in Italy where there is a great under-utilisation?" asked Balidssara. "What is worse is that they have been forced by the Italian system to go to Serbia to make the new 500 "large". Are we crazy? I think that we are because we do not have a sense of urgency for the business." Delegates had the opportunity to express these and other concerns to the European politicians in attendance, including MEP Jim Higgins, Member of the Transport and Tourism Committee (TRAN) at the European Parliament (EP), and Maurice Mullen, Assistant Secretary with responsibility for maritime, ports and freight issues at Ireland's Department for Transport during the Irish Presidency of the EU. Asked why the cut to the proposed transport budget was so drastic Maurice Mullen found it difficult to answer, having asked for an increase as a member of the Transport Council. He admitted the cut was very significant and the debate over the allocation of budget had dragged on over a long period. "We were concerned that transport would still have reasonable visibility," said Mullen, but he admitted that the political process behind the budget had a widely divergent range of opinions, with Ireland pressing for more than the final sum. He still saw the benefit of an envelope for transport being made available and that there would be positive consequences for the sector in Europe. Johannes Hödlmayr, CEO of **Hödlmayr International**, pointed out the modal split in Europe today was 70% road, 20% rail and 10% waterway, despite an EU White Paper which identifies a 30% increase in transport by 2030 and the use of alternatives to road on journeys over 300km by the same year. He asked what the real steps would be for the EU to move to a better mix of modes and what the EU would do to support companies faced with such high loan rates from the banks when investing in new equipment. Claire Whittaker from the European Commission's Directorate General for Mobility and Transport (DG MOVE) said the proposals were to be taken as a general direction the Commission wants to move in and that there were a number of initiatives set up that would help it get there. "The bulk will continue to be on road as infrastructure needs development," she said, adding that the Commission had introduced a ports policy to promote intermodal freight. Funding would be provided through the Marco Polo initiative as well as TEN-T funding for other modes. Pressed on the point about support for investment in the face of high interest rates, Whittaker acknowledged that investment was a challenge but could only refer back to the savings available through more efficient transport which would "bring savings eventually". The question that remained hanging in the air between the transport providers gathered in Dublin was how many of them would still be around when those savings "eventually" came through.

## Autoterminal exports offset import losses

*(Source: Automotive Logistics News, 22nd May 2013)* Barcelona's **Autoterminal** is experiencing double-digit growth in vehicle exports, although the domestic market is in decline. The export growth is not just being reported in the Mediterranean, but also in countries located in the Middle and Far East. This prompted the terminal to introduce a policy orientated towards transhipment at the end of 2012 and also to adjust prices, which have helped to boost exports. Managing Director Xavier Vazquez is forecasting a 4% increase in traffic for 2013 based around increased exports and transhipment. The terminal has not lost

clients, but rather strengthened long-term contracts with those it has. In addition, a new Turkish manufacturer is now using the terminal to distribute its vehicles to Spain, France and Portugal. Vazquez nevertheless laments the fact that the standard gauge rail link to the Port has not generated additional traffic, though the transfer of the neighbouring container terminal to another area of the Port has freed up both additional land close to Autoterminal and also made available more rail sidings. The company's Djen Djen terminal in Algeria has seen increases in traffic of more than 20% a year. As a result, Autoterminal is to take on management of two further terminals in Algiers and third in Mostagenem. Another project should see the company open a terminal in the Near East either at the end of 2013 or the beginning of 2014. In other Spanish port news, Valencia Terminal Europa (VTE), which holds the concession for the **Grimaldi** terminal on Dique del Este at the Spanish Mediterranean Port of Valencia, is due to open a rail connection there in June, with the first trials slated for the end of that month or early July 2013. Ford is expected to be a major customer and will use the link from the Ford manufacturing plant at Almussafes. The rail connection is expected to enable VTE to consolidate its role as a strategic harbour for long-distance maritime traffic.

## Two supplier awards from Renault Nissan

*(Source: Automotive Supply Chain, 16th May 2013)* April saw the Innovation Award going to **United European Car Carriers (UECC)** and the Performance Award to **Sintax Logistica** at the Renault-Nissan Alliance Logistics Europe Supplier Conference. The conference was held in Guyancourt, France, and attended by all the main inbound and outbound service providers to the Renault- Nissan Alliance. UECC was chosen due to its successful implementation of the Atlantic Loop – engineering maritime flows in the Atlantic, the reduction of lead-time for Atlantic flows by almost five days, full volume flexibility at short notice and demonstrating innovative solutions to cater for volume increase. “An endorsement like this, 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. “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.” The contract started in January and represents a significant volume based on three weekly sailings between the Ports of Santander, Spain, Le Havre, France, Zeebrugge, Belgium, and Southampton, UK. Sintax Logistica was awarded on its performance based on the high flexibility to market, supporting the Alliance activities even outside their allocated routes, high capacity to respect challenging transit times at arrival ports, and benchmark level in terms of pro-activity to support the Alliance demands. Spanish company Sintax Logistica operates in Europe and North Africa, with operational centres in Spain, Portugal, France, Belgium, Germany and Morocco, designing logistics chains and accompanying them in the provision of services from the plant to the final recipient, in-plant handling and management of warehouses own or external.

## FFUK launches petition for full UK oil market investigation, after EC raids

*(Source: Commercialmotor.com, 15th May 2013)* FairFuelUK (FFUK) has launched a petition calling for a fresh investigation into the UK oil industry, after European anti-trust regulators confirmed they had carried out raids on several firms involved in the sector. The raids, which took place on Tuesday 14th May, are reported to have involved BP, Shell, Statoil and oil pricing agency Platts. A statement from the European Commission said it had “concerns that the companies may have colluded in reporting distorted prices to a price reporting agency to manipulate the published prices for a number of oil and biofuel products.” This behaviour, if established, “may amount to violations of European anti-trust rules,” it said. The raids were a preliminary step to investigate suspected anti-competitive practices, confirmed the Commission. Even small distortions of assessed prices “may have a huge impact on the prices of crude oil, refined oil products and biofuels purchases and sales, potentially harming final consumers,” it added. FFUK, along with its industry partners, was left frustrated by the Office of Fair Trading's (OFT) decision at the start of the year not to launch a new investigation into the UK oil market. It said in a statement issued on Wednesday 15th May: "In the light of news that EU competition investigators are probing the oil market for possible manipulation, we are calling on the UK bodies that regulate and monitor the markets to open up their investigations into these allegations and the impact of any such manipulation has had on UK families, businesses and the UK economy." Conservative Member of Parliament for Harlow and founder of campaign group *PetrolPromise.com* Robert Halfon said the latest allegations underlined the urgent need for an investigation into the oil market. “Oil companies must come clean and show some responsibility for what is happening to the international oil price,” he said. The Petrol Retailers’ Association (PRA), which submitted a complaint on oil price fixing to the OFT in January 2012, also welcomed the move by the European Commission. “Independent retailers hope this investigation will help provide the proper price transparency that consumers and businesses deserve and need,” said PRA Chairman Brian Madderson.

# REST OF THE WORLD

## Subaru opts for WWL at Brunswick

*(Source: Automotive Logistics News, 22nd May 2013)* Japanese carmaker Subaru has chosen **Wallenius Wilhelmsen Logistics (WWL)** to manage vehicle import processing at the US Port of Brunswick in Georgia. The logistics provider will handle processing for vehicles at the Port's Colonel's Island Ro-Ro terminal, including accessorisation, pre-delivery inspection and preparations for truck transport to dealers. Activity will start at the beginning of July 2013. Brunswick handles imports from the Far East and Europe, and WWL has a 7,200m$^2$ facility at the Ro-Ro terminal. "Subaru is proud to announce WWL as its auto processing supplier for the Southeast US," said Larry Strug, National Transportation Manager at Subaru. "WWL is a long-time logistics and technical services partner and was chosen for Subaru's Brunswick operation based on its skills, operational excellence and commitment to quality," he added. WWL also manages auto processing at Subaru's plant in Lafayette, Indiana, and has handled Subaru imports at the Port of Baltimore since 2006. "WWL is excited to expand its support of Subaru to include auto processing in Brunswick," said John Felitto, President and CEO of WWL Vehicle Services Americas. "WWL's expertise in vehicle processing and accessory installation, as well its intimate knowledge of Subaru's requirements, position both companies for success at the Port." The Port has interchanges with rail providers CSX Transportation and Norfolk Southern Railroad. Georgia Ports Authority, which oversees activity at the Ports of Brunswick and Savannah, moved nearly 58,000 automotive and machinery units in April 2013, its third highest month for roll-on, roll-off cargo. Since 1st July 2012, Brunswick and Savannah have processed more than 526,000 units, a 14.1% increase over the previous fiscal year to date.

## Vehicles stranded at the Port of Zárate in Argentina

*(Source: Automotive Logistics News, 29th May 2013)* Some 20,000 cars are reported stranded at the Port of Zárate in Argentina because they lack an import licence. Port Terminal Zárate has to bear the brunt of the problem because it is responsible for 90% of Argentina's finished vehicle import-export business. This lack of speedily issued licences has increased the concerns of importers, who are already being adversely affected by the overall slowdown in business, which has also hit spare parts. The situation has been slammed by Miguel Ponce, Director of the Chamber of Importers of Argentina (CIRA), who said that it was yet a further example of the mismanagement of foreign trade. He noted that the problem was an on-going one, citing the example of 30,000 units that have been stranded in the customs area of the Port for over a year following the decision taken by the Secretary of State for Foreign Trade to slow down the awarding of import licences. Previously, it took around 25 days before the necessary paperwork was put in place. However, the Minister concerned, Guillermo Moreno, has extended this by a further 10 days, meaning it takes up to 35 days before a licence is issued. Some companies have reported having to wait for anything between 45 and 60 days. The move by the government is reported to have been implemented to prevent US dollars from being taken out of the country and is part of a policy aimed at cracking down on money laundering by those citizens holding undeclared foreign currency. "What is happening at the Port of Zárate is typical of those situations in which demand is fitfully driving the fulfilment of contractual obligations," said Ponce. Until recently, the automotive industry had been one of the engines of economic growth but, it is warned, the drop in revenue brought about by government policy could negatively impact on capital being available in other key industries.

## Greenbrier unveils Multi-Max railcar

*(Source: Automotive Logistics News, 29th May 2013)* North American transport equipment maker Greenbrier has unveiled its Multi-Max railcar, which features an adjustable deck that can shift between bi- and tri-level options for the transport of vehicles. The company held an unveiling ceremony for rail and automotive industry leaders at its Cleburne facility in Texas on Wednesday 29th May. According to the company Multi-Max, which was developed with input from both rail providers and carmakers in North America, allows for complete deck adjustments in as little as five hours, without removing the deck during reconfiguration and operators do not need to segregate Multi-Max or manage it separately from other railcars. "Greenbrier designed Multi-Max to help railroads meet the changing requirements of today's automobile manufacturers," said William Glenn, Senior Vice-President and Chief Commercial Officer at the company. "Consumer preferences for automobiles are less predictable, causing automakers to build factories that can quickly transform from manufacturing large vehicles like SUVs and light trucks to smaller vehicles like sedans and subcompacts. With its proprietary adjustable decks, Multi-Max means railroads no longer need to place a bet on whether they will need bi-level rail service to transport large vehicles or tri-level service for smaller vehicles. Multi-Max means railroads always have the right mix of equipment ready to move automobiles," Glenn added. Greenbrier has reported worldwide orders for 2,100 automotive-related railcars or racks in the current fiscal year.

### Toyota President's Award for logistics goes to Union Pacific Railroad

*(Source: Automotive Supply Chain, 20th May 2013)* Toyota Logistics Services presented the 2012 President's Award for Logistics Excellence to Union Pacific Railroad for the second year running. This year, Union Pacific Railroad – the principal operating company of Union Pacific Corporation – also received excellence awards for on-time service performance and customer service. "Union Pacific is honoured to be recognised by Toyota with these logistics excellence awards," said Linda Brandl, Union Pacific Vice-President and General Manager of Automotive. "We are proud of our ability to consistently provide service and value to our customers and we remain committed to offering them the best transportation solutions available," she added. Union Pacific Railroad links 23 states in the West of the US and transported more than half a million Toyota vehicles in 2011. The awards recognise its outstanding performance out of all their logistics suppliers including truck, marine and railroad companies. The awards are based on the communication for customer service, the on-time performance involves online and through-route performance, and quality scores emphasise damage-free service and reduction in damage cost for each vehicle.

# PRESS RELEASES

### The European Car Dealers (ECD), a division of CECRA, are worried about the new passenger cars registrations in Europe for the first four months of 2013

*(Source: CECRA, 17th May 2013)* Even if the EU market of new passenger cars grew in April 2013 for the first time (+1.7%) since September 2011, the region counted on average two more working days compared to the same month in 2012, which would account for the increase. In absolute figures, it is the third lowest level of new registrations for the month of April, with the historic low for April reached in 2012 (1,021,358 units). A total of 1,038,343 units was recorded in the EU in April in 2013, or 1.7% more compared to the low level of April last year. Four months into the year, new car registrations amounted to 4,026,946 units, or 7.1% less than in the same period a year ago (EU 27 + EFTA : 4,176,690 or 7% less).

In April, results were varied across markets. Major ones such as Germany (+3.8%), Spain (+10.8%) and the UK (+14.8%) expanded, while France (-5.3%) and Italy (-10.8%) faced a downturn. From January to April, the UK remained the only major market to post growth (+8.9%). Spain (-6.7%), Germany (-8.5%), France (-12.3%) and Italy (-12.3%) all saw their demand decline, leading to an overall 7.1% decrease in the EU. As a reminder, demand for new passenger cars in March was on the decline for the 18th consecutive month, totalling 1,307,107 units. Over the first quarter of 2013, new car registrations amounted to 2,989,486 units, or 9.8% less than in the first three months of 2012.

Dealers suffer from this difficult economic situation which affects their profitability. At the same time, several brands impose important stocks in the dealerships, transferring higher risk to the dealers. The dealers agree with the manufacturers association ACEA that a more realistic balance between the competitiveness of the industry and environmental concerns should be adopted and that emission targets for both vans and cars need to be fact-based. But this better balance should also be reflected in the relations between manufacturers and dealers: dealers ask for understanding from the manufacturers as they do not have the possibility to transfer their own activities to other countries or continents where the automotive sector is in a better condition.

In January 2013, CECRA (the European Council for Motor Trades and Repairs) published a forecast for the year 2013. On the basis of the outcome of a survey which was sent to CECRA's national member associations defending the interest of automotive dealers and repairers in Europe, it was then announced that 12.054.000 passenger cars would be registered in Europe in 2013. This would represent a reduction of 3,8% in comparison with 2012 (12.527.912 cars registered in EU 27 + EFTA).

As the actual figures for 2013 are in line with this forecast, ECD/CECRA requests the brands to take the real situation into consideration and adapt their sales objectives in conjunction with their network all over Europe.

### Commission proposes upgrade for 300 key sea ports

*(Source: European Commission, 23rd May 2013)* On Thursday 23rd May, the European Commission launched a new initiative to improve port operations and onward transport connections at 319 key sea ports along Europe's coastline. The guidelines and legal changes proposed will help port operators upgrade their services and facilities as well as giving them more financial autonomy.

74% of the goods entering or leaving Europe go by sea, but one fifth of that amount currently passes through just three ports: Rotterdam, Hamburg and Antwerp. This imbalance between port performance results in congestion and extra costs for shippers, transport operators and consumers. The new proposals could save the European economy up to €10bn by 2030 and help develop new short-sea links.

Vice-President Siim Kallas, European Commissioner for Mobility and Transport, said: "Our sea ports are vital gateways, linking our transport corridors to the rest of the world. We already have some of the finest port facilities in the world. We need to keep them. But we are facing major challenges in terms of congestion, traffic growth and investment. More of our ports need to reach these high standards. The proposals will bring Europe's port services into the 21st century, help attract investment and create jobs where they are most needed."

**More efficient ports**
The Commission is proposing more transparent and open procedures to designate the providers of port services. There will be rules to prevent possible price abuses by operators with exclusive rights. For greater customer-focus, the proposal introduces a Port Users' Advisory Committee. Details will be left to local circumstances so that local port communities can benefit from better co-ordination and a healthier business environment. To further enhance efficiency, the Commission will bring forward proposals to cut red tape and reduce administrative formalities in ports before the summer – the so-called "Blue Belt" proposals.

**Better connections to the hinterland**
EU funding under the “Connecting Europe Facility” (CEF) will have a new focus on port projects identified in the so-called TEN-T corridor plans for priority funding and on connections of ports with rail, inland waterways and road. Ports will be encouraged to play an active role in this, for instance by providing information on traffic flows.

**Investment: A flexible, business-like financial framework**
The proposal extends the freedom of ports to levy infrastructure charges and reinforces the transparency in the way the charges are set and in the use of public funding. Port authorities themselves are indeed best placed to identify user needs and set charges. At the same time a greater transparency will allow public funds without unduly distorting competition and will help in attracting private investors. Ports will also be able to reduce charges for vessels with better environmental performance.

**Social dialogue**
Starting in June 2013, the Commission will create a "Social Dialogue Committee for Ports" to allow employees and employers to discuss and agree on dock work-related issues. The Commission will provide a technical and administrative support to the work of this Committee and will evaluate progress in 2016. Recognising the particular challenges facing ports, this will be the first time that the Commission creates sector-specific legislation for this area. Prior to this, ports have been covered by general EU law on the freedom of establishment and competition rules. There are in total 1,200 sea ports in Europe. This proposal targets the 319 key European ports which together can create a real European ports network capable of supporting Europe's internal market. These 319 ports are already prioritised in the Commission's TEN-T (Trans-European Transport Network) proposals – 83 ports in the core network; 236 in the comprehensive network.

**Next steps**
The initiative is part of the key action on maritime transport announced in the Single Market Act II adopted by the Commission in October 2012. It complements other Commission initiatives such as the future Directive on the award of concession contracts – which will apply to concessions in ports on cargo handling and passenger terminals – establishing common procedures and introducing more transparency to ensure the granting of concessions in a non-discriminatory way. This initiative comprises a Communication that reviews the European Port Policy and announces eight Commission actions and a focused legislative proposal to the European Parliament and to the Council in order to introduce the new legal provisions required to deliver the policy and objectives. The proposal must be approved by the European Parliament and the Member States before being adopted under the normal legislative procedure.

*For more information on this new initiative, please click on this link:*
*http://ec.europa.eu/commission_2010-2014/kallas/headlines/news/2013/05/ports_en.htm*

*See also the EC Memo on:*
*http://europa.eu/rapid/press-release_MEMO-13-448_en.htm*

## New arrangement to enhance inland navigation in the European Union

*(Source: European Commission, 22nd May 2013)* The Director General for Mobility and Transport of the European Commission (DG MOVE) and the Secretary General of the Central Commission for the Navigation of the Rhine (CCNR) have signed, on Wednesday 22nd May in Brussels, an administrative arrangement which fosters the co-operation between the two institutions. Their common objectives are to ensure the optimal functioning of the market for inland navigation and to remove obstacles that prevent a broader use of this mode of transport.

This administrative arrangement concerns the following three main areas of co-operation:
- The adaptation of the technical requirements for inland navigation vessels.
- The modernisation of professional qualifications for crew members.
- The development of market observation for inland navigation in Europe.

This new form of co-operation should improve the efficiency of the respective policies of the two institutions in these areas notably through a better alignment of priorities and the adoption of new common standards of reference for their legislative frameworks. Such co-operation will be of benefit to the inland navigation sector which needs a coherent and efficient governance framework to realise its full potential.

In its Staff Working Document "Towards NAIADES II" of May 2012, the Commission services have recognised the need to strengthen the international co-operation in the field of inland navigation. The increased use of the CCNR expertise in a number of areas and the streamlining of regulatory frameworks supported by common structures, envisaged in the framework of the present administrative arrangement are a step in this direction.

## Council and European Parliament reach agreement on tachograph regulation

*(Source: Council of the European Union, 24th May 2013)* On Friday 24th May, the Member States' Permanent Representatives endorsed the compromise reached between the Council and the European Parliament in their negotiations on a new regulation on the tachograph used in road transport. The agreed text still needs to be formally approved by the Council in the form of a first-reading position and then by the Parliament, which has three months to object to the Council's position, if it does not want to approve it.

The aim of the new draft legislation, which will replace the 1985 tachograph regulation, is to make fraud more difficult and to reduce the administrative burden, notably by introducing a satellite-linked "smart tachograph" as well as a number of new regulatory measures. The current manual recording of the location of the vehicle will be replaced by automated recording through satellite positioning. Remote communication from such a "smart tachograph" providing basic information on compliance will allow for early detection of possible manipulation or misuse, thereby enabling officers to target roadside checks better and avoid unnecessary checks.

The regulatory changes include stricter requirements for workshops responsible for installing and calibrating tachographs and a wider exemption from the obligation to use tachographs, which should help reduce the administrative burden, in particular for small and medium-sized businesses. The regulatory measures will already apply before the introduction of the "smart tachograph", namely two years after the publication of the regulation in the Union's Official Journal, with the exception of the rules on the approval and control of workshops and the use of driver cards, which will be applicable one year earlier.

With respect to the main issues of discussion between the Council and the Parliament on this draft regulation, the negotiations have delivered the following compromise solutions:
– The "smart tachograph", that is, the application of the new satellite-linked technology, will become mandatory 36 months after the technical specifications for the new tachograph have been established, probably in 2017 or 2018. This applies to newly registered vehicles. Other vehicles involved in international transport must be retrofitted with the "smart tachograph" at the latest 15 years after the above date of application.
– Besides the starting and ending place of the daily working period, location points will be recorded every three hours of accumulated driving time. In addition, the tachograph must be equipped with, or have the capacity to connect to, an interface facilitating its integration into Intelligent Transport Systems (ITS), subject to certain conditions.
– Member States have to ensure that control officers have sufficient equipment – as listed in the regulation – to carry out their monitoring tasks, but there will be no obligation to provide them with remote early detection equipment during the first 15 years following the introduction of the "smart tachograph". After that period, Member States will provide such equipment as appropriate, depending on their national enforcement strategies.
– Non-professional drivers who use their vehicles for carrying materials or equipment needed for their work will be exempted from the use of tachographs within a radius of 100km from the base of their undertaking, provided the

vehicle's weight does not exceed 7.5t. Currently, Member States have already the possibility to grant such an exemption, at national level, for transport operations within a radius of 50km.
– Data protection, as well as training of control officers, will be reinforced.
– The Commission will closely monitor the issuance of temporary driver cards to drivers from third countries, in particular in order to make sure that there is no negative impact on the labour market.
– In addition, the Commission should consider whether the control of driving and resting times could be improved in the future by including weight sensors in the smart tachograph.

The Commission presented its proposal in July 2011. The negotiations between the Council and the European Parliament were based on the political agreement reached by the Council in October 2012 on the one hand, and on the amendments contained in the Parliament's first-reading position of July 2012, on the other.

## Global Summit of Transport Ministers calls for better transport funding in view of growing mobility demand

*(Source: OECD – International Transport Forum, 23rd May 2013)* Ministers from the 54 member countries of the International Transport Forum are calling for more investment in strategic transport infrastructure and services.

“Funding transport is a major challenge for transport policy today. The demand for mobility through high-quality transport networks and services is growing fast,” Ministers stated in a joint Declaration on Funding Transport agreed on Thursday 23rd May during their 2013 Summit in Leipzig, Germany. “Transport infrastructure is much more than asphalt, concrete or steel; it is the backbone of national economies, providing connections for people and goods, access to jobs and services, and enabling trade and economic growth,” Ministers say.

“With investment in transport infrastructure a long-term venture, robust, credible funding solutions that support trade, economic growth and environmental and social sustainability are urgently needed. With both public budgets and private sector resources under constraint, government authorities and industry must together seek new ways of ensuring stable, long-term funding for the sector.”

Download the full text of the Declaration by Ministers on Funding Transport here:
www.internationaltransportforum.org/2013/pdf/DeclarationMinistersFunding2013.pdf