ECG News

ECG – The Association of European Vehicle Logistics

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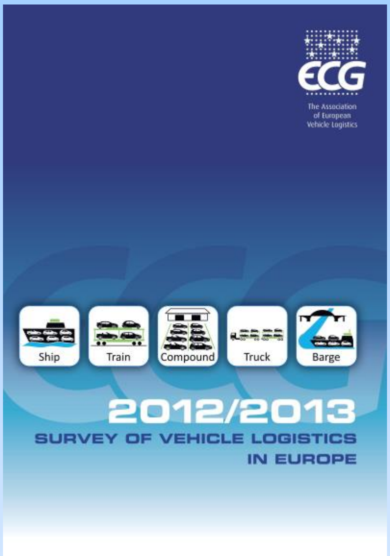

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NEWS FROM BRUSSELS

ECG Maritime & Ports Working Group visits Marseille

*(Source: **ECG**, 07th November 2013)* This week ECG visited the ports of Marseille following a long-standing request by several of the members of the Maritime & Ports Working Group. Such was the level of interest in visiting the two ports of Marseille and Fos that a record 23 people participated in the day. Following a networking dinner the evening before the visit was hosted by Guillaume Briola of the Marseille-Fos Port Authority who made a presentation of the facilities and, following an internal ECG meeting, took the members on a tour of the two ports. Lunch was provided at a unique building in Fos with views overlooking the enormous port area. In the photograph you can see some of the members of the group here studying a model of the port. The next meeting of the group will be via webinar in February and after that a visit to Le Havre is planned at the invitation of ECG member **HAROPA Ports**. If you wish to participate in future meetings of this group please contact Oleh Shchuryk in the Secretariat.

MEPs wary of "mega-lorry" rules

(Source: European Voice, 31st October 2013) Members of the European Parliament's (MEPs) Transport and Tourism Committee (TRAN) are likely to put the brakes on a proposal to allow so-called "mega-lorries" to cross borders in Europe, citing safety and environmental fears. On Tuesday 5th November, the Committee has debated a report by Jörg Leichtfried, a centre-left Austrian MEP, that opposes a European Commission proposal to allow existing extra-large lorries to cross borders between EU Member States. Under EU law, lorries cannot be longer than 18.75 metres or heavier than 40t – with cargo. But Member States have been allowed, as part of temporary trials, to exceed those limits – and, since 2012, allow mega-lorries to cross national borders. The Commission wants this to become the norm. Sweden, Finland, the Netherlands and some German states are all conducting trials. But environmental campaigners fear that changing the law would put pressure on other countries to accept mega-lorries. The change is part of a proposal to modify rules for lorries in a bid to make them more fuel-efficient. These changes enjoy support from environmental campaigners and from manufacturers. Existing limits on vehicle length discourage more aerodynamic design. Leichtfried's report says that allowing the lorries to cross borders would contradict the goals of the Commission's Transport White Paper, which calls for a modal shift from road to rail for freight transport. Leichtfried is concerned that some of the Commission's proposed changes could make lorries too large to be loaded onto trains. Mathias Groote, a centre-left German MEP who chairs the Parliament's Environment Committee (ENVI), last year wrote to Siim Kallas, the European Commissioner for Transport, objecting to the original change in legal interpretation to allow the oversize lorries.

Sweden: Did mega trucks lead to modal shift?

(Source: Nomegatrucks.eu, 04th November 2013) The dispute between supporters and opponents of mega trucks goes to the next round. In good time for the European Parliament's Transport and Tourism Committee's meeting on Tuesday 5th November – where mega trucks are on the agenda – the association of international Swedish hauliers has written a letter to the Parliamentarians. In the letter it says: "In Sweden longer and heavier EMS-trucks have already been used for over 15 years. At the same time, the performance of rail transport in our

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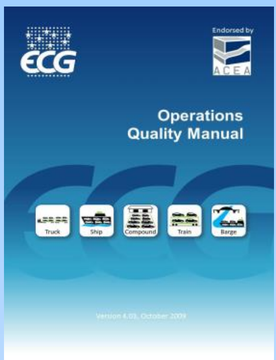

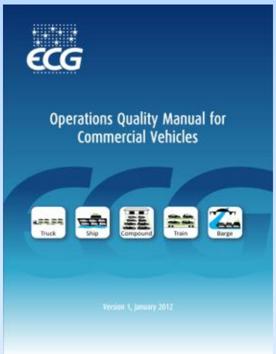

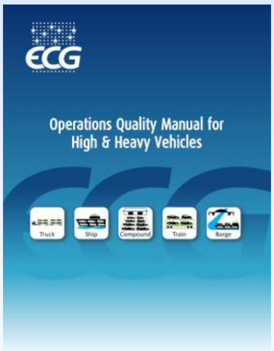

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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country is one of the highest in Europe and we cannot observe any disturbance on the market share of each transport mode.” The reason behind this latest effort by the Swedish truck lobby is a presentation by Pro-Rail Alliance Director, Dirk Flege, during an official hearing on Tuesday 17th September in the European Parliament. Thereby Flege used actual figures from the Swedish transport statistics to point out the different development of market shares after Sweden raised the truck weight to 60t. Accordingly the market shares of trucks and railways proceeded mirror-inverted. While road transport gained 6.5% between 1990 and 1999, the railways lost nearly 4% market share. This meant a historic low of less than 30% market share for rail freight while road transport reached a historic high of more than 58%. In its own studies, the Royal Institute of Technology in Stockholm came to similar results.

ECG Note: *For the presentation and studies which the above article refers to, please see: http://www.nomegatrucks.eu/news/2013/sweden-did-mega-trucks-lead-to-modal-shift/. ECG has received a copy of the open letter in question, if members are interested they can request it via the ECG Secretariat. In order to bring balance to this intensifying debate, please see the IRU press release under the “Press Releases” section of this issue as well. Last but not last, in the meanwhile ECG has updated its own position paper with regards to the current Weights & Dimensions review – it is available at: http://www.ecgassociation.eu/publicationsreports/ecgpositionandbriefingpapers.aspx.*

Vehicle noise limits to be delayed by 7 years

(Source: European Voice, 06th November 2013) Members of the European Parliament (MEPs) and Member States reached a deal on Tuesday 5th November which would weaken a European Union proposal to reduce the allowable amount of noise vehicles can emit. The agreed position would delay the deadline for the new noise limits to 2027, compared to the deadline of 2021 proposed by the European Commission. The agreement would reduce noise levels by 2.6 decibels (dB), compared to the reduction of 3.4dB called for in the original proposal. EU vehicle noise limits were first set in 1970, and were last revised in 1996. The current limit is 74dB. Under the deal, the law would be rolled out in 3 phases. By 2017, carmakers will have to begin using a new test for vehicle noise that will take better account of real-world driving conditions. In the second phase, noise will have to be reduced by 1-2dB by 2021-23 for some categories of vehicles, with different deadlines for different categories. By 2027, all vehicles will have to meet the 2.6dB reduction. The deal still needs to be approved by the Parliament's Environment Committee (ENVI), where it could still be undone. Green transport group Transport and Environment (T&E) blasted the deal, saying both MEPs and Member States had given in to motor industry lobbying. “Because the standards will only apply to new vehicles in 15 years' time, the full benefits from these updated noise standards won't be heard for almost 30 years,” said Cécile Toubeau, a campaigner with the group. A report commissioned for the Irish EU Presidency earlier this year found that while the Commission's proposal would have provided a societal benefit of around €190bn, the agreed deal, which closely resembles the Council's position, would provide a benefit of €123bn. In contrast, the total cost to the industry for the 2013-40 period under the Commission proposal would have been €7bn and now the agreed position will cost around €5.7bn. German Liberal MEP Holger Krahmer, who is a shadow Rapporteur on the file, defended the deal reached in trilogue. "I will defend the package," he said. "The annex is reasonable and leads to significant noise emission reductions from traffic. The Commission confirmed that as well." Miroslav Ouzký, the centre-right Czech MEP who led negotiations, found himself at the centre of a scandal last year 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.

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AUTOMOTIVE INDUSTRY

European carmakers gain ground in recovering euro-zone

(Source: Euractiv.com, 05th November 2013) Car sales in France, Spain and Germany picked up in October driven by a surge in demand for compact vehicles, signalling a cautious rebound spurred by an economic recovery in the euro-zone. The figures provided fresh evidence that the industry is recovering after European car sales slumped to their lowest 6-months total in 20 years in the first half of 2013 as automakers suffered from the effects of record unemployment and government austerity measures in the euro-zone. New car registrations in Germany, the biggest EU auto market by sales, rose 2.3%, to 265,441 cars in October, compared with the same month last year. France, the third-biggest EU market, advanced 2.6% to register 166,515 new cars, while new car sales in N°5 market, Spain, surged 34.3% to 60,301 cars, buoyed by a package of government incentives. However in Italy, the fourth-biggest EU auto market, car sales continued their slump, falling 5.58% in October to 110,841 vehicles due to a weak economy and tight credit conditions. Business surveys released on Monday 04th November showed factory production in the 17-nation euro-zone accelerated in October, getting close to August's 26-month high. Healthy growth in Germany, Europe's biggest economy, pulled the troubled region out of its longest recession in the second quarter. In Germany, compact cars accounted for 26.9% of new registrations, with Volkswagen up 1.9% and demand for Opel vehicles surging 12.1%, statistics from German industry association KBA show. Of all the new cars sold in Germany last month, 62% were registered to companies, KBA said. Volkswagen, Europe's largest carmaker by sales, had the largest market share in Germany with 23.3% of new registrations. French car sales rose for a second consecutive month in October, building on September's 3.6% year-on-year gain, the CCFA industry association said in a statement. Paris-based PSA posted a 4.1% domestic sales gain helped by recent models such as the 308 compact and 2008 mini-SUV. Renault sales rose 5.8%, boosted by its similarly sized Captur model, while rival Volkswagen lost some ground with sales in France down 3.6% in October. The CCFA raised its French market outlook, predicting a 6% decline for 2013, smaller than the 8% contraction previously forecast. "The market is picking up," said Renault's French Sales Chief Bernard Cambier, adding that the carmaker's domestic order backlog was up 20% year-on-year. "It's clear that we have reached the bottom and there are already some signs of recovery," Cambier said, citing a 3.7% gain in delivery van sales in October. Car sales in Spain were boosted by a €2,000 rebate programme – €1,000 coming from the government and €1,000 from the manufacturer – for buyers of new cars who turn in a used car. Peugeot's Spanish group sales rose 52%, compared with 45% for Fiat and 28% for VW. Hyundai and affiliate Kia continued to gain ground with combined sales increases of 5.8% in France and 47% in Spain last month. General Motors sales rose 9.4% and 31% in the respective markets. In September, new car registrations in Europe climbed 5.5% to 1.19m vehicles, only the third month a gain was recorded in the past 2 years, European automotive industry association ACEA said.

BMW eyes $550m prize in EU trade deal

(Source: Automotive News Europe, 07th November 2013) To understand why automakers are gung-ho about free trade talks between the United States and Europe, consider this number: $550m. That is how much BMW would save in duties every year if the US and the EU got rid of their import tariffs on cars and trucks, Ludwig Willisch, the CEO of BMW North America, said. Although there is no guarantee the deal will reach the finish line, auto executives are already dreaming of using their savings to invest in technology, add content to their cars or cut prices. It has long been true that an elimination of US tariffs would deliver massive savings to foreign luxury brands such as BMW, which incurs a 2.5% duty on the sports and luxury cars that it imports from Germany to the United States.

ECG AGENDA

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

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

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

► **ECG UK & Ireland Regional Meeting** on **12th February 2013** in Birmingham, UK

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

But increasingly, it is not just European-made cars that are at stake. Willisch said that BMW now exports 70% of the output from the assembly plant it built 2 decades ago in Spartanburg, South Carolina. The plant sends finished X3 and X5 SUVs to 140 countries. It incurs a 10% tariff on light-duty vehicles sent to Europe, and the total cost has only grown as Europeans have developed a taste for SUVs. "Using the United States as an export platform has been, and continues to be, the correct and profitable choice for BMW," Willisch said – but with more free trade deals, the strategy becomes even more effective. There are still issues to resolve though. These include complaints from Detroit carmakers that Japan's auto market is too closed to imports for the US to lower its own tariffs under the Pacific Rim deal. However, White House officials see these trade talks as crucial to keeping up with low-cost manufacturing hubs such as Mexico, which boasts the most free trade deals in the world and is one of the fastest-growing producers of cars and trucks. For instance, vehicles produced in Mexico and shipped to Europe do not have to face the 10% tariff that US-made vehicles have to face; they come into Europe duty-free. And considering that Mexico shares crash test standards and other regulations with Europe, the US cost disadvantage may have been closer to 17% or 20%. Willisch said that beyond lowering tariffs, BMW wants to align safety and environmental regulations between the US and the EU. It makes no sense to have 2 sets of similarly strong standards, he said, when "the same animal – called Homo Sapiens – sits in the car and needs protection."

Renault-Nissan expand Mitsubishi tie-up to building new sedans and an EV

(Source: Automotive News Europe, 05th November 2013) Mitsubishi will sell a Renault-based mid-sized sedan in the United States under a new strategic tie-up between Mitsubishi and the Renault-Nissan alliance. The car will be the first of 2 Renault-based sedans sold by Mitsubishi under a product and technology exchange announced by the companies on Tuesday 5th November. The co-operation also includes joint development of an electric vehicle (EV) and a new compact car, both to be sold globally. Renault-Nissan and Mitsubishi will "explore several new projects covering shared products, technologies and manufacturing capacity," the 3 carmakers said in a joint statement. The large sedan will be made at a Renault-Samsung plant in Busan, South Korea. The car will also be sold in Canada. The second sedan would compete in the global compact segment. "The manufacturing location for this product is under discussion," the statement said. The deal will put a Renault-based vehicle in the US and help bolster a beleaguered Mitsubishi line-up that is short on new vehicles, especially sedans. The agreement also builds upon several product exchanges between Renault-Nissan and Mitsubishi, as the companies seek partners to maximise plant capacity and cut costs through volume. Renault-Nissan has been looking for ways to lift output at the alliance's underutilised South Korean factory. The plant is already scheduled to make Nissan vehicles for the US market in 2014, and the Mitsubishi supply will add more work. Renault Samsung has only one assembly plant, in the south-eastern port city of Busan. It has annual capacity of 300,000 units, but churned out only 130,000 in 2012. Its South Korean sales totalled about 60,000 last year. To soak up more of that capacity, Carlos Ghosn, CEO of Renault-Nissan, has moved some output of the Nissan Rogue crossover to the plant. It will enter production there in the second half of 2014 with target output of 80,000 vehicles, mostly earmarked for the United States. PSA Peugeot Citroën said its industrial co-operation with Mitsubishi will be unaffected by the Japanese carmaker's new tie-up with French rival Renault. Mitsubishi builds the Peugeot 4008 and the Citroën C4 Aircross SUVs, based on the Mitsubishi ASX, and the Peugeot iOn and Citroën C-Zero EVs, both based on the Mitsubishi i-MiEV model, in Japan. The 2 automakers have a joint vehicle assembly plant in Kaluga, Russia. "Our collaboration with Mitsubishi is not under threat," a PSA spokesman said. Ian Fletcher, Senior Analyst at IHS Automotive, said: "I think the only area where the Renault-Nissan deal with Mitsubishi overlaps is in the area of electric

Events in Brussels

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

vehicles which could see PSA's supply deal for the i-MiEV wound down, but other than that, there appears to be little in the way of clashes at the moment."

Germany paves way for EU to rule on Honeywell car refrigerant

(Source: Automotive News Europe, 07th November 2013) Germany's final report on risks posed by a new car refrigerant has been forwarded to the European Commission, clearing the way for a decision on whether Berlin had sufficient cause to allow Daimler to ban it and flout European Union law. Daimler banned from its cars the air conditioning refrigerant HFO-1234yf made by Honeywell and its partner DuPont. HFO-1234yf has a far lower potential to warm the climate than an older chemical still used by Daimler's Mercedes-Benz brand despite an EU-wide phase out that began in January this year. The EU's scientific research arm, the Joint Research Centre (JRC), is expected to analyse the report by the German federal motor transport authority, the KBA, in the next few weeks and advise whether the refrigerant is indeed flammable enough to cause material risks, as Daimler says. HFO-1234yf is designed to fulfil an EU directive, which governs the use of harmful greenhouse gases in air-conditioning systems in cars. At stake is not just a potentially embarrassing infringement process against Berlin for allowing Daimler to disregard the EU's so-called "MAC directive" but – should it be deemed hazardous – the possible loss of billions of dollars in future revenue for Honeywell and DuPont, which have secured an effective monopoly on its supply until 2030. In mid-October, DuPont's President of Chemicals and Fluoroproducts, Thierry Vanlancker, called on German authorities to conclude their investigation on the safety of HFO-1234yf quickly, because the EU was still waiting on the final report by the KBA before making a decision. The KBA said in early August the refrigerant posed no material risk to occupants even if it is more dangerous than the older alternative R134a that is being phased out to meet the MAC directive. Honeywell said in a statement that the "overdue" final report showed HFO-1234yf could be used safely in cars but served also as a reminder that a single carmaker delayed compliance with the MAC directive for far too long. Daimler, which is developing an air conditioning system that uses carbon dioxide as the refrigerant, said on Wednesday 6th November that the KBA report confirmed the greater dangers the carmaker cited versus R134a. A Daimler spokesman said that the automaker does not want to use HFO-1234yf because it does not want to "make a step back, especially in terms of safety." He said Daimler is "confident" it will reach its goal of having its alternative refrigerant ready by the end of 2017.

Berlin prosecutors investigate Daimler lobbyist

(Source: Automotive News Europe, 03rd November 2013) Berlin prosecutors are investigating ex-German State Minister Eckart von Klaeden over a potential conflict of interest after Chancellor Angela Merkel's former ally joined Daimler as a lobbyist. Klaeden, a former treasurer of Merkel's Christian Democrats, said in May that he would quit the government after Germany's national elections – in September 2013 – to take up the position of Chief Political Lobbyist at Daimler. He joined Daimler on Friday 1st November. Germany weekly magazine Der Spiegel reported that Klaeden, who was known to have met with Daimler representatives while still in politics, had access to 3 confidential government papers between January and May 2013 on the EU's planned regulation of auto emissions. Germany recently blocked an agreement among EU Member States to cap car emissions, arguing the plan would cost jobs and hurt premium carmakers such as Daimler's Mercedes-Benz brand as well as BMW and Audi. A spokeswoman for the Berlin prosecutors said that an anonymous complaint has been filed against Klaeden with prosecutors, who are investigating on the grounds of a potential acceptance of benefits. Daimler said it had no doubts about Klaeden's integrity. "We're looking forward to the prosecutor's investigation with great equanimity and have absolutely no doubts about the integrity of Eckart von Klaeden," Joerg Howe, a spokesman for Daimler, said.

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EUROPE

New forthcoming funding from EIB to support Italian ports and ship-owners

(Source: Ship2Shore, 04th November 2013) As reported by the President of Ravenna Port Authority, Galliano di Marco, attending the Grimaldi Euromed Convention, the European Investment Bank (EIB) is ready to allocate a €125m funding to Romagna-based port. "The EIB will support our 'Hub Portuale Ravenna' plan which includes quays enlargement, construction of a new container terminal and seabed dredging," di Marco said. Ravenna will come on top of Genoa – already granted €100m for Calata Bettolo landfilling work – and Savona – €155m for Vado multipurpose platform. In addition to the above mentioned ports, **Civitavecchia Port Authority** (**Port of Rome**) has also applied for a €190m funding to extend its site and to build a new ferry terminal in Fiumicino. Francesco Pettenati, personal adviser to Vice-President Dario Scannapieco said that the EIB is also attentively evaluating 3 other applications from ship-owners. As a matter of fact, the **Grimaldi Group** has applied for a €185m funding for the construction of 6 Ro-Ro units ordered from Korea; Visemar has asked for €100m for the building of 3 Ro-Pax units to be engaged on oceanic lines; and finally, Gruppo Messina – which has already been allocated €113m for the construction of 4 Con-Ro units delivered by South Korean Daewoo yards – has submitted an application for €120m to have 4 extra units built at STX ship-building yard. Grimaldi, Visemar and Messina applications are being evaluated by the EIB which allocated an overall €52.2bn in 2012, €14.5bn of which destined to transport (5% to shipping, 30% to rail, 3% to air, 32% to urban transport and 30% to motorway and road projects). The EIB financial aids will exceed €65bn in 2013. Last year, Italy received €6.8bn – 11% of which covering the transport segment – slightly down from €8.4bn recorded in 2011, €8.8bn in 2010 and €9.7bn in 2009.

HAROPA on the up

(Source: WorldCargoNews.com, 31st October 2013) **HAROPA**, the common global marketing organisation of the Seine artery Ports of Le Havre, Rouen and Paris, has reported a 7% increase in container traffic for the first 9 months of this year, to 19.3Mt. The increase is largely due to a 54% increase in transhipment traffic over the lockless Port 2000 complex, in Le Havre, to 440,000TEU. Tender calls have been issued for new berths alongside 700-metres of linear quay at Port 2000 and 1000-metres quay at the Asia and Osaka terminals, and the response from the market has been very positive. **Grimaldi** affiliate **Finnlines** started up a new Con-Ro service in July this year, with regular calls for destinations in Britain, Finland and Russia, and Korean car carrier **Glovis** has just called at the port for the first time as part of a tonnage sharing agreement with **Höegh Autoliners**. Haropa is also keen to extend its hinterland and has signed partnership agreements with the Port of Dieppe and the Port Angot (Elbeuf), on top of those already in place with Honfleur, Gron and Nogent-sur-Seine. Intermodal rail traffic is beginning to recover and Naviland Cargo has restarted a service between Le Havre and Cognac. Around €240m is being invested by Réseau Ferré de France (RFF) in a new rail link that will bypass the Paris conurbation, enhancing further the prospects for intermodal rail links over Le Havre.

Fiat shipments stopped by blockade in Serbia

(Source: Automotive Logistics News, 06th November 2013) Fiat rail shipments between its plant in Kragujevac in Serbia and the Port of Bar were disrupted last week by a blockade staged by employees of the passenger transport company Autosaobracaj, who were protesting about overdue wages owed to them by the troubled firm. Autosaobracaj is reported by the Serbian press to have been in financial trouble for a number of years, and is more than RSD650m ($7.7m) in debt. Rail shipments to the Port of Bar were halted by Autosaobracaj workers, who parked buses across the rail line between Kragujevac and Kraljevo, meaning

trains could not pass. It is not clear how many Fiat exports were affected but road links were also disrupted. **Mosolf** is handling the rail movements under a subcontract with **Grimaldi**, which is the main logistics provider used by Fiat on exports from Serbia. In June this year, the Italian carmaker began shipments of the 500L model to North America from the Kragujevac plant following the beginning of production in March. The carmaker has invested €1bn in preparing the Kragujevac plant, which is a joint venture with the Serbian government, for production of the 500 and 500L. It has also sold more than 34,000 units of the model in Europe since production began.

Spain looks to rail as car production recovers

(Source: Automotive Logistics News, 06th November 2013) Recently released figures for car production in Spain in the first half of this year indicate that the industry is growing at a rate of just under 5%, which is being viewed as extremely positive given that the overall market in Europe had fallen by around 7% in the same period. Europe remains Spain's main export market. At the same time there have been some significant developments in the provision of rail services for vehicle movements between Spain and wider Europe, including a new deal between SNCF Geodis and Comsa Emte, and a new service provided by Transfesa to the Port of Valencia. With the economic crisis, plants in Spain have sought out new markets, targeting the likes of Russia, Algeria, Turkey and Mexico. Spanish plants are regarded as being amongst the most competitive in Europe thanks to 2 factors: their flexibility and overall production quality. In May, Spanish car production rose by almost 9% to 217,007 units. In the same month, exports rose by 8.4%, amounting to 186,487 units. Between January and May, production in Spain was up by 5.88% to 828,008 units, equivalent to 87% of total production being exported. However, forecasts suggest that it will not be until 2017 that total output will return to the previous figure of 1m units, with government incentives to scrap older vehicles helping to ramp up production. At the end of October, Spain’s government offered its fourth such incentive programme in a year, a €70m extension to the existing programme designed to boost car sales in the recession-hit country. The €1,000 subsidy on new fuel efficient cars priced at €25,000 or less must be matched by a discount from the dealership. To support the export drive at the Port of Valencia, the specialist Ro-Ro terminal, Valencia Terminal Europa (VTE) has begun taking delivery of finished vehicles transported by rail, using a new service offered by logistics provider Transfesa. Trains arrive at the Fuente San Luis logistics centre from where they are then shunted across to VTE. The trains, which operate out of the city of Zaragoza, consist of 20 transporters with a capacity to handle 240 units. The idea is to operate the train on a weekly basis. This is the first time that VTE, which belongs to the Italian-based **Grimaldi Group**, has handled trains on this route, with terminal sidings able to accommodate 2 such trains of up to 700 metres in length at any one time. Valencia Port Authority (APV) is part of the public-private consortium that was recently awarded a contract to manage the Zaragoza Plaza Rail Logistics Centre. This move forms part of APV's strategy of extending its hinterland through equity stakes in inland logistics facilities. Furthermore, in the last 10 years, APV has invested more than €10m in upgrading rail infrastructure. The new rail service between Zaragoza and Valencia is part of the European Commission's TEN-T rail and short sea shipping policy, given that, from Valencia, finished vehicles will be dispatched to Italy thereby relieving congestion on roads between the 2 countries. Further rail developments are ahead following the European Commission’s go-ahead for a deal between SNCF Geodis, the transport and logistics division of French rail provider SNCF, and Spanish rail company Comsa Emte. The contract, which was initially announced in May this year, will see SNCF Geodis take a 25% stake in Comsa Emte’s transport division Comsa Rail Transport (CRT). The Commission said the transaction would raise no competition concerns because the merged entity will have very limited combined market shares. The companies will collaborate on the development of rail freight traffic between France, central Europe and the Iberian Peninsula, including an international gauge extension and the provision of new infrastructure on the Mediterranean corridor between Algeciras in southern Spain and Perpignan across the border in southern France. The growth of the business will also be driven by VIIA, the rail motorway business of SNCF Geodis, which is currently reviewing the feasibility of extending the Bettembourg (Luxembourg)-Le Boulou (France) link to Spain. VIIA was formed by the merger of the company’s Lorry Rail subsidiary and Autoroute Ferroviaire Alpine. The service transfers trailers between road and rail. Both SNCF Geodis and Comsa Rail Transport provide rail services for finished vehicles and parts shipments, the latter handling the movement of vehicles between the Seat factory in Martorell and the **Port of Barcelona**. The combined expertise following SNCF Geodis’ stake in Comsa Rail Transport promises to provide more efficient services for carmakers shipping vehicles and parts between Spain and Europe. In terms of management structure, Miquel Llevat, General Director of Comsa Emte Group, is appointed President of CRT, and Philippe Bihouix, Director of International Rail Activities at SNCF Geodis, will take over the Vice-Presidency.

Republic of Ireland truck height restriction comes into force

(Source: Commercialmotor.com, 01st November 2013) Since Friday 1st November, hauliers operating in and out of the Republic of Ireland are no longer able to operate trucks over the height of 4.65 metres. The Department of

Transport, Tourism and Sport (DTTAS) said the height restriction has been imposed to “protect expensive physical infrastructure,” such as railway bridges, road safety, and “quality of life considerations” for residents. Part of the decision, the government agency said, was due to vehicles over 4.65 metres diverting through urban areas when they are not able to use the tunnels at Dublin Port, Limerick or the Jack Lynch tunnel in Cork. The country’s intention to continue with the proposals was revealed in January 2007, following a consultation which took place in 2005. A spokesman for the Irish Road Haulage Association (IRHA) revealed that the association had written a letter to Irish Transport Minister Leo Varadkar in June this year, highlighting why the 5-year “wash out” period to allow operators with vehicles over 4.65 metres that were licenced, registered, or in use prior to the height limit being set in November 2008 to refresh their fleet, should be extended. The letter stated that the IRHA had concerns that the limit would "adversely affect costs in the supply chain,” prevent hauliers from operating double-deck trailers, and put more vehicles on the road. In “exceptional circumstances,” over-height vehicles will be able to use the country’s roads.

Don’t stop longer semi-trailer trial, says UK industry

(Source: Commercialmotor.com, 28th October 2013) The UK industry has expressed concern over Labour’s suggestion that Ministers should pull the plug on the longer semi-trailer trial after a report provided little evidence for the dangers. In response to the document published by the Campaign for Better Transport (CBT) and the Local Authority Technical Advisers Group, Labour’s shadow Transport Minister Richard Burden said longer trailers are “just too big for local streets” and that Ministers should instead “focus on shifting freight onto UK railways.” The report looked at the out-swing of a 15.65-metres longer semi-trailer and said many urban junctions cannot accommodate them without the trailer entering the wrong lane or mounting the kerb while turning. The CBT suggested that longer semi-trailers should be restricted to a limited network of roads, and any cost involved should be “met by the operators who have much to gain from the introduction of longer lorries.” Road Haulage Association Director for Policy, Jack Semple, said: “We would be keen to understand where the report is coming from and we will be seeking Labour and the Local Authority Technical Advisers’ Group reasoning and evidence base behind their suggestions.” Elddis Transport Managing Director, Nigel Cook, said the haulier does not use its longer semis in urban areas and determined which routes were suitable for them before ordering. “As an industry, we have embraced the trial and there will be a lot of money involved in converting the trucks back to shorter lengths if Labour decides to scrap the trial if it gets into government,” he said. Cook added that the trial has proved to be environmentally friendly, and he has not heard of any accidents involving longer trucks. Latest road accident statistics published by the UK’s Department for Transport (DfT) showed that only 1.9% of all road traffic accidents in 2012 involved large goods vehicles (LGVs) that were turning. A spokesman said: “Local authorities are able to exclude LGVs from particular roads, including town centres, if they feel they present a safety risk.”

Bosphorus tunnel link opens in Turkey

(Source: Automotive Logistics News, 06th November 2013) Last week saw the opening of the long-awaited Marmaray tunnel under the Bosphorus Strait in Turkey, providing a direct rail route, not only between the 2 sides of Istanbul for the first time, but between the European continent and Asia. The 1.4km tunnel is part of the Marmaray Project, a €1.91bn investment that connects rail lines from Europe to Asia, as part of a larger plan to establish an intercontinental high speed rail (HSR) network by 2021. The tunnel section has taken 9 years to complete because of delays caused by significant archaeological discoveries. The tunnel, which runs 55 metres under the Bosphorus, will provide an uninterrupted, modern, high-capacity rail system for commuters and, later, industry. Plans are in place to use the link for freight once public commuter trains have stopped at 23:00 until 07:00 the following morning. The tunnel was built by Japan's Taisei Corporation with Turkish partners Nurol and Gama. The bulk of financing came from the Japan Bank for International Co-operation. The link is crucial in alleviating the chronic congestion that plagues Istanbul’s roads and promises to improve the poor infrastructure that Turkey needs to support its industry, including the automotive sector. In terms of Turkey’s plans for a HSR line, however, questions remain over a proposed 100km/h speed restriction through the tunnel. There also remains lot to be done about accessibility on Turkey’s wider rail network with better allocation of rail yards required through the country’s industrial zones. The HSR network already connects Eskisehir with Konya, and a connection between Istanbul and Ankara is already under construction, with further stages to link to Izmir, Konya, Ankara, Sivas and Kayseri being planned. By 2022, almost 2,500km over an overall 3,200km route is expected to be completed.

REST OF THE WORLD

Vehicle traffic falls at Mexican ports as rail shortage eases

(Source: Automotive Logistics News, 06th November 2013) According to figures from the Mexican government, the number of finished vehicles being moved by Mexican ports has fallen for 8 consecutive months, with a drop of 1.9% noted for August. Between January and August this year, Mexican ports handled 790,843 units compared to 806,542 in the first 8 months of 2012. This year, ports in the Gulf of Mexico have been badly hit, reporting a drop of 4.9% to 571,107 vehicles, though the Port of Altamira bucked the trend, seeing traffic rise by 29.4% to 31,863 units. Despite a drop of 6.4% in the number of cars handled, Veracruz remains Mexico's most important finished vehicles port, handling 539,244 units in the first 8 months of this year. On the Pacific coast, traffic increased by 6.8% from 205,794 units to 719,736. This is due almost entirely to the Port of Lázaro Cárdenas, which handled 157,525 units compared to 135,388 in 2012. Nevertheless, overall, each month has seen a decline in traffic. Despite this, logistics providers and ocean forwarders have been increasing services, at least on short sea routes between Mexico and the US. **Höegh Autoliners** is providing more services and anticipates that the increase in demand for services will continue. The company is calling 3 times a month at Veracruz to discharge and load vehicles, and has the option to add 2 more calls according to demand. Höegh carries Nissan models from Veracruz to the US East Coast, as well as providing services for GM and Chrysler. In September this year, **Wallenius Wilhelmsen Logistics** (**WWL**) also increased its services from the Port of Veracruz to the US East Coast and is offering 2 to 3 sailings per month, which will include connections to its global network. According to Wallenius Wilhelmsen Logistics, the market activity discernible in 2012 and in the early part of 2013 reflected OEMs' struggle with rail capacity in Mexico. "Coming out of the financial crisis, capital expenditure on new equipment lagged behind the ability to support the growth coming from many areas in North America, and Mexico seemed to be suffering the most," said Rich Heintzelman, Executive Vice-President of Wallenius Wilhelmsen Logistics Americas. "This seemed to be happening during a period which coincided with new plants coming online, coupled with announcements about future expansion plans by other OEMs," he added. Heintzelman said this caused concern for many of WWL's customers, who stressed the importance of having an ocean service to support their needs. The rail capacity shortage now appears to have eased but according to Heintzelman, Mexico will continue to be a sourcing location for both short sea and deep sea trades in line with OEMs capital expenditure for plant capacity. "We all need to keep in mind that OEMs planned production capacity will go from 3m units in 2013 up to 4.88m units by 2018, reflecting a significant increase available for export," he said. "Many of the OEMs are still trying to determine what other trades they will source from Mexico and, as they do, WWL feels that the commitment we have made to direct calls in Mexico will support our direction," he added. WWL said it is looking towards further expansion in South America, but this will be in line with cargo volumes that can support the additional tonnage required for a solid ocean product. Heintzelman went on to say that it was important to have a good balance between both southbound and northbound traffic. "With the increase in OEMs plants in Mexico and Brazil, we are optimistic regarding the growth within these regions going forward," he said.

New series production for Volvo in China

(Source: Automotive Supply Chain, 06th November 2013) Since the launch of its "China Growth Plan" in 2011, Volvo Cars has seen progress in China, and starting production in the Chengdu plant is the latest move towards rapid expansion. "We are truly firing on all cylinders in China," says Lars Danielson, Senior Vice-President of Volvo Cars China Operations. "The official start of series production in Chengdu is only the latest of many milestones we have achieved in recent years. Helped by our strong product portfolio, our highly competent organisation in China is determined to book many more successes in the future, and the outlook for Volvo Cars in China is indeed very bright," Danielson added. This follows the news that the Chinese government approved 2 new manufacturing facilities for Volvo involving plants in Daqing and Zhangjiakou, which will be operated in the form of 2 joint venture companies, in which Volvo Cars initially will hold 30%. Sales development in China has been strong this year, with retail sales so far up over 40% compared to 2012, and the company aiming to sell 800,000 cars globally. Volvo cars are currently sold at over 150 dealerships in China, up from around 100 dealerships 2 years ago. Sales are driven by the XC60, S60 and V60 models. Chengdu is one of the most important economic, transportation, and communication centres in Western China, housing facilities for Volvo, FAW Volkswagen, FAW Toyota, and Sinotruk Wangpai, as well as nearly 200 core parts makers covering German, Japanese, and other lines of vehicles. Chengdu has also become home to 43 foreign-funded logistics enterprises, including UPS, TNT, DHL, and Maersk.

PRESS RELEASES

IRU challenges report aimed at blocking safety, efficiency and environmental improvements in road transport

(Source: IRU, 04th November 2013) The International Road Transport Union (IRU) challenges the weights and dimensions recommendations by Member of the European Parliament (MEP) and Rapporteur, Jörg Leichtfried, which call for restrictions to aerodynamic truck design improvements that, as proposed by the European Commission, could increase road safety through better driver visibility, while cutting fuel use and thus CO_2 emissions. The report also seeks to prevent the cross-border use of longer eco-friendly trucks able to transport a higher volume of goods using less fuel.

IRU General Delegate to the EU, Michael Nielsen, said: "It is surprising and deeply disappointing that the report aims to restrict the fitting of effective aerodynamic devices to the rear of trucks that would significantly cut fuel use and CO_2 emissions. It is dogmatic myopia that will prevent the greening at source of 6.5m heavy goods vehicles in the EU, simply to avoid the possible modification of a few thousand intermodal rail wagons to be able to carry these more aerodynamic, greener trucks. It would also prevent improved efficiency through increased intermodal transport such as short sea shipping."

The report seeks to restrict aerodynamic flap lengths on trucks to just 50cm – insufficient to achieve significant long-term environmental gains – as opposed to the European Commission's recommendation of 200cm. The restriction seeks to maintain the ability for trucks to be carried on a very limited number of rail wagons used in intermodal transport, such as "rolling motorway" trains that currently account for a mere 0.17% of EU land transport.

In addition, the draft report would remove the option of neighbouring EU states to agree to use larger heavy goods vehicles for international transport. This measure, if enacted, would restrict further trials with larger, more eco-friendly trucks and limit efficiency gains in the road part of intermodal journeys, and make combined transport less attractive.

While other transport modes constantly obtain efficiency gains through talk about larger planes and vessels with the appropriate infrastructure being built to accommodate them, it should not be forgotten that road transport always takes care of the first and last sections of intermodal transports. Restricting efficiency in the road part of the transport system cannot be the right measure to take when developing a sustainable European Union.

Mr Nielsen concluded: "One particular transport mode should not be given the right to block efficiency innovations in another mode, especially when based on the inability of the rail sector to modernise and deliver the service that Europe's businesses and economy need. Innovation, not stagnation, is the answer to Europe's future."

To read the IRU observations on the new European Commission proposal to modify the directive 96/53 on weights and dimensions of heavy duty vehicles, please click on the following link:
http://www.iru.org/cms-filesystem-action/reso-logistic/BR1629-en.pdf

European automotive industry calls for action on South Korean market access barriers

(Source: ACEA, 07th November 2013) On the eve of the EU-South Korea summit, the European automotive industry calls for more to be done to dismantle barriers to trade in South Korea.

The European Automobile Manufacturers' Association (ACEA), the European Association of Automotive Suppliers (CLEPA) and European Tyre and Rubber Manufacturers' Association (ETRMA) have raised concerns about restricted access to the South Korean market due to previously-existing and newly-emerging non-tariff barriers.

ACEA, CLEPA and ETRMA acknowledge the European Commission's efforts to ensure a better environment for the EU automotive industry in South Korea since the trade deal between the 2 regions came into force on 1st July 2011.

However, the 3 associations call upon the European Commission and the EU Member States to now take urgent steps in order to make sure that trade barriers are dismantled. This is essential to ensure that free trade for the European automotive industry can indeed become a reality in South Korea.