



## CONTENTS

### NEWS FROM BRUSSELS 2

- Transport MEPs back vehicle inspections agreement 2
- Greek Presidency priorities discussed by TRAN Committee 2
- Commission requests Germany to apply Directive on mobile air conditioning 3

### AUTOMOTIVE INDUSTRY 3

- Trilateral meeting boosts automotive business 3
- Russia to support domestic car industry with subsidy program 4
- Ford set to build new Transit in Russia and US 4
- VW plans new van plant in Poland 5
- WTO should take lead in auto trade reform 5

### EUROPE 6

- Reduced shipping emissions in the North and Baltic seas 6
- Renovation studies for Antwerp's Roeyers Lock to benefit from EU funding 7

- Upgraded Novara intermodal hub in Italy 7
- New HS1 freight service for DB Schenker Rail 7
- Fret SNCF tests out Europe's longest freight train 7
- Ukraine to remove duties on imported cars 8

### REST OF THE WORLD 8

- China to Turkey in record time for ultra-heavy streetcars flown with DB Schenker 8
- PSA mulls new plant in China with Dongfeng 9
- Ennore aims to be India's leading exporter of finished vehicles 9
- VW's labour boss says US operations a 'disaster' 9
- Renault eyes return to Iran when sanctions are lifted 10

### PRESS RELEASES 10

- Seaports and Inland ports discuss common infrastructure needs 10

**We have updated our position paper on loaded truck length. Please make sure you have the December 2013 version.**



The Association of European Vehicle Logistics

Harmonisation of allowable loaded truck lengths for vehicle transporters







Position Paper  
March 2012  
(Amended December 2013)



**C.A.R.** Control Automotive Risk  
**Consulting Group**



## NEWS FROM BRUSSELS

### Transport MEPs back vehicle inspections agreement

(Source: European Parliament, 21<sup>st</sup> January 2014) An informal agreement with EU Member States on minimum common standards for periodic vehicle inspections, vehicle registration documents and roadside inspections of commercial vehicles was backed by the Transport and Tourism (TRAN) Committee on 21<sup>st</sup> January. The revised rules, designed to improve road safety, would set new EU-level standards for periodic technical inspections of vehicles. Testing equipment would have to meet minimum technical standards and inspectors carrying out periodic checks would have to satisfy minimum competence and training requirements laid down in the new rules. In each calendar year, roadside checks on commercial vehicles would have to be made on at least 5% of commercial vehicles on EU roads and each Member State should strive to carry out an appropriate number of inspections proportionate to the number of registered vehicles. The compromise text also calls on Member States to take light commercial vehicles into account in their overall road safety and roadside inspection strategies, even though this is beyond the scope of the revised rules on roadside inspections. To support roadside inspections, Member States should use risk rating systems to target firms whose commercial vehicle fleets have poor safety records and reduce the administrative burden on those with good ones. The agreed text also sets out cargo securing requirements, should Member State authorities choose to include these in roadside inspections. To simplify vehicle re-registration, Member States in which vehicles are re-registered would be required to recognise a valid roadworthiness certificate issued by another Member States. Data on periodic roadworthiness tests and validity of the roadworthiness certificate as well as certain data on registered vehicles should be recorded electronically, say MEPs. The new rules would also simplify the "suspension" (removal from the road on safety grounds) of vehicles without a valid roadworthiness certificate, but suspension would not have to be followed by a new registration once a vehicle is again authorised to be used in road traffic. The proposals are to be put to a vote by Parliament as a whole in March.

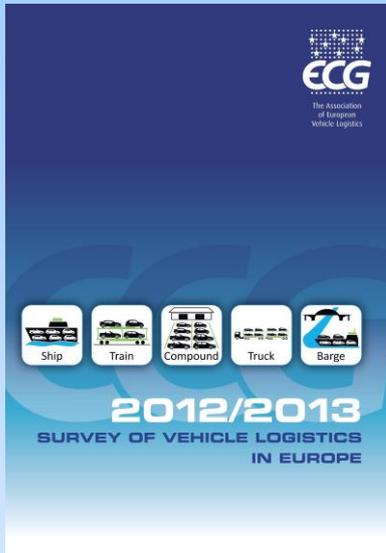
### Greek Presidency priorities discussed by TRAN Committee

(Source: European Parliament, 23<sup>rd</sup> January 2014) The European Parliament's Transport and Tourism (TRAN) Committee held an exchange of views with the Greek Minister of Shipping, Maritime Affairs & the Aegean, Mr Miltiadis Varvitsiotis and with the Greek Deputy Minister of Infrastructure, Transport and Networks, Mr Michalis Papadopoulos on its meeting on 21<sup>st</sup> January. During these discussions, the priorities for the Greek Presidency were also touched upon. Maritime policy, and in particular finalising draft laws with Parliament on marine equipment will be a key Presidency priority, as well as the funding for the European Maritime Safety Agency (EMSA) and maritime spatial planning. The Presidency also wishes to see progress in the Council on the Market Access to Ports proposal, the Minister of Shipping, Maritime Affairs noted. The 4<sup>th</sup> Railway Package will also be a priority, said Minister Michalis Chrisochoidis, adding that he hoped the Council could agree a general approach on the European Railway Agency (ERA) file by March. He also hoped that the Council could agree by the end of the Presidency on the NAIADES II inland waterway transport package, air passenger rights and truck weights and dimensions. The Presidency would seek agreements with Parliament on the alternative fuels infrastructure proposal and airport noise limits, he added.

**ECG Note:** A representative of the Greek (Hellenic) Presidency will be invited to address the ECG Spring Congress & General Assembly on 22<sup>nd</sup> and 23<sup>rd</sup> May in Athens, alongside a Member of the European Parliament (MEP) and an official from the European Commission. For more information, please keep an eye on:

**NOW 50% OFF!**

**The ECG Survey of Vehicle Logistics 2012-2013 is now half price**



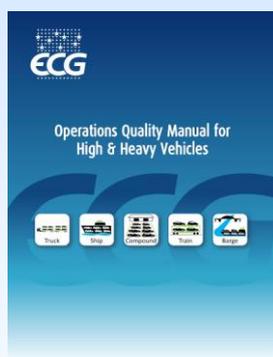
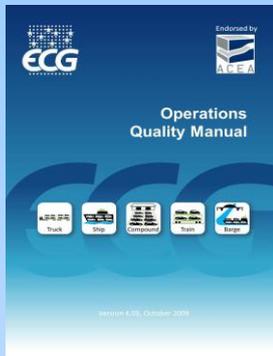
**From €50 for members  
From €125 for non-members**

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

To order a copy of the new ECG survey, please click on the following link:

<http://www.ecgassociation.eu/PublicationsReports/ECGBiennialSurvey.aspx>

**The ECG Operations Quality Manuals for PCs and LCVs, CVs and H&H are available on-line!**



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

For comments or inquiries please contact: [info@ecgassociation.eu](mailto:info@ecgassociation.eu)  
T: +32 2 706 82 80

<http://www.ecgassociation.eu/activities/ecgspringcongressgeneralassembly/scqaathens2014.aspx>

**Commission requests Germany to apply Directive on mobile air conditioning**

(Source: European Commission, 23<sup>rd</sup> January 2014) The European Commission is acting to ensure the enforcement of the MAC (Mobile Air Conditioning) Directive, by requesting that the relevant German authorities fully apply this Directive to vehicles produced by all their manufacturers. Vehicles that are not in conformity with EU law were placed on the EU market by a German manufacturer (Daimler). However, the German approval authorities opted not to react and did not impose adequate remedial measures on the concerned manufacturer. Furthermore, in May 2013, the national authorities accepted the request by one manufacturer to discontinue the use of type approvals granted to some vehicles which were using the new refrigerant and which were already being produced and put on the market. The authorities accepted to grant extensions of old vehicle type approvals to those vehicles. This action had the effect of allowing a temporary exclusion of the concerned vehicles from full compliance with the MAC Directive until 1<sup>st</sup> January 2017. The Commission considers that there are indications that the extensions were requested with the sole purpose of circumventing the application of the MAC Directive, depriving it of its intended effects. The Commission remains committed to ensuring that the climate objectives of the Directive are fulfilled and that the law is uniformly applied throughout the EU's internal market so that fair competitive conditions are ensured for all economic operators. Under EU infringement procedures, following today's action, Germany has two months to respond to the letter of formal notice written by the Commission concerning this issue. Furthermore, on the same day, 23<sup>rd</sup> January, the Commission sent a pilot letter to the authorities of three Member States that have informed the Commission of similar practices (extension of old vehicle approvals) by their respective type-approval authorities, requesting more information on the situation. These countries are: United Kingdom, Belgium and Luxembourg.

**ECG Note:** To find more information on the actual state of play of the MAC Directive, please read the Commission's memo on [http://europa.eu/rapid/press-release-MEMO-14-50\\_en.htm](http://europa.eu/rapid/press-release-MEMO-14-50_en.htm) and for more background please see <http://www.euractiv.com/transport/eu-take-legal-action-germany-dai-news-532892>

**AUTOMOTIVE INDUSTRY**

**Trilateral meeting in Detroit boosts automotive business**

(Source: CLEPA, 20<sup>th</sup> January 2014) On 15<sup>th</sup> January 2014, CLEPA (European Association of Automotive Suppliers) along with MEMA (Motor & Equipment Manufacturers Association), OESA (Original Equipment Suppliers Association) and JAPIA (Japan Auto Parts Industries Association) took part to the 2014 Trilateral Meeting in Detroit to identify and discuss key challenges for the global automotive industry. "It was the first time we really went to discuss the issue of global harmonisation and mutual recognition of standards," said Mr Jean-Marc Gales, CLEPA CEO. This meeting is reinforcing the mutual trust between global partners and is helping to achieve long term objectives be them trade, environmental, safety or IPR issues. Mr Jean-Marc Gales, CLEPA CEO, outlined some key areas towards the long-wished for goal of harmonisation, namely: which standards on both sides of the Atlantic can be recognised as equivalent - agreeing on products and innovations such as safety systems and autonomous emergency braking. CLEPA firmly supports Global Harmonisation of technical regulations pursued through the current UN-WP29 process in Geneva under two international agreements, the 1958 Agreement and the 1998 Agreement. This is



## ECG Academy

Course 9 will commence in October 2014



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

### Benefits:

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

For more information please contact [info@ecgassociation.eu](mailto:info@ecgassociation.eu)

of utmost importance for automotive suppliers. Achieving higher convergence with the USA and Japan would encourage other countries to follow the harmonisation process. CLEPA recognises the importance and the potential for expansion of bilateral agreements and the need to address obstacles for free and fair trade through the dismantlement of tariffs and the elimination of Non Tariffs Barriers. In particular, CLEPA supports the successful conclusions of the negotiations of the EU-US Transatlantic Trade and Investment Partnership (TTIP) and of the EU-Japan Free Trade Agreement. Achieving greater global technical and regulatory co-operation will lower the costs of doing business, create new market opportunities and set down the foundations for future growth, competitiveness and job creation. "There are certainly processes we need to set up, but there is a clear willingness to set up common standards on both sides of the Atlantic and also the Pacific. I cannot recollect any trilateral we had that was this productive", stated Mr Jean-Marc Gales, CLEPA CEO. The next trilateral meeting will take place in Paris

### Russia to support domestic car industry with subsidy program

(Source: *Automotive News Europe*, 21<sup>st</sup> January 2014) Russia plans to support its struggling auto industry with subsidies of up to 271bn roubles (\$8bn) in the three years to 2016, the government said. The subsidies will be allocated for R&D, to support jobs and to compensate for some costs related to meeting tighter exhaust emission standards, the government said in a statement. Russian car sales fell 6% to 2.78m in 2013 and face another weak year as a stuttering economy puts off buyers, according to data from the Association of European Businesses, released last week. The AEB said car and light commercial vehicle sales are expected to decline by 2% in Russia in 2014 to 2.73m units. In 2012, Russia introduced a recycling fee for imported cars, angering the European Union which argued that the fee - to cover the cost of scrapping a car when it becomes too old to drive - was not compatible with Russia's membership of the World Trade Organisation. The United States and Japan also complained about the levy. The Russian government responded last year by saying it would apply the same fee to all cars - whether imported or manufactured in Russia - and some analysts said the latest support is a way of offsetting the additional cost for domestic carmakers. "The introduction of subsidies will reinstate such government support to the industry at no additional cost to the budget," analysts at Bank of America said in a research note. Russia last year tried to prop up car sales with an incentives programme for consumers, which ended in December.

### Ford set to build new Transit in Russia and US

(Source: *Just Auto*, 22<sup>nd</sup> January 2014) Ford said it would start building the latest Transit commercial van in Russia later this year. US assembly is also set to start soon. The 2015 full-size van will be assembled at the Ford Sollers joint venture plant in Yelabuga from the second half of the year and go on sale this summer, the *Detroit Free Press* reported. Russian buyers will be offered a 2.2 litre diesel with three outputs - 125, 135 and 155hp with standard six speed manual transmission and a choice of front-, rear- or all-wheel drive. Body styles are van, chassis cab and bus. The Sollers joint venture is responsible for the production, import and distribution of all Ford brand products, including vehicles, parts and accessories, in Russia. It began building the current Transit in 2012. The Kuga, S-Max, Galaxy and Explorer are also made on assembly lines in the Yelabuga special economic zone, in Tatarstan. The Focus and Mondeo are made in Vsevolozhsk (St Petersburg). Most Ford models sold in Russia are assembled there. Once involved in a Russian assembly/distribution JV deal with Fiat, Sollers owns five automotive plants, an engine production facility, a finance company and a number of dealerships in Russia and has over 20,000 employees. The Transit was launched in Europe in 1965 and was the first light commercial model to be shared between Ford's then separately operated European and British units which had previously designed and built their own cars and commercial vehicles. Ford last week said it had spent \$1bn to retool its Kansas City plant and had hired



Truck



Ship



Compound



Train



Barge

## ECG AGENDA

- ▶ **ECG Board Meeting on 11<sup>th</sup> February 2014**, Venue to be confirmed
- ▶ **ECG UK & Ireland Regional Meeting on 12<sup>th</sup> February 2014** in Birmingham, UK
- ▶ **ECG Board Meeting on 9<sup>th</sup> April 2014**, Venue to be confirmed
- ▶ **ECG Land Transport Working Group Meeting on 6<sup>th</sup> May 2014**, in Frankfurt, Germany
- ▶ **ECG Spring Congress & General Assembly on 22<sup>nd</sup> & 23<sup>rd</sup> May 2014** in Athens, Greece
- ▶ **ECG Conference on 16<sup>th</sup> & 17<sup>th</sup> October 2014** in Amsterdam, the Netherlands

1,000 workers to build the Transit in the US for the first time, becoming the latest 'One Ford' global model. It will also go on sale in North America this summer.

### VW plans new van plant in Poland

(Source: *Just Auto*, 23<sup>rd</sup> January 2014) Volkswagen plans to spend more than €500m to build a new plant in Poznan, Poland to produce large delivery vans, according to a report in the *Frankfurter Allgemeine Zeitung* newspaper. The plant will reportedly produce Crafter vans, a model the company is taking over once a production partnership with Daimler expires, though other plants including one in Turkey are possible. Shifting the production to Poland is subject to approval from VW's supervisory board and the FAZ report suggested that the move could be opposed by employee representatives. The supervisory board's formal decision is still pending, but the approval is expected prior to the company's annual results press conference on 13<sup>th</sup> March. According to *Reuters*, a VW spokesman said "the evaluation process continues" and decision on where the production of the van will take place is yet to be taken. Bernd Osterloh, the head of VW's works council, has also referred to the pending van project's sourcing and said that a decision is due in February.

### WTO should take lead in auto trade reform, says WEC report

(Source: *Automotive Logistics*, 22<sup>nd</sup> January 2014) A report released by the World Economic Forum (WEC) calls for deeper border reforms and an urgent implementation of the Bali trade accords announced last December by the World Trade Organisation (WTO) which is designed to accelerate cross border connectivity. It also states that the WTO is the best placed authority to provide the necessary guidance and set the norms for reform. The report – Enabling Trade: From Valuation to Action – includes a section specific to the automotive sector which finds that major manufacturing investment for the automotive industry could be unlocked by making border crossing a trade priority. According to the report, which has been drawn up in collaboration with management consultant firm Bain and Company, roughly \$6bn is spent each year by the automotive industry on inventory-carrying costs at borders. If redirected into product development it could fund up to six product launches a year, says the report. It also highlights that simplifying parts re-export is an automotive trade priority, notably for pooled equipment. "The report highlights an important new opportunity for trade liberalisation and economic growth, combining border and behind-the-border reforms to strengthen the competitiveness and job-creating potential of key economic sectors," said Richard Samans, a managing director of the WEC. "Such a strategy has the potential to help countries and regions translate the recent WTO agreement on trade facilitation into tangible economic gains." Six key findings were drawn up from discussions, involving a broad panel of industry experts including carmakers, parts suppliers and logistics providers. The first relates to excessive border-crossing times and processes that can extend beyond customs to include lack of co-ordination between border agencies and lack of compliance with import-export standards. And, secondly, there are restrictions on the duty drawbacks in the re-export of parts and pooled equipment. Duty drawbacks allow exporters to obtain a refund on the customs duties, taxes and fees paid on the goods they import if those goods are subsequently exported. However, some governments restrict or impose tariffs or disincentives to pooling and reusing containers and pallets, resulting in less sustainable and more costly supply chains. The absence of duty drawbacks in the EU-Korea free trade agreement (FTA) continues to cause dispute. These first two findings are identified as the top near-term priorities by the authors of the report because of their "high value-at-state" and potential ease of implementation. The WTO agreement in Bali last December is highlighted as an important first step. "This issue is particularly important in emerging economies, a major focus of growth and investment for automotive manufacturers," said the authors of the report. "Ensuring fast implementation of the agreement, while drawing on promised support and private sector expertise, will be crucial." The report also finds that



## Events in Brussels

ACEA Annual Reception in the Autoworld Cinquantenaire Park in Brussels on **28<sup>th</sup> January**  
*ECG will attend.*

European Railway Award 2014 on **28<sup>th</sup> January**  
<http://www.europeanrailwayaward.eu/>  
*ECG will attend.*

EuroCommerce organises the lunch debate 'EuroCommerce recommendations for an efficient and sustainable EU freight transport policy' on **29<sup>th</sup> January**.  
<http://www.eurocommerce.be/calendar.aspx#6751/2014/1>

Rail Forum Europe organises the event "GALILEO and ERTMS: integrating two leading European innovations to boost EU competitiveness" on **11<sup>th</sup> February**, European Parliament

The European Commission holds the conference 'GNSS applications action plan: Actions for road transport, multimodal logistics and dangerous goods' on **20<sup>th</sup> February**  
<http://tinyurl.com/n9pt7kr>

there are unnecessary differences in regulatory safety standards between countries, as well as in environmental and technical norms. This situation imposes costly and lengthy technical adaptations on the carmakers and prevents them from selling standardised vehicles around the world, just one of the sticking points in current negotiations over an EU-US FTA. The WEC report also states that lengthy WTO dispute settlements result in some countries violating its rules to temporarily take advantage of financial gains during the settlement process. In addition, there is a general lack of visibility on trade and investment when it comes to local regulations on non-tariff barriers. There is no single, global automated tool that could be made available to importers and exporters, which could help identify the most up-to-date information. Finally, even within large free trade areas, such as the EU, local tax obstacles to trade persist. The report recommends that the WTO should review the local trade requirements and investment incentives used by its members and find ways to improve visibility and establish universal standards for trade, including rules for foreign direct investment. "A central authority is needed to provide guidance and set norms," says the report. "The WTO is ideally placed to fulfil this role." It also recommends that the WTO support bilateral dialogue to address issues such as different safety and environmental standards, as well as act as a forum for discussions amongst members and the automotive sector over border management problems and the issues of duty drawback. "The industry's global nature is beginning to translate into a more unified industry voice for streamlining supply chains and reducing trade frictions," conclude the authors. "While local workforce demands for protection are still heard, the consensus is growing to at least debate the issues openly, unencumbered by tangential barriers and restrictions."

**ECG Note:** The report, *Enabling Trade: From Valuation to Action* can be downloaded from the link below:

[http://www3.weforum.org/docs/WEF\\_EnablingTradeReport\\_2014.pdf](http://www3.weforum.org/docs/WEF_EnablingTradeReport_2014.pdf)

## EUROPE

### Reduced shipping emissions in the North and Baltic seas

(Source: INEA, 16<sup>th</sup> January 2014) The European Union will support with €6.7m from the TEN-T Programme a series of studies followed by real life trials to evaluate a new generation lightweight pilot scrubber solution for Ro-Ro (roll on, roll off) ships. The initiative also contributes to the realisation of the "Motorways of the Sea" (TEN-T Priority Project 21) concept. The studies, selected for funding under the 2012 TEN-T Multi-Annual Programme, will assess, install, demonstrate and evaluate a new generation of innovative lightweight scrubber technology on two existing Ro-Ro vessels operating in the Baltic and North Sea. Three EU Member States – Sweden, Finland and The Netherlands – will work together to verify and evaluate the specific port infrastructure and preparatory investments needed for full scale implementation of this technology. The studies will also investigate how a financial mechanism can be set up in order to support ship owners/operators adopting the new technology and give recommendations to decision-makers on how to implement this mechanism. Dissemination of results and best practices will provide guidance to the shipping community and will assist on how to choose optimum Sulphur Emission Control Area (SECA) compliance strategies. The study will be monitored by the Innovation and Networks Executive Agency (INEA) and is set to be completed by December 2015.

More information on the project can be found at the link below:

[http://inea.ec.europa.eu/en/ten-t/ten-t\\_projects/ten-t\\_projects\\_by\\_country/multi\\_country/2012-eu-21010-s.htm](http://inea.ec.europa.eu/en/ten-t/ten-t_projects/ten-t_projects_by_country/multi_country/2012-eu-21010-s.htm)

## ECG Office



**Mike Sturgeon**  
Executive Director  
T: +32 2 706 8282  
[Mike.sturgeon@ecgassociation.eu](mailto:Mike.sturgeon@ecgassociation.eu)



**Tom Antonissen**  
EU Affairs Adviser  
T: +32 2 706 8283  
[tom.antonissen@ecgassociation.eu](mailto:tom.antonissen@ecgassociation.eu)



**Oleh Shchuryk**  
Research & Projects Manager  
T: +32 2 706 8279  
[oleh.shchuryk@ecgassociation.eu](mailto:oleh.shchuryk@ecgassociation.eu)



**Cliona Cunningham**  
External Relations Manager  
T: +32 2 706 8280  
[info@ecgassociation.eu](mailto:info@ecgassociation.eu)



**Szilvi Kiss**  
Communications Officer  
T: +32 2 706 8284  
[assistant@ecgassociation.eu](mailto:assistant@ecgassociation.eu)

## Renovation studies for Antwerp's Royers Lock to benefit from EU funding

(Source: INEA, 21<sup>st</sup> January 2014) The European Union will support with €1.6m from the TEN-T Programme a study for the upgrade of one of the oldest locks in the Port of Antwerp in Belgium in order to remove a key bottleneck to inland waterway transport. The study, which was selected for funding under the 2012 TEN-T Annual Programme, will look at different options to renovate and reconstruct the Royers Lock, which links the tidal Scheldt river with the Port of Antwerp and the Albert Canal. The outdated lock requires constant maintenance and causes disruptions to inland vessels using the Port of Antwerp and its hinterland. The outcome of the study will directly lead to the beginning of the construction phase in 2016, which, once completed, will stimulate the use of inland waterway as an alternative means of transport for freight in the region and beyond.

## Upgraded Novara intermodal hub in Italy

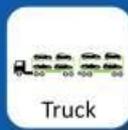
(Source: INEA, 22<sup>nd</sup> January 2014) The European Union will support with €2m from the TEN-T Programme a project to expand part of the intermodal terminal in the northern Italian city of Novara. The project also contributes to the realisation of the "Railway axis Lyon/Genova-Basel-Duisburg-Rotterdam/Antwerp" (TEN-T Priority Project 24). The project, which was selected for funding under the 2012 TEN-T Multi-Annual Call, is the first phase of a larger initiative aimed at upgrading the Novara Intermodal Terminal. The complex of terminals and the freight village (Interporto) in Novara will benefit from the rail traffic increase generated by the opening of the new Gotthard Base Tunnel. The project involves the expansion of the capacity and the rail accessibility of the West terminal in order to remove the current technical bottlenecks hindering the development of intermodal traffic. This will be achieved via the installation of a 600 metre long track, revamping and increase of the intermodal yard and the installation of fixed equipment for transshipment. Completion of the project will result in increased hourly handling capacity at the terminal, halved waiting time for trucks and a decrease by 40% of the turnaround time for inbound/outbound trains.

## New HS1 freight service for DB Schenker Rail

(Source: Lloyd's Loading List, 17<sup>th</sup> January 2014) HS1 and DB Schenker Rail (UK) have announced additional freight services along High Speed 1 from the beginning of the week of 13<sup>th</sup> January. The new services are carrying refrigerated containers of perishable foodstuffs and automotive components from Spain to East London via the Channel Tunnel. "This is a big step up for freight on HS1, and is an area in which we continue to grow," HS1's Nicola Shaw. The company has been working behind the scenes with UK and European rail freight operators to help them identify new markets and new paths across HS1 and into Europe. Neil McDonald, Head of Sales for DB Schenker Rail (UK) said the new additional services from Spain will join "an already-successful operation" of twice-weekly return services to/from Poland. "A strong, positive relationship with HS1" allowed the unit to offer new and existing customers the opportunity of transporting goods to and from mainland Europe in wagons which are too large to be conveyed on the UK national network. "These additional trains will further demonstrate the benefits of using the High Speed 1 rail route to trade with mainland Europe," he added. DB Schenker Rail (UK) is looking to introduce more services in the future. The Poland service, launched in November last year, was the first regular rail freight service to use the HS1 rail route. It operates weekly, leaving Wroclaw, in Poland, late Tuesday evenings, arriving at the Barking, terminus, in London, early on Friday mornings.

## Fret SNCF tests out Europe's longest freight train

(Source: Lloyd's Loading List, 23<sup>rd</sup> January 2014) Fret SNCF has succeeded in testing out Europe's longest-ever freight train - measuring almost 1,500 metres in



length. The experiment consisted of joining two 750-metre long trains over a 240-kilometre stretch between a marshalling yard at Sibelin, near Lyon and the southern French city of Nîmes. The “double” train was carrying swap bodies on behalf of Frankfurt-based intermodal transport Kombiverkehr between Spain and Germany. “The technical prowess which lengthening trains represents, will, in time, allow rail companies to capture traffic without applying for extra train slots. The double trains will also enable operators to achieve important productivity gains for all types of traffic,” Fret SNCF underlined. A double train can transport up to 70 wagons. The test took place within the framework of the European Union’s research and development programme, Marathon ([www.marathon-project.eu](http://www.marathon-project.eu)) and was designed to validate the technical feasibility of the double train ahead of a possible commercial launch in 2016. “In taking this innovative approach, we are looking to strengthen the competitiveness of rail freight and render it more attractive to French and Europeans shippers,” said Fret SNCF’s director, Sylvie Charles. Technically, the innovation focuses on a remote control system which makes it possible to link the head locomotive manned by a driver with the (driverless) locomotive situated in the middle of the train. “We are working with RFF (the French rail network manager) to put these double trains into service on major European rail freight corridors in the next two years,” Charles added.

### Ukraine looks at removing protective duties on imported cars

(Source: *Automotive Logistics*, 21<sup>st</sup> January 2014) Ukraine is planning to loosen a protective special duty on imported cars during the first couple of months of 2014, according to a recent report from the country’s Minister of Economic Development and Trade, Igor Prasolov. The decision has been made following trade talks with the Eurasian Economic Commission and discussions with EU officials. “Currently the Ministry of Economic Development and Trade of Ukraine is working on the stages and size of liberalisation of recently implemented duties on car imports,” said Prasolov. “Now we can say that the liberalisation of special duties of cars will be implemented,” he said, adding that it should take place in early 2014. Ukraine imposed special duties on imports of new cars on 14<sup>th</sup> April last year to protect domestic producers. The duty on imports of vehicles with engine capacity of 1,000-1,500 cc/cm was 6.46%, while for the engine capacity of 1,500-2,200 cc/cm it was 12.95%, regardless of the country of origin and the country-exporter. According to Prasolov, Ukraine currently has three possible ways of reducing protective duties, to be discussed with Ukrainian manufacturers. The one first proposes the special duty be lowered by 50% during 2014 and then cancelled completely over the next couple of years. The second proposal says they should be lowered in several stages during the coming years. The third scenario provides the complete and simultaneous abandonment of the duty. Representatives from the Ukraine car producers’ union have declined the proposal that the government cancel the duty. The head of the Ukraine Automotive Association, Michael Resnick, said that Ukraine has no economic reasons whatsoever to do so. “Special duty on import of cars with the volume of petrol engine between 1-2.2 l has been introduced for the period of three years based on the results of the objective investigation of the Interdepartmental Commission on International Trade of Ukraine. Currently no one has the right to cancel the special duty. It should remain in force during the entire 2014,” said Resnick. Oleg Svinarchuk, president of Bogdan, currently the largest car producer in Ukraine, also said that the government should continue to support domestic producers through its policy, stating that any complete or partial lifting of the special duty would hurt local carmakers.

## REST OF THE WORLD

### China to Turkey in record time for ultra-heavy streetcars flown with DB Schenker

(Source: *Lloyd’s LoadingList*, 16<sup>th</sup> January 2014) In the record time of just two weeks, **DB Schenker** experts organised the transport of two streetcars from Shijiazhuang in China to Samsun in Turkey. Each of the cars produced by the Chinese CNR Tangshan Railway Vehicle Co. Ltd weighed 77 tons and was 19.80 meters long. Due to the tight schedule, airfreight was the only option, but instead of the usual two months for preparation, the experts had a timeframe of only two weeks for the entire process from planning to delivery. An Antonov AN 225, the world’s largest freight aircraft and the only one of its kind, was used to handle the transport. This was the first time that the AN 225 had carried streetcars. In no time at all, the project and airfreight departments of DB Schenker in China and Turkey had prepared all the steps needed to transport the streetcars by truck from the manufacturer’s plant to Shijiazhuang Airport and finally to the customer in Samsun. This was the first time that the DB Schenker subsidiary Karpeles Flight Services GmbH had booked the AN 225 for an international job. In co-operation with Antonov Airlines, the company organised the loading and securing of the extremely heavy streetcars, ensured punctual take-off, landing and safe arrival of the freight at its destination



## PSA mulls new plant in China with Dongfeng

(Source: *Automotive News Europe*, 17<sup>th</sup> January 2014) PSA Peugeot-Citroën is considering building a fourth car plant in China with its joint venture partner, Dongfeng Motor, to meet rising demand. PSA said it is in discussions with Dongfeng to raise the joint venture's production capacity as part of the automaker's plans to boost sales in the country. "It is logical to eventually build a fourth plant," a spokesman told *Automotive News Europe*. PSA and Dongfeng operate three assembly plants in China at Wuhan. The spokesman did not say where the fourth plant would be located but media reports have said that Chengdu in the western part of China is being considered. The spokesman said the site-selection process is still ongoing. The spokesman said the joint venture sold 550,000 units in 2013 and hopes to sell 650,000 units in 2014. PSA has been hard hit by the European market slump and aims to internationalise its business. The company is seeking to raise funds underpinned by a €3.5bn capital increase that would see Dongfeng and the French government take stakes in the automaker. PSA opened its first plant with its second Chinese joint venture partner, Changan Automobile Group, on 28<sup>th</sup> September in Shenzhen. The plant has an annual capacity of 200,000 units and builds the Chinese version of the Citroen DS5.

## Ennore aims to be India's leading exporter of finished vehicles

(Source: *Automotive Logistics*, 21<sup>st</sup> January 2014) The port of Ennore on the east coast of India is aiming to become the country's number one port for vehicle exports, according to its director of operations Sanjay Kumar. The port hopes to be handling between 250,000-300,000 units by 2015, which will require it to double its current capacity for vehicle handling. "We are increasing storage space in order to increase efficiency in handling more cars," said Kumar. "The additional space will be ready by the middle of 2014-15." The port exported 145,000 units in the 2012-13 fiscal year and is expected to export between 175,000-200,000 units in 2014. With Nissan having committed substantial traffic to Ennore as of last year, both Honda and Ford have now followed suit. After several successful trials in 2013, Honda Cars India is ready to make extensive use of the port to export cars from its manufacturing plants in North India to South Africa. Honda switched from the western port of Mumbai to Ennore last year even though it meant almost doubling the land journey to 2,200km from its base in Greater Noida, near Delhi. According to Honda, despite the distance, Ennore presents advantages to those ports on India's west coast because its vehicle handling facilities are more attractive and also more cost effective than those of competitors. The fact that other vehicle manufacturers also use the port means that it has better availability of car carrier services, too. Earlier, Honda had looked at both Karaikal and Chennai ports before settling on Ennore. The port's dedicated Ro-Ro berth, which was commissioned in January 2012, can accommodate 8,000 cars and has a storage area for up to 10,000 medium-sized vehicles, making it the largest at any Indian port. In the short term, another storage area, for up to 3,000 vehicles, is also planned. Honda's Brio and Amaze models are sold in South Africa and around 6,000 a year are exported via Ennore, using dedicated block trains following the recent inauguration of a rail siding. The rail link has also been key in capturing traffic, with Nissan, Toyota, Volvo and Ashok Leyland all now making use of the port to rotate out consignments of finished vehicles by sea. In addition, officials revealed that an agreement is also being finalised, that will see Ford India use the port as its export base, possibly using rail, to connect it with its production centres at Maraimalai Nagar and Kancheepuram. Ford currently exports 20,000 units annually through Ennore, but hopes to increase this to 60,000 units within two years.

## VW's labour boss says US operations a 'disaster'

(Source: *Automotive News Europe*, 28<sup>th</sup> January 2014) Volkswagen's top labour representative, Bernd Osterloh, said the carmaker's US operations are a "disaster" and called for more models and swift decisions to revive the group's declining fortunes in the world's second-largest car market. While VW has risen to become the biggest automaker in China and Europe, the group has yet to fully understand how to succeed in the United States, Osterloh, VW's works council chief, told reporters in Wolfsburg on 22<sup>nd</sup> January. VW's situation in the United States, where the company has been grappling with losses for years, won't improve until 2016 and it needs more models there, including a pick-up truck. At the Detroit auto show in January VW announced plans to make a mid-sized SUV for North America as part of a \$7bn investment in the region. Osterloh lamented that a year after the CrossBlue SUV concept was unveiled, it is still unclear where the model will be built. VW favours its US plant in Chattanooga, Tennessee, over a factory in Puebla, Mexico, to build the SUV, a source familiar with the matter told *Reuters*. Osterloh said that Chattanooga would make sense from an economic viewpoint if the company could offset the higher personnel costs compared with Puebla.



## Renault eyes return to Iran when sanctions are lifted

(Source: *Automotive News Europe*, 23<sup>rd</sup> January 2014) Renault would be willing to re-enter Iran once trade sanctions against the country are eliminated as the auto market is poised to grow by at least 50%, CEO Carlos Ghosn said at World Economic Forum in Davos, Switzerland on 23<sup>rd</sup> January. The lifting of economic sanctions would benefit Renault because “French brands have always been very popular” among Iranian car buyers. “Even with all the sanctions, the Iranian market represents 700,000 to 800,000 cars,” the CEO noted. Once an agreement is in place enabling trade to resume with Iran, the country's new-car market could jump to “anywhere between 1 million to 1.5 million cars,” Ghosn said in a *Bloomberg Television* interview. Renault stopped selling component kits for assembly in Iran last year, in line with trade sanctions. The shutdown of business with Iran resulted in a first-half provision of €512m, contributing to a 95% plunge in net income last year. Iran is in talks to loosen trade and financial restrictions imposed during an international dispute over the purpose of its nuclear energy programme. The presence of Iranian President Hassan Rouhani at the Davos conference “is great news”, meaning that discussions on resuming international ties are “well engaged,” Ghosn said. Renault is pushing into emerging markets as demand in its home region is at a two-decade low. Ghosn said an agreement in December to build Renault's first plant in China represents a “small first step” to establishing a presence in the country, the world's largest car market. The automaker “represents practically nothing in China today,” Ghosn said. “Our target is to reach in China as soon as possible the market share we have globally: 3.5%.”

## PRESS RELEASES

### Seaports and Inland ports discuss common infrastructure needs

(Source: *European Sea Ports Organisation*, 21<sup>st</sup> January 2014) On 21<sup>st</sup> January, the European Sea Ports Organisation (ESPO) and the European Federation of Inland Ports (EFIP) organised a joint seminar on EU Funding for transport projects.

Interest in the seminar was lively, with participants coming from ports and inland ports located on eight TEN-T core network corridors in nine different EU Member States.

The workshop gave sea and inland ports the opportunity to exchange views and expertise with colleague ports located along the same TEN-T core network corridor or with colleagues planning thematically similar projects. The idea behind the seminar is to facilitate the co-operation between sea and inland ports on a given corridor and to help those ports that would like to set up joint infrastructure projects to find suitable partners.

During the morning session, participants discussed the financial instruments that provide support to transport projects, such as the Connecting Europe Facility (CEF) and the Cohesion Fund with experts from the European Commission and the Innovation and Networks Executive Agency (INEA).

EFIP Director Kathrin Obst said: “Inland ports have a crucial role to play in the new sustainable, multi-modal TEN-T Network. The EU aims to shift road freight over long distances to more sustainable modes of transport such as rail or inland waterways. This shift can only happen if trans-shipment of goods is relatively uncomplicated. This is why inland ports are so important: they ensure the multi-modality of the TEN-T network. Today's meeting shows that the inland ports are ready to be an active part of the new TEN-T corridor structures and that they are interested in using the new EU funding opportunities.”

Isabelle Ryckbost, ESPO Secretary General said: “Today's workshop was a first step towards helping our members to participate in this new TEN-T framework and to ensure that our ports are not just a dot on the TEN-T maps. The Commission invited ports today to be proactive in the implementation of the TEN-T. ESPO will work in this direction, ensuring that port projects are included in the corridor plans and receive proper funding and that seaports are integrated in the management of the corridors. Given the interest of our members, other workshops will follow. The recently created ESPO TEN-T project desk will support members in making the most of the opportunities available.”

Also today, ESPO and EFIP launched an inventory of infrastructure projects needed by the core ports and inland ports in the period 2014-2020. The two associations will collect information from members on the



infrastructure investment needs of their ports. The idea is to gain an overview of the magnitude and type of projects required, which could provide an orientation for the Commission in the development of the corridor work plans.