ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 14.07, 17th –21st February 2014

# CONTENTS

# NEWS FROM BRUSSELS

## ECG Quarterly Survey Webinar on 28th February

*(Source: ECG, 21st February*) Since the beginning of 2010 a quarterly survey has been carried out across the members of the association, known as the ECG Confidence and Cost Trends Quarterly Survey. At the close of every quarter, individual responses are aggregated into comprehensive tables and graphs. These offer an invaluable tool for ECG as clear messages can be derived from the depicted year-on-year trends and used in conversations with the press and other third parties. ECG will present the results of its Quarterly Survey on Confidence and Cost Trends for Q4 2013 on Friday, 28th February at 11h CET, via a webinar (i.e. an online seminar). ECG members will be shortly invited to join this “members only” webinar. If you are an ECG member and are interested in the presentation, please contact Oleh Shchuryk at oleh.shchuryk@ecgassociation.eu

## Industrial structure report highlights need for industrial renaissance

*(Source: European Commission, 17th February 2014)* The European Commission published the report on “EU industrial structure report 2013: Competing in Global Value Chains”. According to the report, most sectors have still not regained their pre-crisis level of output and significant differences exist between sectors and Member States. European Commission Vice-President Antonio Tajani, Commissioner for Industry and Entrepreneurship commented “This report clearly shows that the 2008 crisis led to a significant acceleration of European industrial decline, and that industry needs targeted support to help it return to growth. Europe is still far from the 20% target of industry’s share in Europe’s GDP by 2020. To meet this goal we need to focus on reindustrialisation. I therefore call on Member States to support the new industrial compact at the next Competitiveness Council.” The report sheds more light on the downward trend in manufacturing. Also highlighted are the mutually beneficial links between manufacturing and services as well as the importance of global value chains. The report ultimately underlines the growing need to mainstream industrial competitiveness into other policy fields. These issues, recently highlighted by the Communication on a European Industrial Renaissance, are directly addressed at the Competitiveness Council meeting on 20th-21st February.

*For the full report, please follow this link:*
http://ec.europa.eu/enterprise/policies/industrial-competitiveness/competitiveness-analysis/eu-industrial-structure/

# AUTOMOTIVE INDUSTRY

## BMW will start building Mini in the Netherlands this summer

*(Source: Automotive News Europe, 17th February 2014)* BMW said it will build the new Mini in the Netherlands starting this summer in a move to expand production capacity beyond its plant in Oxford, England. BMW said the UK would still be the main manufacturing base for the Mini but said production of the Mini hatchback model would be split between Oxford and the factory in Born, Netherlands, run by contract manufacturer VDL Nedcar. In November 2015, BMW will add production in Born of a second model, the Mini convertible, Renee Vounckx, Deputy Head of the Press at VDL Nedcar told *Automobilwoche*. Vounckx said the plant was configured to build four Mini models and would begin production of the hatchback on one shift and add a second shift for output of the convertible. The company expects Mini production volumes at the Dutch factory to reach a five-digit figure this year, with around 1,500 people responsible for building the new Mini. “The Mini brand is showing substantial growth,” BMW production boss Harald Krueger

said on 16th February in a statement, adding that there were no plans to build BMW-brand cars at the plant. BMW Group is diversifying production of the Mini as part of a growth strategy to reach a combined annual sales target for the group's BMW, Mini and Rolls-Royce brands of over 2m vehicles by 2016. The company says it needs additional, external production capacity on top of the capacity of the Mini plant in Oxford, which is at about 260,000 units per year. BMW already has a production agreement with Magna Steyr in Graz, Austria, where it built 125,559 Mini Countryman and Mini Paceman models in 2013. Of the overall 303,177 Mini vehicles produced in 2013 only just over half, or 175,986 versions of the Mini hatchback, convertible, Clubman, Clubvan, roadster and coupe models, were made in Oxford. VDL Nedcar staff is currently receiving training on the BMW Group production system at the BMW plants in Oxford as well as German factories in Leipzig and Regensburg, BMW said. Since the re-launch of the brand in 2001, nearly 2.8m Mini vehicles have been produced, according to BMW. The Nedcar factory was previously owned by Mitsubishi, which built the Colt subcompact and the Outlander SUV models there. After ending production at Nedcar in 2012, Mitsubishi sold the plant to local bus maker VDL Groep for €1.

## PSA's incoming CEO Tavares plans model makeover

*(Source: Automotive News Europe, 19th February 2014)* Carlos Tavares, PSA Peugeot Citroën's incoming CEO, laid out aggressive plans to remake the unprofitable automaker's model line-up. Tavares, the former Renault executive who will take over as CEO on 31st March, said PSA needs to increase research and development funding and narrow its offerings to focus on the most profitable vehicles. "This company has the potential to become a global car company," Tavares told analysts on a conference call on 19th February. He said his plan is to focus on fewer models and to "scare" competitors with the new vehicles in the coming years. The money for new models will come in part from a €3bn capital increase, in which Dongfeng Motor Corp. and the French state will contribute about half the money in exchange for stakes of 14% apiece. Banco Santander will also contribute funds through a partnership with PSA's lending arm. Tavares said he will detail in mid-April his "Back in the Race" turnaround plan for PSA, which in the last decade has steadily fallen further behind regional leader Volkswagen Group. VW last year controlled 24.8% of the car market in Western Europe, more than double PSA's 11.1% share. Ten years ago, the region's two biggest carmakers were much closer, with VW's share at 18.2% compared with PSA's 14.8%, according to data from ACEA. PSA has largely stayed focused on mid-market cars in Europe, while VW has expanded the luxury Audi brand and invested abroad, especially in China. Since 2003, VW's global deliveries have surged 94% to 9.73m vehicles, while Peugeot's have declined 14% to 2.82m, according to data compiled by Bloomberg. PSA is aiming to remake its fortunes by teaming up with Dongfeng to expand in China, the world's largest auto market. Dongfeng, established in 1969 and based in the central Chinese city of Wuhan, already operates three factories in the country with PSA. The companies plan to raise joint production by two-thirds to 750,000 vehicles by the end of 2015. Dongfeng said on 19th February that it is targeting 1.5m in annual vehicle sales under its own nameplate and the PSA brands by 2020. "We need to redefine a winning strategy in Latin America and Russia, which will require global products and low-cost platforms that will be localised in these countries," PSA's Chief Financial Officer Jean-Baptiste de Chatillon said on a conference call. The investment and debt-reduction packages will let PSA "invest in research and development and deal with our product plans" through 2019.

## PSA-Dongfeng deal seen as necessary, but scepticism remains

*(Source: Automotive News Europe, 20th February 2014)* PSA Peugeot Citroën's capital tie-up with China's Dongfeng Motor and the French government may not bring stability to the struggling automaker, observers said. The financial

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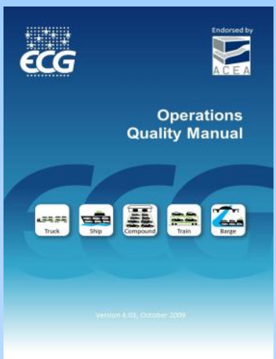


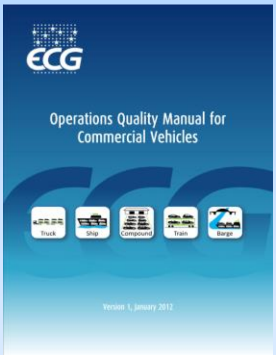


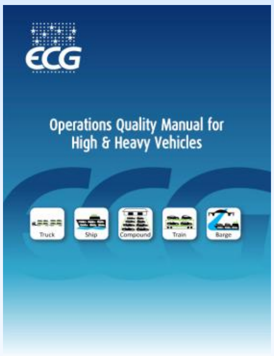


- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: [http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx](http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx)

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newspaper *Les Echos* described the deal as “the dragon that came to the rescue of the lion. The lion isn’t dead, but it has radically changed its appearance.” Bernard Jullien, Director of the GERPISA car industry research network, told the newspaper that the PSA-Dongfeng alliance will be a partnership without precedent and warned that the stockholder triangle involving PSA, Dongfeng and the French state could create instability. In an interview on radio station *France Inter*, Arnaud Montebourg, Minister of Industrial Renewal defended the deal, saying it will permit PSA and Dongfeng to play to their strengths. “PSA is a company with the technology, the marques, but has not been able to grow in Asia, while Dongfeng doesn’t have the technology or the marques, but has the growth in Asia," he said. Montebourg defended the government’s investment in PSA. “We have taken the decision out of economic and industrial patriotism,” he said. Gilles Carrez, Chairman of the National Assembly’s finance committee, told radio station *Europe 1* that PSA “had no choice” but to make the deal with Dongfeng because the company “did not know how to operate globally.” Meanwhile, the *Financial Times* newspaper noted, “Now, the question remains over how successfully the group can execute its plan under the aegis of new Chief Executive Carlos Tavares.” It added: “The new CEO will have to manage potentially conflicting forces in the board room, with likely two seats each going to Beijing, the Elysee Palace and the divided Peugeot family.”

# EUROPE

## Drop in Turkish CV production and exports threatens carriers

*(Source: Automotive Logistics News, 18th February 2014)* Recent data from Turkey’s Automotive Manufacturers’ Association (OSD) indicates a dramatic 47% drop in commercial vehicle (CV) production in the country for the month of January, with a similarly sharp drop in CV exports, something that is already hurting vehicle carriers handling transport out of the country. The reason for the sharp fall in production is because of the latest Euro 6 truck regulations and the fact that the majority of Turkey’s factories are not equipped to produce CVs higher than the Euro 5 standard. Since the beginning of January this year those vehicles can no longer be registered and manufacturers must be able to demonstrate that engines being used in the vehicles comply with the latest European Community approvals on a range of requirements from emissions to repair and maintenance information. **VEGA International Car Transport & Logistic**, which provides transport services for CVs out of Turkey as part of its Europe-wide network, said that its 30-strong fleet of special truck carriers has been idle since the beginning of the year because of the drop in exports. VEGA’s general manager, Franz Blum, told *Automotive Logistics* the situation was affecting the company dramatically. “It is a big threat that we now have contracts without volume in them,” he said. In January, total vehicle exports rates fell by 11% to 52,290 units, according to OSD figures. While passenger car exports rose by 28% compared to the same month last year, the OSD records a 48% fall in the export of commercial vehicles, a fact that pushed the overall figures lower in the first month of 2014. Commercial vehicle production, including minibuses, light and small trucks and buses, fell overall by 47%. More specifically the production of minibuses plummeted 53%, light trucks by 45%, pick-ups by 51% and buses by 38%. According to the **Association of European Vehicle Logistics (ECG)**, another factor in January’s drop in numbers was the ‘pull forward’ in production ahead of the introduction of the Euro 6 legislation last year, which has consequently led to a quiet production month. “However, this frequently happens with new models and is only a temporary situation,” said ECG’s Executive Director Mike Sturgeon. “Normal demand soon reasserts itself and I suppose the same will happen with the trucks. There is no alternative after all.” As well as the reported issues with the manufacture of Euro 6 trucks at Turkish plants they are also around €10,000 more expensive to make and, for vehicle hauliers, are 10cm

## 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 a Certificate in Automobile Logistics Management, which is an accredited qualification.

For more information please contact info@ecgassociation.eu

higher, presenting difficulties when putting under car transporter units in some markets; factors that could influence the rate of take-up.

## Italian Port of Genoa receives EU funding

*(Source: INEA, 17th February 2014)* The European Union will co-finance with €3.9m from the TEN-T Programme a project to extend one of the terminals and renew the intermodal infrastructure of the northern Italian Port of Genoa. The project, which was selected for funding under the 2012 TEN-T Annual Call, concerns works aimed at adapting the Port's infrastructure to larger ships. The Port of Genoa, as a major national port and southern European gateway, needs to be prepared for the future traffic demand increase and to adapt its port layout to the new market requirements. The project will tackle land reclamation of the sea basin between the Canepa and Ronco piers and the building up and revamping of infrastructures ancillary to the new terminal, particularly a new rail connection. The overall aim is to create a new multipurpose terminal, built and equipped with higher technical and operational standards. Once completed, this project will remove a major bottleneck and improve modal split, as well as contribute to the achievement of a number of fundamental EU transport policy objectives.

## From April foreign lorries must pay in advance whilst using British roads

*(Source: Handy Shipping Guide, 14th February 2014)* The new road levy on all lorries weighing above 12 tonnes which comes into force on 1st April 2014 is causing many road haulage operators concern at the lack of information they have received from government. The British International Freight Association (BIFA) says it is seeing a considerable amount of enquiries about the charge which is being introduced under the auspices of the HGV Road User Levy Act 2013 and will require payment alongside a truck's vehicle excise duty (VED). The idea of the charge is to create a level playing field for UK hauliers as vehicles registered outside of the UK will need to pay the levy before entering the UK and using the road network. BIFA, in light of an increasing number of requests for information from its members anxious about the possible impact that this legislation will have on overseas truckers, has prepared additional guidance for members to provide to any non-UK haulage sub-contractors that they use to help explain the new rules. Peter Quantrill, BIFA Director General, comments: "The guidance basically explains to those sub-contractors that on 1st April 2014, the UK will be introducing a new time-based user charge for Heavy Goods Vehicles (HGV) which ensures that for the first time foreign HGVs using the UK road network will contribute to the cost of maintaining it. The charge is aligned with EU legislation regarding road charging, often referred to as a Eurovignette, and is based upon vehicle weights and axle configuration. There are seven levy bands, which align with the UK's domestic VED bands. An independent company has been awarded the contract to develop and manage payments made by foreign operators. The aim is to allow foreign truck operators or drivers to purchase the levy in advance of entering the UK via the Internet, telephone or terminals. The system will create a database to enable the identification of hauliers that have not paid." Northgate Public Services has been awarded the contract to run the foreign operator payment system on behalf of the Department for Transport. Companies can sign up for an account from 17th March 2014.

*More on the UK HGV user levy can be found here:*
*https://www.gov.uk/government/collections/hgv-road-user-levy* and
http://www.northgate-ispublicservices.com/Literature/HGVLevy/HGV%20Levy%20English.pdf

## ECG AGENDA

►**Webinar – ECG Quarterly Survey Q4 2013**, on **28th February**, 11 a.m.

►**ECG Academy Module IV** on **25-29th March**, in Hinterstoder, Austria

►**ECG Russia Regional Meeting** in **March (date TBC)**, in Moscow, Russia

► **ECG Board Meeting** on **9th April 2014**, Munich, Germany

►**ECG Eastern Regional Meeting** in **10th April**, in Prague, Czech Republic

► **ECG Land Transport Working Group Meeting** on **6th May 2014**, in Frankfurt, Germany

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

►**ECG UK & Ireland Regional Meeting** on **19th June**, in London, UK

►**ECG Eastern Regional Meeting in September (date TBC)**, in Kiev, Ukraine

► **ECG Conference** on **16th & 17th October 2014** in Amsterdam, the Netherlands

►**ECG UK & Ireland Regional Meeting in November (date TBC)**, in Birmingham, UK

# REST OF THE WORLD

## WWL begins extended service from Santander

*(Source: Automotive Logistics News, 18th February 2014)* **Wallenius Wilhelmsen Logistics** (WWL) has introduced a new service for vehicle and special cargo shipments from Santander, Spain calling at South Africa and onto Australia. The service will operate twice a month and call at ports including Port Elizabeth, East London and Durban in South Africa, and Fremantle, Melbourne, Port Kembla and Brisbane in Australia. The company said the enhanced service, which includes additional capacity and extended port coverage, reflects WWL's ongoing work to extend its services to meet customers' needs. "WWL is excited to support manufacturer needs for ocean transportation from Spain to South Africa and Oceania", said Ramon Oliete, the recently appointed Head of WWL's new Iberia Branch. "In 2013, a total of 1.9m cars were produced in Spain. Of that amount 90% or 1.7m cars were exported. As we expect the shift toward greater manufacturing in Spain to continue, it becomes important to strengthen export-bound ocean service here." In addition to vehicles Oliete said that the composition of cargo out of Santander included rail vehicles such as trains and trams, as well as machinery and steel plates. Together with its extended ocean service in Santander, WWL also offers trucking and other inland distribution for the Iberian market. The company recently announced the setup of the branch office overseeing activity in Iberia, which will integrate and further develop its existing land-based and ocean logistics services to the Iberian market, creating multimodal service solutions.

## WWL earns recognition as a John Deere "Partner-level Supplier"

*(Source: Automotive Supply Chain, 20th February 2014)* **Wallenius Wilhelmsen Logistics** (WWL) has earned recognition as a Partner-level supplier for 2013 in the John Deere Achieving Excellence Programme. The Partner-level status is Deere & Company's highest supplier rating. The Norway-based company was selected for the honour in recognition of its dedication to providing products and service of outstanding quality as well as its commitment to continuous improvement. Company employees accepted the recognition during formal ceremonies held on 18th February in Davenport, Iowa. Wallenius Wilhelmsen Logistics is a supplier of ocean transportation and logistics services to John Deere's operations globally. Suppliers who participate in the Achieving Excellence programme are evaluated annually in several key performance categories, including quality, cost management, delivery, technical support and wavelength, which is a measure of responsiveness. John Deere Supply Management created the programme in 1991 to provide a supplier evaluation and feedback process that promotes continuous improvement.

## DB Schenker Logistics integrates Morocco into its European Land Transport Network

*(Source: Multimodal, 19th February 2014)* **DB Schenker** has upgraded its branches in Tangier and Casablanca and thus extended the high quality standards of its European land transport network to the African continent. National company Schenker Maroc SA provides daily connections with the European DB Schenker terminals, based on direct lines with Spain, France, Germany and Italy. "As the gate of Africa, Morocco offers a very strong strategic position for the African transportation market," says Karl Nutzinger, Member of the Board of Management of Schenker AG, responsible for Land Transport. "The high quality standard of our arm in Morocco enables us to offer customers services under well-known high quality and security level." DB Schenker in Morocco is meeting the very high quality standards of the DB Schenker land transport network, going beyond the ISO standard. This has been confirmed by

## Events in Brussels

The 11th Annual conference on Road User Charging will be held in Brussels on **5-6th March**
http://roaduserchargingconference.co.uk/
*ECG will speak at the event.*
*A 20% discount is offered to interested ECG members, please contact the Secretariat*

The European Commission organises the Transport Business Summit 2014 on **27th March**
http://www.transportbusinesssummit.eu/
*ECG will attend.*

successfully passing a product audit which has been conducted by a neutral certification body. On top of this, DB Schenker in Morocco has been awarded the security focused TAPA FSR A-level certification for its facility in Casablanca, after an intensive implementation process. The DB Schenker platform in Casablanca is now an ideal base for logistics solutions for high-value products in northern Africa. With the two certifications in the field of Security and Quality DB Schenker in Morocco has completed the range of services for customers with fully integrated and standardised processes and a warehouse that meets most demanding security requirements. The terminal has a bonded warehouse of 4,800m$^2$ for cross-dock activities and value added logistics services.

### Nissan terminates distribution agreement with Hover in India

*(Source: Automotive Logistics News, 17th February 2014)* Nissan has ended its parts and vehicle supply agreement with Hover Automotive India. Hover will no longer receive Nissan branded automotive parts and vehicles and has lost its exclusive sales and marketing of Nissan cars. The announcement comes as Nissan prepares to launch its Datsun brand in India. Nissan Motor India Private, the OEM's Indian subsidiary, is now assuming responsibility for distribution of parts for Nissan, and will carry out its sales and marketing strategies in place of Hover Automotive. This decision is effective immediately, and further details will be announced in coming weeks. Nissan appointed Hover Automotive to run its training, dealer development, sales and aftersales sectors in 2005, when the company began production in India. In recent years, however, poor sales affected the service and distribution, particularly of spare parts. Nissan announced last November that the Datsun model would be sold directly through Nissan Motor in India, instead of Hover. The distribution, transport and manufacture of the Datsun will be carried out by existing investors.

# PRESS RELEASES

### President Putin called on to put an end to Russian Customs' breach of international law

*(Source: International Road Transport Union - IRU, 19th February 2014)* In a letter addressed to the President of the Russian Federation, Vladimir V. Putin, the International Road Transport Union (IRU) advises that the TIR guarantee coverage on Russian Federation territory could be withdrawn if the Federal Customs Service of the Russian Federation (FCS RF) continues its illegal actions in breach of international law.

IRU President, Janusz Lacny, wrote, "I am compelled to inform Your Excellency … [that] in the absence of clear confirmation from the FCS RF reinstating the full functioning of the TIR System on the territory of the Russian Federation in the nearest future, the IRU Presidential Executive will have no other choice than to recommend to the IRU General Assembly to confirm that the TIR guarantee coverage in the Russian Federation, as well as for Russian TIR Carnet Holders, will be withdrawn."

The issue dates back to 4th July 2013, when the Head of the FCS RF, Andrei Belyaninov, breached international and national law by deciding unilaterally to restrict the application of the TIR System in Russia. From that date forward, the FCS RF has turned a deaf ear to multiple representations and calls made by highest authorities at UN, EU and governmental level to withdraw this illegal measure.

Based on a UN Convention successfully implemented since 1959 in some 60 countries worldwide, the TIR System is an international guarantee chain covering Customs taxes owing on imported goods, based on mutual recognition of

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Customs controls at departure and destination only. Today it covers up to 40% of Russian imports, impacting $110bn worth of trade per year.

In only the last seven months, the illegal measures taken by the FCS RF have multiplied the costs of transport operations from and through Russia by up to 83 fold, depending on the itinerary and situation, this despite a ruling by the very Supreme Arbitration Court of Russia judging the FCS RF's decision to impose such TIR restrictions as illegal. Such developments are sending worrying signs of legal uncertainty and worsening business climate in Russia both for national and foreign companies.

IRU Secretary General, Umberto de Pretto, said: "This is an absurd situation that has been going on for too long, harming our industry and moreover the cost of trade with Russia, which is by far the biggest beneficiary of the TIR System. We cannot continue to operate in a situation where one governmental agency can act in total impunity of all Russian and international laws. We are now compelled to address President Putin, trusting that he can personally intervene to find a definitive solution to this crisis in the interest of all stakeholders of the TIR System as soon as possible. If not, we will regrettably be left with no other option than to withdraw coverage of the TIR System in Russia. This would be a lose-lose scenario."

*For the background history of the conflict, please open the following document: http://www.iru.org/cms-filesystem-action/webnews2014/AR2014-EN-76-77-TIR-spread.pdf and see http://www.iru.org/en_iru_tir_news*

## SHIFT²RAIL declared a priority of the Hellenic Presidency

*(Source: UNIFE, 19th February 2014)* At the initiative of the Hellenic Presidency of the EU, decision makers and transport leaders from the EU institutions, executives from the European rail sector, Greek rail stakeholders, research centres and academia gathered in Athens on 19th February to officially present the Commission's proposal to establish SHIFT²RAIL – a public-private partnership to invest in research and development in the rail sector. The Commission has proposed €450m for the period of 2014-2020 to be met by €470m invested by the rail sector. In its preparatory phase, the SHIFT²RAIL initiative has had committed participation from over 100 organisations including manufacturers, operators, infrastructure managers, academic institutions, research centres, and numerous SMEs.

The purpose of the conference was for the Hellenic Presidency to show their support of the Commission's proposal to establish the SHIFT²RAIL Joint Undertaking (JU) and express their dedication to have SHIFT²RAIL adopted in the Council during their Presidency. Also, the conference was an opportunity for the Commission and the SHIFT²RAIL promoting organisations to present the initiative to Greek stakeholders and explain how they can get involved.

Michalis Papadopoulos, Deputy Minister of Infrastructure, Transport and Networks for the Hellenic Republic, expressed the strong support of the Hellenic Presidency for such an initiative and their determination to pass the Council Regulation to establish the initiative by the end of the Hellenic Presidency in June, commenting, "SHIFT²RAIL is one of the top transport priorities of the Hellenic Presidency, it will move rail transport forward, help the market grow and develop, not just the industry but the broader sector including academia and research centres. It also plays an important role in boosting employment in Europe. The European Rail Industry should remain the leader of the global market and SHIFT²RAIL is the instrument to achieve this."

MEP Brian Simpson, Chairman of the European Parliament's Transport and Tourism (TRAN) Committee, applauded the initiative and expressed his sincere hope that Parliament will not reduce the budget allocated for SHIFT²RAIL. He added, “The TRAN Committee of the European Parliament has from the very beginning strongly supported the establishment of a European approach to rail research and innovation… SHIFT²RAIL is necessary to complement the work we are also doing to tackle other areas of EU rail legislation, with the aim of getting rail into a position where it can successfully compete with the other modes of transport.”

Olivier Onidi, Director for the European Mobility Network at the European Commission, expressed the Commission’s satisfaction with the progress the initiative has made so far and insisted that it is a key pillar of the European strategy to improve Europe’s railways and boost the competitiveness and interoperability of the rail sector, stating, “rail is facing significant competition from other transport modes and from other regions of the world; in order to combat this, SHIFT²RAIL combines a significant amount of EU and sector R&D resources with a long-term vision that will produce tangible results that contribute to the EU’s ambitious transport goals.”

Henri Poupart-Lafarge, President of Alstom Transport and Chairman of UNIFE, highlighted why the sector needs such dedicated funds to invest in rail R&D to increase the attractiveness of the rail mode and the competitiveness of the European rail industry, which accounts for 50% of the world market for rail supplies and services. Moreover, he emphasised the necessity of a system approach to R&D, stating, “Rail transport relies on an integrated system, and only through innovating on the many building blocks can step change improvements in the overall system be realised. This is what is being proposed in SHIFT²RAIL, and we are confident that with its governance structure and research programme this system approach can be maintained and the objectives realised.”

Josef Doppelbauer, Chairman of the SHIFT²RAIL Steering Committee and Vice President of Research and Technology at Bombardier Transportation gave an overview of the technical programme of the SHIFT²RAIL proposal and explained how the proposed technologies will contribute to the overall targets of the initiative. Marcel Verslype, Executive Director of the European Railway Agency (ERA), explained the future role of ERA in SHIFT²RAIL and the major role that it will play in improving technical interoperability in the European rail system.

Philippe Citroën, Director General of UNIFE (co-ordinator of the SHIFT²RAIL initiative), thanked the Hellenic Presidency for their support of SHIFT²RAIL and the entire sector in preparing SHIFT²RAIL over the past years, adding, “This is truly a special time for the rail sector and we are confident that with the dedicated resources and organisation around the SHIFT²RAIL initiative the sector will move even closer towards the EU’s transportation goals and an even more competitive European rail sector and transport mode on which millions of Europeans rely every day.”

Other speakers at the conference included Libor Lochman, Executive Director of CER (the Community of European Railways and Infrastructure Companies), Jean-Pierre Loubinoux, Director General of UIC (International Union of Railways), Athanasios Ziliaskopoulos, CEO of the Greek railways operator TRAINOSE, among other Greek rail stakeholders; all of which expressed their enthusiasm for the initiative and their intent to participate.

Nikolas Stathopoulos, Secretary General of the Hellenic Republic’s Ministry of Infrastructure, Transport, and Networks, closed the meeting by stating once again the full support of the Greek Presidency for SHIFT²RAIL, “It is clear from this meeting that the European rail community is fully behind the SHIFT²RAIL proposal, and it is important that we have the co-operation of the entire rail community so that a political agreement can be reached in the Council of 14th March; this is necessary so that the JU can be established and ready to begin operations by 2015.”

SHIFT²RAIL is expected to obtain a positive opinion of the European Parliament in the near future and be adopted by the Council by the end of the Hellenic Presidency this June.

## Council and European Parliament agree on updated rules for marine equipment

*(Source: Council of the EU, 20th February 2014)*

The Member States’ permanent representatives endorsed the compromise reached between the Council and the European Parliament concerning a directive to regulate marine equipment to be placed on board EU ships.

The Hellenic Presidency of the Council welcomes the agreement between the Council and the European Parliament on the proposed Marine Equipment Directive. Greek Minister for Shipping, Maritime Affairs and the Aegean Mr Varvitsiotis, Chair of Council meetings of maritime transport ministers stated that “the Hellenic Presidency has set as a priority the enhancement of maritime safety and the protection of the marine environment and had declared the adoption of this proposal at first reading as a main priority. I am more than happy that we have delivered.”

While marine equipment is installed on board ships at the time of their construction or repair all over the world, EU countries must ensure that the equipment placed on board vessels flying their flag complies with international and European requirements. As proof of compliance a particular logo, the wheel mark, is affixed to the equipment. This is the maritime equivalent of the CE-marking on, for example, household appliances.

**Purpose of the updated Directive**

EU marine equipment rules basically serve two objectives:

- to improve safety at sea and prevent maritime pollution through the uniform application of the requirements set by the International Maritime Organisation (IMO)
- to ensure the free movement of marine equipment within the EU.

The new Directive - which replaces the old one from 1996 - enhances the implementation and enforcement of these rules. It aligns them with the new legislative framework for the marketing of goods within the EU. In addition, it clarifies and speeds up the enactment of changing international standards in European and national law. It reinforces market surveillance, conformity checking and the periodic updating of EU rules.

**Electronic tag**

Manufacturers will have the option of electronic tagging to supplement or replace the wheel mark. This should facilitate inspection of ships and thus reinforce market surveillance and help combat counterfeiting more effectively.

**Standards for marine equipment**

The EU will pursue the development by the IMO and by standardisation bodies of international standards for marine equipment, including technical specifications and testing standards. If there is no international standard for a specific item of marine equipment, the Commission may, in exceptional circumstances and subject to certain conditions, adopt harmonised technical specifications and testing standards for that item.

**Enactment in national law**

Member States will have two years from the Directive’s entry into force to adopt national provisions to comply with the Directive.

**Next steps**

To enter into force, the text still needs to be formally approved by the Parliament, whose vote in plenary is expected to take place in the coming months, and the Council, which is due to take its decision after the vote in Parliament.