ECG News

ECG – The Association of European Vehicle Logistics

Issue 13.42, 21st – 25th October 2013

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Dates for your diary

Don't miss out on your ECG meetings.

Coming up are:

- **29th October:** UK & Ireland Regional Meeting in Birmingham
- **7th November:** Maritime & Ports Working Group in Marseille
- **5th December:** First Russia Regional Meeting to be held in Moscow

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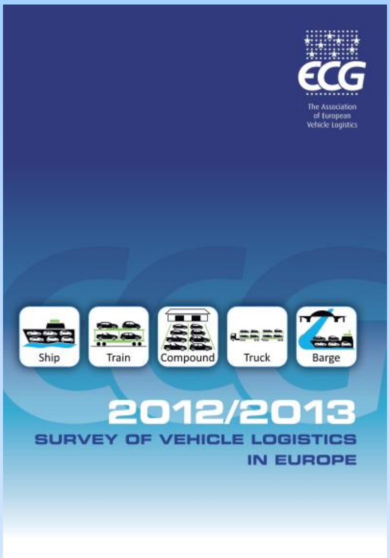

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NEWS FROM BRUSSELS

ECG to Russia – Join our inaugural regional meeting!

*(Source: **ECG**, 23rd October 2013)* Following the recent very well attended meeting of our Eastern European Region in Budapest (with around 40 participants) we are pleased to announce the first of our regional meetings in Russia, which will be held in Moscow on Thursday 5th December. Full details will be announced closer to the date. All members based in Russia will automatically receive invitations. Any other member with interests in the Russian market who wishes to attend, should register their interest with the Secretariat by sending an email to info@ecgassociation.eu. As with all ECG meetings, participants from our Permanent Sponsors are also welcome to attend. If you are neither member nor sponsor then you could join as a Meeting Sponsor – details available with the Secretariat. We look forward to seeing you there!

New EU TEN-T infrastructure policy

(Source: European Commission DG MOVE, 17th October 2013) In the most radical overhaul of EU infrastructure policy since its inception in the 1980s, the European Commission (EC) has published new maps showing the 9 major corridors which will act as a backbone for transportation in Europe's single market and revolutionise East–West connections. To match this level of ambition, EU financing for transport infrastructure will triple for the period 2014–2020 to €26bn. Taken as a whole, the new EU infrastructure policy will transform the existing patchwork of European roads, railways, airports and canals into a unified Trans-European Transport Network (TEN-T). European Commission Vice-President Siim Kallas, responsible for Transport, said: "Transport is vital to the European economy. Without good connections Europe will not grow or prosper. This new EU infrastructure policy will put in place a powerful European transport network across 28 Member States to promote growth and competitiveness. It will connect East with West and replace today's transport patchwork with a network that is genuinely European." The new policy establishes, for the first time, a core transport network built on 9 major corridors: 2 North–South corridors, 3 East–West corridors, and 4 diagonal corridors. The core network will transform East–West connections, remove bottlenecks, upgrade infrastructure and streamline cross-border transport operations for passengers and businesses throughout the EU. It will improve connections between different modes of transport and contribute to the EU's climate change objectives. The core network is to be completed by 2030. The availability of funding will depend on the successful conclusion of negotiations on the overall Multiannual Financial Framework (MFF) 2014-2020. Financing for transport infrastructure will triple for the period 2014–2020 to €26bn. This EU funding will be tightly focused on the core transport network where there is most EU added value. To prioritise East–West connections, almost half the total of the EC transport infrastructure funding – €11.3bn from the Connecting Europe Facility (CEF) – will be ring-fenced only for cohesion countries. The new core transport network will be supported by a comprehensive network of routes, feeding into the core network at regional and national level. The comprehensive network will ensure full coverage of the EU and accessibility of all regions. The aim is to ensure that progressively, and by 2050, the great majority of Europe's citizens and businesses will be no more than 30 minutes' travel time from this comprehensive network. Taken as a whole, the new transport network will deliver safer and less congested travel, as well as smoother and quicker journeys. The €26bn allocated to transport under the CEF of the MFF will effectively act as "seed capital" to stimulate further investment by Member States to complete difficult cross-border connections and links which might not otherwise get built. It is estimated that the cost of implementing the first financing phase for the core network for 2014–2020 will cost €250bn. The core network is to be completed by 2030. The core network will connect: 94 main European ports with rail and road links; 38 key airports with rail connections into

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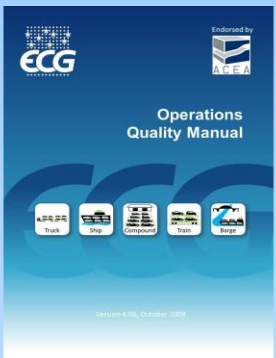

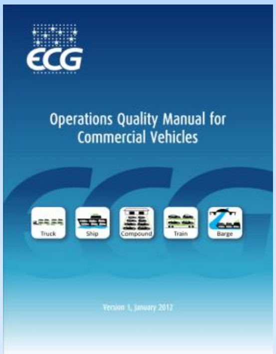

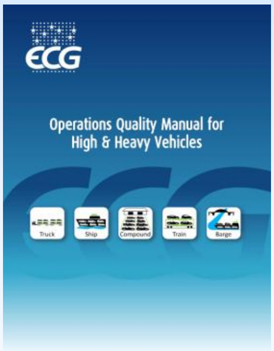

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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major cities; 15,000 km of railway line upgraded to high speed; 35 cross-border projects to reduce bottlenecks. This will be the economic lifeblood of the single market, allowing a real free flow of goods and people around the EU.

For further information and additional documents please see:
http://ec.europa.eu/transport/themes/infrastructure/news/ten-t-corridors_en.htm

EC decision to maintain maritime state aid guidelines

(Source: LloydsLoadingList.com, 28th August 2013) International accountant and shipping adviser Moore Stephens has welcomed a decision by the European Commission (EC) to keep in place in their current form the guidelines relating to state aid to maritime transport, which include EU tonnage tax regimes. The decision follows an EC review of the guidelines and has been formally communicated to the European Community Shipowners' Associations (ECSA). Sue Bill, a tax partner with Moore Stephens, said: "This is extremely good news for the European shipping industry which is facing severe competition from countries such as Singapore. It means they can now rely on a stable tax regime for the foreseeable future. It is understood that there are some outstanding issues relating to the guidelines which are still to be clarified. But it is believed that these are relatively minor points, and should not dilute the satisfactory overall conclusion of the review which had generated widespread interest and concern in the shipping industry."

Member States assess German damage to institutional trust

(Source: European Voice, 17th October 2013) Member States and Members of the European Parliament (MEPs) are assessing the damage done to the conduct of European Union business after Germany succeeded in undoing a deal that had been struck in June this year between the Council of Ministers and the European Parliament on limiting emissions from cars. The deal with MEPs was negotiated by Ireland, which then held the Presidency of the Council, based on the mandate given to it by Member States. That mandate was given by a weighted majority of the Member States. Germany was outvoted in its attempt to expand a "super-credit" scheme which would have made the emissions reduction target easier for its carmakers. However, Germany delayed a vote to give final approval to the deal, and in the meantime Angela Merkel, the German chancellor, lobbied Member States to reverse their position. At the last meeting of Environment Ministers, the UK, Poland, Hungary, Slovakia, Estonia and Portugal sided with Germany in saying they rejected the deal. The Eastern European countries are host to factories that make German cars. The UK was rumoured to have lent its support after Germany said it would side with the UK in its fight against regulation in the banking and financial sector. A spokesperson for the British government said the decision to withdraw support for the deal they originally backed was taken after a number of Member States raised concerns. "We are consulting other countries with a view to advancing our national interest," he said. Germany has denied making trade-offs. The deal approved in June would have required carmakers to reduce the emissions for their fleets to an average of 95 grams of carbon dioxide per kilometre (g/km), by 2020. The current target is an average of 130g/km by 2015. Initially, Germany had sought to expand a scheme that allows electric cars with low emissions to count more towards the average. That was opposed by both France and Italy, whose carmakers produce smaller, lighter cars than Germany's. But in recent weeks Germany had switched to lobbying for a simple delay in introducing changes, so that they would not apply until 2024. Andrea Orlando, Italy's Environment Minister, complained that the agreed negotiating mandate had been "approved by all of us by qualified majority." In the past, he said, Italy had had to make sacrifices when outvoted. Rebecca Harms, Co-President of the Green group in the Parliament, said: "Merkel has ridden rough-shod over the EU's democratic decision-making process by strong-arming other EU governments into reneging on this legislative agreement. What is the point of the EU's democratic legislative process if the German government can

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simply ignore the outcome and force through its will and its narrow national interest?" It is not clear that changes to the proposal will win the support of the European Parliament. Peter Altmaier, Germany's Environment Minister, said that he believed a solution could be found by tinkering with the existing deal so as to give the "required flexibility and competitiveness to protect the car industry in Europe." He said an agreement with MEPs should be found in the coming weeks that would not force the proposal into a second reading. But Connie Hedegaard, European Commissioner for Climate Action, said there was little room for manoeuvre with MEPs and that a 4-year delay would not be the kind of "limited" change acceptable to MEPs. Thomas Ulmer, the German centre-right MEP who is leading negotiations on behalf of the Parliament, said only marginal changes would be possible for a deal in first reading. Ed Davey, the UK's Energy and Climate Minister, warned: "We should be under no illusion about MEPs' reaction. We need to be realistic about the room for manoeuvre with the Parliament," he said, adding that Lithuania, which now holds the Presidency of the Council and will negotiate with MEPs, "can't do the impossible." Earlier this month, Angela Merkel's Christian Democrat Union (CDU) party revealed that the Quandt family, which owns 46.7% of BMW, had made a donation of €690,000 shortly after Germany's federal election.

MEPs resist vehicle noise limits

(Source: European Voice, 24th October 2013) Three-way talks on new vehicle noise limits seem to be heading down a cul-de-sac after Member States and the European Parliament tried to water down the European Commission's proposal. Talks will continue on Tuesday 5th November after an initial meeting earlier this month made little progress. The Commission proposed lowering limits from the current 74 decibels (dB) to 70 after 2 years, followed by a drop to 68dB after 5 years. The Council set the same limits but with an extended timeframe – no earlier than 2024. The Parliament's scenario would reduce the limits and extend the timeframe. Analysis conducted last September by TNO, a research organisation, found that the Commission's proposal would reduce overall noise levels by 3.4dB; the Council's would reduce levels by 2.6dB, and the Parliament's by 1.9dB. Miroslav Ouzký, a centre-right Czech Member of the European Parliament (MEP) guiding the legislation through the Parliament, found himself at the centre of a scandal in 2012 when it was discovered that in the compromise amendment document he submitted to weaken the limits, a representative of German car manufacturer Porsche was listed as the author. Germany has been lobbying for less stringent noise limits, particularly for sports cars.

AUTOMOTIVE INDUSTRY

Europe's new-car sales likely to grow 2.5% in 2014, study says

(Source: Automotive News Europe, 18th October 2013) European vehicle sales are likely to grow in 2014 for the first time in 7 years, though unemployment and the lingering impact of sovereign debt problems will limit the extent, a think tank affiliated with Hyundai Motor Group said. European vehicle sales will rise 2.5% to 13.87m units next year, the Korea Automotive Research Institute said in a report. The rise compares with a forecast decline of 3.8% to 13.53m this year. The report said Chinese demand is likely to push global vehicle sale growth to 4% next year from 3% this year.

Bo Andersson expected to become Head of Avtovaz

(Source: Automotive Logistics News, 22nd October 2013) Former General Motors' Purchasing Executive Bo Andersson is tipped to become the first foreign President of Russian carmaker Avtovaz. Andersson has been nominated to succeed Igor Komarov, who resigned last week. Komarov has managed the company since 2009 and was credited with pulling the OEM back from the brink

ECG AGENDA

► **ECG UK & Ireland Regional Meeting** on **29th October 2013** in Birmingham, UK

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

► **ECG office closed** on **11th October 2013**

► **ECG Maritime & Ports Working Group** on **7th November 2013** in the Port of Marseille Fos, France

► **ECG Board Meeting** on **28th November 2013** in Munich, Germany

► **ECG Russia Regional Meeting** on **5th December 2013** in Moscow, Russia

► **ECG Spring Congress & General Assembly** on **22nd & 23rd May 2014** in Athens, Greece

of collapse. The Avtovaz Board is expected to confirm the decision during a vote in early November this year. Oleg Lobanov, Avtovaz's Vice-President for Finance, will serve as acting Chief Executive Officer until a replacement is found. Avtovaz became majority-owned by the Renault Nissan alliance in December 2012, when the carmakers and the Russian Technologies State Corporation became shareholders and owners of the Lada brand. The alliance has said that it intends to take full control of the Russian OEM by mid-2014. Swedish-born Andersson has served as Chief Executive Officer of Gaz, the Russian bus and truck maker, for the past 4 years. Prior to this appointment, Andersson was the Head of General Motors' Global Purchasing, Logistics and Supply Operations. Andersson has been credited with a dramatic turnaround at Gaz since taking over in 2009, after the company lost 30bn roubles in 2008. By 2010, the manufacturer earned 2.1bn roubles, as Andersson slashed costs and improve productivity. After shutting down the company's passenger car operations, Gaz acquired contracts to manufacturer vehicles for Daimler, General Motors and the Volkswagen Group. Andersson also brought his strong focus on logistics and supply chain at the commercial vehicle manufacturer. Firstly, he repaid outstanding supplier debts, and later focused on improving supplier performance. Under Andersson, Gaz also revamped its order-to-delivery system, including a switch to order-based manufacturing. At this year's Automotive Logistics Europe conference in March, Andersson spoke via video-link from Gaz's Nizhniy Novgorod plant about the need for detailed and achievable growth plans. When he arrived at Gaz in 2009, Andersson instigated such a plan and cited the goals of negative cash flow, a 10% profit margin and improved quality and sales. Although Renault Nissan has been investing in modernising Avtovaz in recent years, including a shared production line at plants in Togliatti and Izhevsk, the carmaker is still likely to improve productivity, invest in modern equipment and possibly reduce its headcount. The carmaker reported losses in the first half of 2013, while Lada sales have declined by 14% in the first 9 months of this year compared to 2012. Despite this, sales in Russia are forecast to increase over the coming years, and Russia is expected to surpass Germany as Europe's largest market later in the decade.

GM, PSA to scale back alliance

(Source: Automotive News Europe, 23rd October 2013) General Motors and PSA Peugeot Citroën are scaling back their alliance as the French carmaker pursues an investment by China's Dongfeng and the US automaker seeks greater control of its destiny in Europe. PSA said a planned joint platform for sub-compact cars at the heart of the alliance was likely to be cancelled. "Further analysis showed that the business model just wasn't there," a PSA spokesman said. Previously announced mid-term synergies of $1bn for PSA from the alliance may be readjusted downward, the company said in a statement on its quarterly results. The plan to replace the Peugeot 208, Citroën C3 and Opel Corsa sub-compact models with a common small car was "absolutely key" to the partnership, Barclays' Analyst Kristina Church said. "It certainly seems GM has no focus on the alliance with Peugeot any more. They don't want to be partnered with a struggling company, and they have alternative methods to turn things around," Church said. PSA Spokesman Jean-Baptiste Thomas said that the alliance with GM is going on as scheduled. "We have other projects under review. Some projects are not economically feasible, which is why they are dropped, but we're taking the projects one-by-one and examining their economic feasibility first," he said. PSA announced earlier this month plans to shift production of a compact minivan to a GM factory in Spain. GM's Opel unit will build a new generation of a jointly-developed small minivan at its Zaragoza factory, starting in late 2016. "We are moving forward with the implementation of the projects which have already been agreed upon," Ulrich Weber, a GM spokesman, said. The announcement leaves the alliance with joint purchasing and 2 joint vehicle programmes. Projects are underway for the joint development of compact minivans and crossovers, PSA said. These projects have survived from about 40 projects initially floated,

Events in Brussels

Logistics Conference 2013: "Logistics in 2030 – Challenges and way forward" by the European Commission DG MOVE on 7th-8th November 2013
http://eulogisticsconference2013.com/
ECG will attend

European Logistics Summit, by the Alliance for European Logistics on 27th November 2013
http://www.logistics-summit.eu
ECG will attend

4th Intelligent Transport Systems Conference, by the European Commission DG MOVE on 2nd December 2013
http://ec.europa.eu/transport/themes/its/events/2013_12_02_its_conference_en.htm
ECG will attend

Transport Policy Event: "The Truck of the Future: Innovative, fuel-efficient, safe" by ACEA – The European Automobile Manufacturers' Association on 5th December 2013
http://truckofthefuture.eu/
ECG will attend

said PSA Programmes Chief Jean-Christophe Quemard. The company said the joint purchasing organisation's first results had achieved savings of around €60m this year. The slow financial impact of its alliance with GM puts additional pressure on PSA to find new partners amid its cash crunch. The company plans a capital increase of at least €3bn, with Dongfeng and the French state possibly each taking stakes of about 20%. GM may pull out of the alliance should Dongfeng purchase a holding in PSA because GM works with rival SAIC Motor in China. GM has the option to terminate the partnership if there is a change in control of the French carmaker. As soon as it became clear that PSA is talking to Dongfeng, the alliance with GM was under watch, said Juergen Pieper, Analyst at Bankhaus Metzler. "It doesn't mean the beginning of the end, but it's sensitive as GM has high ambitions in China and has different partners," he added. The loosening of ties signals GM's renewed commitment to manage its own European turnaround independently, following in domestic rival Ford's footsteps. Around the time it partnered with PSA, GM was still wavering over the future of its European division Opel. But after several high-level executive departures and a deal with unions to close its inefficient Bochum plant in Germany, GM appears to have settled on a new course. In March this year, it hired former VW executive Karl-Thomas Neumann as its new Europe chief, and within 4 months announced a partial transfer of the Opel Mokka compact SUV production from Korea to Spain. Neumann recently scored another victory by bringing GM's profitable Russian operations under his remit. GM is also stepping up efforts to win economies of scale by using its own vehicle platforms globally. PSA said its third-quarter revenue fell to €12.11bn from €12.58bn in the year-earlier period. The carmaker has continued to lose European market share this year to Volkswagen and other major competitors. A 5.8% revenue decline to €8bn at the core auto division reflected "growing pressure on market shares from premium and low-cost brands," PSA said, as well as a negative currency effect, mainly attributable to the Russian rouble, Brazilian real, Argentine peso and British pound. The company reiterated a target to cut cash consumption by at least 50% this year after burning through €3bn in 2012.

Toyota, PSA foresee output decline at Czech plant

(Source: Automotive News Europe, 23rd October 2013) Toyota and PSA Peugeot Citroën are likely to build about 200,000 vehicles at their joint plant in the Czech Republic this year, down from 215,000 in 2012. The partners build the Toyota Aygo, Peugeot 107 and Citroën C1 models at the factory in Kolin. Production reached a record 332,489 vehicles in 2009 but has since declined. European sales of all 3 models have been falling in 2013 as Europe's economic problems continue to depress demand for new cars. Peugeot 107 sales fell 22% in Europe in the first 9 months of the year, while sales of the Citroën C1 and Toyota Aygo each dropped 12%, according to market researcher JATO Dynamics. "Currently we are expecting production at up to 200,000 this year," factory Spokesman Radek Knava said. "The situation for the small-car segment is that volumes are decreasing," he said. Knava added that 2013 could be the bottom of the cycle, and that output was likely to be steady or slightly higher next year.

Audi A3 Cabriolet rolls off the Hungarian line

(Source: Automotive Supply Chain, 17th October 2013) Audi has invested a total of more than €900m in buildings and equipment at its Győr site, Hungary, which produces the A3 Sedan and the next generation of the Audi TT Coupé and TT Roadster. "Production of the new A3 Cabriolet is another step in expanding our production capacities in Győr to 125,000 automobiles each year. For many years, our Hungarian plant has convinced our customers with premium-quality cars. This is possible thanks to a flexible team with great expertise," stated Dr Frank Dreves, Board of Management Member for Production of Audi AG. Between 2007 and 2013, Audi Hungaria built a total of approximately 63,000 units of the predecessor model in Győr, in conjunction with the Ingolstadt plant in Germany. Győr is the most important city of northwest Hungary and is situated on one of the important

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roads of central Europe. “With this model, Audi is creating a new highlight in the premium compact segment. Audi Hungaria stands for efficient working processes, an excellent infrastructure and highly qualified employees, who have already gained great experience with the assembly of the previous model,” said Gerd Walker, Director of Automobile Production at Audi Hungaria. The Audi A3 Cabriolet will be available in the European market next spring.

EUROPE

German cars can finally reach Piadena by train

(Source: Ship2Shore, 21st August 2013) Maximilian Altmann confirmed that **ARS Altmann** successfully operated a pilot-train in the new Piadena-based terminal, where the German logistic operator established one of its 2 Italian hubs. The new rail shuttle of TX Logistik reached the car terminal on its longer track: 800 metres – 2 other tracks, 300 and 400 metres-long are also available. The 32-year old manager recalled having moved to Italy when he was 2 years old, when his father Helmut established his business in Lonato-Brescia, importing BMWs to Italy. He subsequently studied at Milan Bocconi University “I’m the son of a self-made man who originally founded a forwarding company in 1975 holding no assets; only in 1982 he managed to purchase some business property and in 1984 the company established its headquarter in Wolnzach,” reports the young manager born in Munich province and currently running 2 companies in Italy as sole CEO. An unrestrained growth definitely induced by one of the most renowned German brands turned the small group into a €250m annual sales giant with 1,000 staff, 21 logistics sites in 5 countries – Russia, Poland, Italy, Romania and the Czech Republic – covering over 3m square-metres and shipping 1m cars per year. The first logistics sites of the group were established in1992. ARS Altmann originally delivered BMWs from German factories to Turin through Ulm, boarding Fiat and Iveco vehicles on their turnaround trips. The group joined partnership with Autogerma, specialised in import of German vehicles, whereas establishing SITAP (Società Italiana Trasporto Auto Padova) which came to an end in 1992 when Volkswagen bought out majority shares and took care of the distribution of its cars in Italy. “Therefore my father’s group turned to Monfalcone, collecting and distributing Maruti Suzuki vehicles from India; the new business, developed in joint venture with Bugatti, continued until 1995. For the time being, the Monfalcone quay is managed by **Grimaldi**,” says Mr Altmann, adding that in 1997 they launched an on-property logistic hub in Lonato; a 140,000m^2 area served by rail and managed in concession by **Bertani Autotrasporti**, collecting all BMWs destined to the Italian market. Last but not least, there is the new Piadena terminal; an application was submitted in 2009 and the final green-light from local administrations has just been received. German patience has won and the plan, including a terminal to collect and store vehicles delivered from Germany by train before final distribution to the Italian market, has finally started. The €15m investment includes the construction of 700 metres of new rail tracks. “Overall the on-property area will spread over 226,000m^2, 50% of which covered and provided with photovoltaic panels. We are currently engaged on 2 tenders aiming at handling 200,000 cars per year. The car terminal will receive our trains on the Bremen-Frankfurt-Munich-Brenner-Verona link. In Munich we don’t use the traditional Riem terminal but we hire a terminal in the North,” reports Mr Altmann. “We deploy 2,300 car-carrier wagons – 700 of them sheltered – in the whole European fleet, and we have lately commissioned a further 400 to US Greenbrier. We also have 400 trucks due to become 500. We buy Iveco, MAN, Mercedes-Benz tractors with **Lohr** and **Rolfo** equipment and our state-of-the-art fleet is under 3 years of age,” concludes Altmann.

Fresh air at Leghorn-based Autotrade & Logistics

(Source: Ship2Shore, 21st October 2013) Leghorn-based automotive logistics operator **Autotrade & Logistics** and distributors Koelliker SpA will now share the same CEO, Luca Ronconi, who will replace Cesare Tambussi who left 11 months ago. New General Managers reporting to Mr Ronconi have also been appointed: Roberto Comini for commercial matters and Marco Armosino for operations. Mr Armosino comes from Ancona-based Trasporto Autovetture Adriatico (TVA), a company controlled by Autotrade & Logistics. TVA carries cars with its own 60-trucks' fleet and has a 15% share of the Italian market. It was absorbed earlier this year by Autotrade & Logistics but it kept its TVA brand on its transporters – 4 Mercedes tractors with **Lohr** trailers recently entered the fleet. Meanwhile, the company organised the shipment of Daily vans from Iveco's plant in Suzzarra to the yard. Their delivery to final customers is entrusted to operators **Bertani** and Mercurio. At the same time, the issue of the costly Faldo logistic centre near Leghorn, with its €2.5m capital owned at 40% by Koelliker and at 60% by Leghorn terminal operator Cilp, is still pending, as no serious buyer is coming forward. Last June, the facility inaugurated a new internal track linked to the public railway and used by trains carrying Hyundai and Kia cars built in Eastern Europe, and to be delivered by road to the Italian, Spanish and Portuguese markets. Besides, the Faldo centre also receives new Fiat-Chrysler cars shipped across the Atlantic Ocean.

Shared Logistics Centres provide additional capacity for DB Schenker

(Source: Automotive Supply Chain, 23rd October 2013) **DB Schenker** has embarked on a plan to open more than 30 Shared Logistics Centres (SLC) worldwide in the next 5 years, resulting in approximately 500,000m^2 of warehouse space. The initiative started in 2012, with 8 shared logistics centres already in various stages of operation or commissioning, targeting selected markets as a basis for on-going growth and development of the target industries, including Automotive. In addition to consolidation of existing sites in the United States, China, the Netherlands, Sweden, Turkey, South Africa and Dubai, and investments in facilities to support customer-specific operations, the SLC programme will provide additional capacity. "With our Shared Logistics Centres strategy, we will offer our customers the flexibility to cater for their changing business needs in terms of seasonality and volume fluctuation, room for growth through scalable modern facilities, and to deliver synergies resulting from sharing of resources and assets, without sacrificing on service levels," said Rob Walpole, DB Schenker's Head of Logistics and Supply Chain Development. "In many of our chosen locations, it gives us the opportunity to integrate our customer's distribution needs through a single service provider, to reduce overall supply chain costs and support market entry into developing markets for clients. The facilities will be located in strategic locations close to transportation hubs and in markets where customer demand is foreseen in the medium to long term," Walpole added.

The Port of Rotterdam receives LNG boost

(Source: Transportintelligence.com, 18th October 2013) The Port of Rotterdam Authority has announced that 2 European subsidy applications relating to liquefied natural gas (LNG) have been granted and therefore the European Union (EU) is supporting the development of a Rotterdam LNG hub. It involves a subsidy of €40m for LNG infrastructure for the Rhine-Main-Danube area and a €34m subsidy for the LNG break-bulk terminals in Gothenburg and Rotterdam. The company stated that together, the projects will create a logistics chain for LNG; the first in Europe. A statement from the Port Authority said: "The Port Authority wants to make Rotterdam the most sustainable port of its kind and sees LNG as a way of substantially reducing emissions from shipping. The subsidy is in line with the Port of Rotterdam Authority's endeavour to fully develop the market for LNG as an alternative fuel and to open an LNG hub in Rotterdam before the end of 2015. In order to achieve this, the Port Authority is investing in infrastructure; it is closely involved in putting the necessary international policy and regulations in place and is investing in co-operation with relevant partners. The 2 subsidies were also the result of close co-operation with other international parties." The subsidy represents a considerable boost for the Rotterdam LNG hub, but by no means all the cash will benefit the Port of Rotterdam specifically. For instance, 33 partners are involved in the LNG Masterplan for the Rhine-Main-Danube corridor. The project is co-ordinated by "ProDanube". The Port Authority is co-ordinator for the Rhine corridor. The Ports of Antwerp, Strasbourg, Mannheim and Basel, and a few private parties, are also involved. The subsidy for the break-bulk terminals relates to a joint venture between the Ports of Gothenburg and Rotterdam. Via the break-bulk terminals, it will shortly be possible to supply LNG to the bunker market in northwest Europe as well.

Spanish rail studies and works to improve interoperability merit EU co-financing

(Source: TEN-T EA, 16th October 2013) The European Union will co-finance, with a combined total amount of over €72m from the TEN-T Programme, 2 projects to plan and implement rail track changeover to improve the interoperability of an important stretch of the Mediterranean rail corridor in Spain. The first project, selected for just over €4.8m of funding under the 2012 TEN-T Multi-Annual Call, concerns first phase studies. Spanish

railways use the broader Iberian gauge – the distance between railway tracks – which means that Spanish convoys cannot directly connect to France and the rest of Europe where the standard European UIC gauge is used. Converting the Spanish railway network to the more widely used gauge is hence of the utmost importance. These studies will address the final design for the implementation of UIC gauge on the rail section between the Castellbisbal hub – located northwest of Barcelona – and Murcia. The section will ultimately have 340km of double track and 230km of single track. The outcome of the studies will serve as the basis for the actual works to start. The second project, also supported by the TEN-T Multi-Annual Programme to the tune of €68.1m, consists of works to implement UIC gauge on a portion of the rail network. The concerned section is located between Castellbisbal and Nud de Vilaseca near Tarragona. The works cover the necessary adaptations on the installations and line elements for the operation of 750 metres-long trains in mixed Iberian/UIC gauge. They will be carried out along 90km of double track and 7km of single track, allowing the access to the Port of Tarragona in UIC gauge. The project will contribute to fostering interoperability in the Spanish rail network, ultimately making rail transport more economically viable for commercial operators. Both initiatives will be monitored by the Trans-European Transport Network Executive Agency (TEN-T EA) and are set to be completed by 2014 and 2015 respectively.

HGV restrictions in the UK

*(Source: LloydsLoadingList.com, 21st October 2013) "*Campaign for Better Transport" and the Technical Advisers' Group (TAG) have written to the British Transport Secretary, Patrick McLoughlin, to urge him to introduce designated Heavy Goods Vehicles (HGVs) routes within towns and cities to protect pavements and property, reduce the risks to more vulnerable road users and ease the financial burden on local authorities. There is already a significant problem with lorries causing damage to pavements, street furniture and parked cars when negotiating urban roads, as well as the danger to pedestrians and cyclists. The letter points to the UK government's own tests which showed that the new longer lorries, which are up to 18.55 metres-long, have a greater tail swing, increased driver blind spots and inferior manoeuvrability. The letter also highlights the lack of research into the additional costs to local authorities, and ultimately taxpayers, from damage caused by these longer vehicles at a time of reduced local authority budgets. Campaign for Better Transport's Philippa Edmunds said: "The freight industry needs access to their depots on urban roads within towns and cities to be able to function efficiently, however many urban junctions would simply not be able to accommodate these vehicles, forcing them to mount kerbs, traffic islands or enter adjacent lanes when turning. Therefore, it is imperative that the longer HGVs are restricted to designated local authority routes agreed by the local authority and the operator." Secretary of TAG National Transport Committee, Martin Sachs, said: "We are looking to work with the Department for Transport to find a way to minimise the impact of the introduction of longer trailers particularly off strategic roads. We need to ensure that there are no increased risks to the safety of other road users, and that roadside property and highway infrastructure are protected. We need to ensure the costs of these measures are borne by the industry, which will benefit from the introduction of longer trailers, as highway authorities have no slack in their budgets."

Industry may invest in "redundant" training if Driver CPC is standardised

(Source: Commercialmotor.com, 17th October 2013) The UK's Freight Transport Association (FTA) has warned against allowing the European Commission (EC) to dictate what drivers should be trained in, otherwise the industry may risk investing in "redundant training". In response to the Driving Standards Agency's (DSA) consultation on the Driver Training directive, which closed on Wednesday 16th October, Head of Road Freight and Enforcement Policy James Firth said "training should be defined by the industry, rather than politicians." He also warned that any changes that the EC may be planning could have an impact on existing Driver Certificate of Professional Competence (CPC) courses. "The problem with one-size-fits-all is it usually becomes one-size-fits-nobody-very-well. If the specific training content is defined by politicians – either in Brussels or Westminster – we run the risk of every driver investing time and money on redundant training," Firth said. He said the FTA believes that the UK government was "right to implement a flexible interpretation of the requirements" when Driver CPC started. "But it means that any changes to the directive which the Commission may be planning will have a direct impact on training courses on the ground," he added. The association is preparing a submission to the EC on the subject, on behalf of the UK government. The DSA's consultation sought the industry's views on proposals such as standardising Driver CPC training across Europe, using it to regulate young people's access to driving Large Goods Vehicles (LGVs) and which drivers should be covered by Driver CPC in future.

REST OF THE WORLD

CDN supplies vinDeliver to US carrier market

(Source: Automotive Logistics News, 23rd October 2013) Car Delivery Network (CDN), which provides electronic proof of delivery (ePoD) services through its cloud-based transport management system to the finished vehicle sector, has announced 2 recent adoptions of its technology. US car carrier, Hansen and Adkins Auto Transport, has chosen to connect CDN's mobile ePoD app, called vinDeliver, to its transport management system. CDN said it will allow the carrier to complete the vehicle delivery process electronically, by using Android-enabled devices, while meeting its customers' standards. In a second development, ATAdvantage, a supplier of transport management systems to a range of US automotive hauliers, has announced the availability of the vinDeliver ePoD software via their ATLinks tracking application. Customers of ATLinks include Ford, General Motors, Chrysler, Kia, Honda, Hyundai, Nissan, Volkswagen and Audi. The vinDeliver app allows drivers to collect data to comply with ePoD standards established by the **Automotive Industry Action Group** (**AIAG**) using Android or iOS devices. The data collected includes electronic images of each vehicle and can instantly be made available to shippers and the carrier.

Services resumed after 3-day strike at Baltimore

(Source: Automotive Logistics News, 23rd October 2013) The Port of Baltimore has resumed operations after workers went on strike for 3 days last week. Members of the International Longshoremen's Association (ILA) Local N°333, the port's largest local ILA chapter, had joined 3 other unions representing port workers, protesting a contract that covered such issues as workplace safety. Negotiations broke down on Tuesday 15th October, and though the other unions had agreed to local contracts, they stopped work in solidarity. All workers returned on Friday 18th October, possibly because of intervention from the Steamship Trade Association of Baltimore, which cited a no-strike clause it claimed Local N°333 was violating. There are 4 local ILA branches, which have a combined representation of 1,200 employees. Port authorities guaranteed the resumption of services at the port by enforcing a 90-day "cooling-off" period while a new local contract is drawn up. Although the workers resumed the handling of Ro-Ro, agricultural and heavy construction equipment, they did not immediately restart on vehicles or break-bulk cargo, although the union stated it did plan to end its strike there on Friday. There were obvious concerns accompanying the strike, with carmakers globally having to re-think routing operations across the US East Coast shipping lanes. It is estimated that at least one vessel, the *CCNI Antofagasta*, sailed from Baltimore to Charleston without unloading its cargo. Other ships were forced to wait while negotiations took place at the port. Baltimore is the eleventh largest port for cargo in the US, and handles more than 30m tonnes of cargo annually. "We now have the opportunity to straighten out any and all disputes so that the Port of Baltimore will not lose any of the businesses that had threatened to leave," said Helen Delich Bentley, a former Maryland representative, who has been a long-time adviser to the port.

Autos roll in Lázaro

(Source: WorldCargoNews.com, 18th October 2013) SSA Mexico has commenced auto handling operations at the Port of Lázaro Cárdenas in Mexico. On Friday 4th October, SSA Mexico loaded Mexican-produced cars on board the NYK *MV Talia* for export to Latin American countries. "This marked the commencement of operations which will later involve the construction and operation of a major Ro-Ro facility in Lázaro Cárdenas. The new terminal will be one-of-a-kind in Mexico, offering 600 metres of waterfront, 2 berthing positions dedicated to Ro-Ro vessels, 42ha of storage yard, and an array of vehicle services," SSA Mexico said in a statement. Auto production in Mexico is increasing rapidly with Nissan, Honda, Volkswagen and Mercedes all opening new plants recently. Much of this production is currently exported to the US and Canada by rail, but Lázaro Cárdenas has ambitions to become "the centre of Mexico's vehicle handling operations as well as a hub for this activity along the Pacific Coast."

Ford to expand Chinese operations to meet domestic demand

(Source: Automotive Logistics News, 23rd October 2013) Amidst ever-climbing sales figures in the Chinese market, Ford is likely to expand its projects and production platforms in China, said David Schoch, President of Ford's Asia Pacific region. The automaker's presence in the ASEAN region included 14 vehicle assembly and powertrain plants in 2012. By 2015, this figure is expected to grow to 24, 7 of which – for new assembly and engine plants – are in China. By 2020, the global automotive industry will reach approximately 109m vehicles, 32m of which are expected to be sold in the country. Schoch said that the OEM needed more capacity to cope with this growing demand. He said that the company was considering expansion passed the initial mid-decade plan. "I'm pleased with the progress we're making. I'd like to be going faster," he said. Ford has 5 assembly and powertrain plants under construction in ASEAN countries. This will push Ford's installed capacity to 2.9m units by

2015, although with China's car sales set to increase, the OEM may need to cast the net wider to meet demand. Until September of this year, Ford's sales in China were up 51% from last year, with more than 600,000 cars sold. Although General Motors and Volkswagen currently sell the most vehicles in the country, new dealerships for the Lincoln luxury brand, expected in 2014 in the eastern cities of Beijing, Shanghai and Guangzhou, may help to narrow the gap between them.

PRESS RELEASES

IRU opens Permanent Delegation to the UN

(Source: IRU, 24th October 2013) The International Road Transport Union (IRU) inaugurated its Permanent Delegation to the UN in New York on Wednesday 23rd October, bringing it one step closer to establishing an on-going dialogue and co-operation with the UN Secretariat, UN country missions and various UN specialised agencies, based on common economic, social and environmental goals.

The Delegation will serve to share with the UN Headquarters – and through it, every region of the world – the IRU's more than 65 years of experience and expertise in facilitating and securing trade and international road transport, and the vital role that road transport plays in addressing global issues, as the driving force of regional integration, peace and stability.

IRU President, Janusz Lacny, and IRU Secretary General, Umberto de Pretto, opened the ceremony by addressing the role of road transport in the globalised economy. High level UN representative, Dmitry Titov, UN Assistant Secretary General, Department of Peacekeeping Operations, discussed the role of road transport in addressing challenging issues, particularly the recently implemented IRU-United Nations Mine Action Service (UNMAS) project Demining Afghanistan.
The inauguration of the IRU Permanent Delegation in New York was actively supported by the Permanent Representatives of Tajikistan and Georgia, as well as the International Chamber of Commerce (ICC) and UN Global Compact, with whom the IRU is engaged in various joint projects aimed at promoting international road transport.

The new Permanent Delegation will be headed by IRU Under-Secretary General, Igor Rounov, who has worked since 2001 as Head of the IRU Permanent Delegation to Eurasia and is well-known in the international business and diplomatic community.

Commenting on the new Delegation's medium-term objectives, Mr Rounov said: "True to the IRU's motto of 'Working together for a better future', we will work to achieve this by building strong partnerships with the UN and all stakeholders. We will also work to promote innovative IRU projects, such as the Model Highway Initiative to develop ancillary infrastructure, our Smart Move campaign to double the use of collective passenger transport, and other initiatives to further increase road safety and effectively fight corruption."

The IRU Permanent Delegation to the United Nations complements IRU Delegations based in Brussels, Moscow and Istanbul, and will serve to co-ordinate the implementation of the IRU's working programme and priorities on a global and regional level. The offices are based at 5 Columbus Circle, 1790 Broadway, which is 1.9 miles away from the UN Headquarters.