ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

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ECG - The Association of European Vehicle Logistics, Diamant Building, Bd. Reyers 80, 1030 Brussels
Tel: +32-2-706- 8280, info@ecgassociation.eu; www.ecgassociation.eu

NEWS FROM BRUSSELS

ECG Eastern Regional Meeting to visit EU's Galileo agency in Prague

(Source: ECG, 6th March 2014) On Thursday 10th April, the next ECG Eastern Regional Meeting is set to become once again a memorably event: following ECG's attendance in February at a conference organised by the European Commission to promote the Galileo satellite system in the fields of road transport, multimodal logistics and dangerous goods, the European GNSS Agency (GSA, www.gsa.europa.eu) agreed to host ECG and its members from the Eastern European Region at its head office in Prague. The GSA Head of Market Development will welcome meeting participants, followed by an overview of how the EU agency sees the European satellite systems Galileo and EGNOS benefit multimodal transport operators and logistics service providers. Attendance will be restricted to about 30 participants, and with 15 registrations already places are going fast. If you are interested to attend this ECG members-only event, or would like to consider a possible sponsorship and join as a guest, please mail to tom.antonissen@ecgassociation.eu. For more information on past events please visit: www.ecgassociation.eu/activities/ecgregionalmeetings/easterneurope.aspx (log-in and password required).

Rail liberalisation plans are thrown off course

(Source: European Voice, 6th March 2014) European Union transport ministers will meet on 14th March to discuss rail reforms that would harmonise technical specifications and create a single EU-wide authorisation procedure for rail stock. They are expected to agree a 'general approach' to technical rules expanding the powers of the European Railway Agency (ERA). But long delays mean a first-reading agreement on even the technical aspects of the rail reform law will not be possible before the end of this parliamentary term, as hoped. The lack of movement follows a vote in the European Parliament last month that in effect largely negated the aim of separating rail operators from track managers. MEPs reversed the stance adopted by the Parliament's Transport (TRAN) Committee, which had supported the European Commission's proposal for logistical separation. Siim Kallas, the European Commissioner for Transport, said the Parliament's vote was "yet another demonstration of the tenacity of the vested national interests that proved more appealing to MEPs than the balanced and well-reasoned compromises reached in December by the TRAN committee". German rail giant Deutsche Bahn is in the forefront of opposition to the Commission's proposal. The amendments added in plenary would mean that public-service contracts would continue to be directly awarded in certain situations without having to go through competitive tendering. Compulsory competitive tendering, which was meant to give operators the ability to operate in all Member States by 2019, has been delayed until 2023. Transport ministers are also expected to take a position on a proposal enabling a public-private partnership called Shift^{2}Rail (www.shift2rail.org). The project has been set up to develop and validate technologies and solutions that contribute to reducing life-cycle costs of the railway transport system, increase its capacity and improve reliability of rail services. Ministers will also debate a Commission communication on resource-efficient urban mobility.

See also the statement by the European Rail Freight Association (ERFA) under the "Press Releases" section below in this issue of ECG News.

ESPO urges Parliament and Council to reach an agreement on the Clean Fuel Strategy before EU elections

(Source: European Sea Ports Organisation – ESPO, 4th March 2014) On 5th March, the European Parliament and Council met in a so-called "trilogue" on the Clean Fuel Strategy to reach a compromise and find a solution on the outstanding

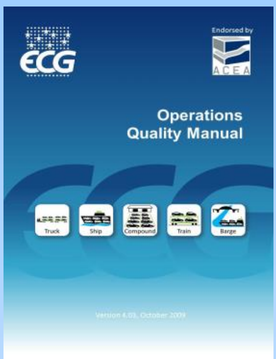
issues. If necessary, another trilogue is foreseen in two weeks' time. If an agreement can be found, it can be endorsed by the Parliament before the elections. ESPO fully supports the Clean Fuel Strategy proposal as a way to promote and enhance the use of alternative fuels as a means to further improve as much as possible the environmental footprint of the different modes of transport. "This strategy is important because it sets out a plan for Member States and stakeholders to work towards alternative fuels. We hope that this strategy is finalised soon, in view of giving the different stakeholders a clear sign on where to go and allowing them to start or continue working towards that goal. We therefore urge the Parliament and the Council to do everything possible to reach a first reading agreement", said ESPO's Secretary-General Isabelle Ryckbost. Two of the issues under discussion are of importance for seaports: the deadline for the provision of LNG refuelling points in core network ports and the conditions under which shore side electricity has to be provided in ports. European ports are in favour of the pragmatic approach that is taken by both European institutions regarding the deployment of LNG refuelling points in core TEN-T ports. The aim here should be the deployment of a sufficient network of LNG refuelling points taking market realities and distances between ports into account. ESPO agrees with the Parliament that it makes sense for such an LNG refuelling network to be deployed already by 2020 in consistency with the entering into force of the Sulphur Directive. It is of utmost importance though that the relevant co-funding possibilities for LNG projects are ensured also after the 2014- 2020 period. As regards shore side electricity, ESPO considers a compromise obliging core TEN-T ports to provide shore side electricity wherever there is demand, the costs are not disproportionate to the benefits and there is significant positive impact on the environment, as acceptable for both institutions. The deadline for meeting this obligation is of a lesser importance to ESPO. If, as a result of an assessment it seems that shore side electricity is the most viable solution for the whole or a part of the port, ports should not wait until 2020 or 2025. Over the last years, and in absence of any regulatory obligation, several European ports have been actively supporting this technology and exploring the possibility of providing shore side electricity in their berths. In some cases, this has led to successful implementation projects. At the same time, shore side electricity must be seen as one of the pillars of a more comprehensive clean fuel strategy and might in that respect not always score as the "best" solution in terms of environmental benefits in all ports or on all berths. Ports must assess the full picture and look at this technology in combination with LNG and other upcoming innovative solutions. "The aim of this Strategy should be to push ports to reflect as soon as possible on their way to enhance the use of cleaner fuels. Shore side electricity is certainly one of the pillars of such a strategy and reflection. If cost-effective and wherever it comes out as the best environmental solution, it should be installed. But we should not see this technology in isolation. For berths where only LNG fuelled ships are arriving, such a technology is completely redundant. It is also clear that technologies in the field are evolving constantly. We should give ports the possibility to adapt to and invest in those as well", added Isabelle Ryckbost.

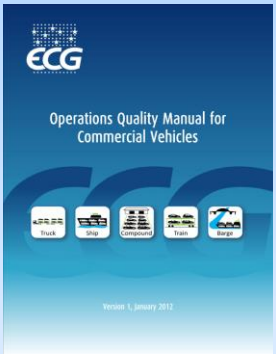
AUTOMOTIVE INDUSTRY

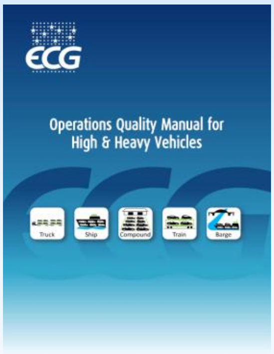
Auto industry pensive about Russian standoff in Ukraine

(Source: Automotive Logistics News, 5th March 2014) There has been no let-up in the political tension in the Crimea peninsula of southern Ukraine this week. Reports indicate that feeder and short sea operators are being hindered in their passage and navigation of the port of Sevastopol by the Russian and Ukrainian navies, with vessels operating in the Black Sea either being diverted to Novorossiysk in Russia or sent back to the Greek port of Piraeus. Sevastopol is the base of the Russian Black Sea Fleet. Søren Tousgaard Jensen, General Director of **WWL** Russia, told *Automotive Logistics* that because the company

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
T: +32 2 706 82 80

does not have any direct calls to the Black Sea it is fully dependent on these feeder and short sea operators; he pointed to uncertainty over clear passage when calling at Sevastopol. However, it is the cargo owners, including carmakers that had the greater problem, according to Jensen. “The cargo owners have much more at stake than we do, i.e. they have the ownership and commercial settlement of the cargo, and they are considering their options on how to move the cargo from the ports, or [whether] to keep the cargo in other ports,” he said. He added that Illichivsk port, in south-western Ukraine, was operating normally and, according to reports from the Traffic Department of SE Ukrainian Sea Ports Authority, there had been no disruptions to vehicle and general cargo operations at ports in the region in the first week of March. **MCCL**, which is one of the main vehicle Ro-Ro operators in the Black Sea, confirmed that it has resumed trade via Ukraine with vessels on route to Illichivsk and Odessa ports. “K” Line and its affiliate company KESS operates in the Black Sea but doesn’t call at any Ukrainian ports so is not directly affected by the problems at Sevastopol but a spokesman for the company said that it was monitoring the situation and was ready to take appropriate measures if and when necessary together with its customers’ decisions should there be wider implications for trade in the area. Carmakers have responded tentatively to possible disruptions to transport services and trade, added to which is the prospect of sanctions being imposed on Russia “within days” by a number of countries, including the US, unless the situation is resolved. That could have an impact on trade flows in and out of the country, including those for parts and finished vehicles. The impact on sales is also a concern. A drop in the value of the Russian rouble would lead to higher inflation and could hit consumer spending. Carmakers in Russia have been rushing to meet local production targets to maintain preferential import tariffs. There is, in the meantime, a significant amount of automotive material imported to Russia from Europe, South Korea and Japan, for example. Meanwhile, the market has also been a growth market for vehicle exports for certain OEMs, including Toyota from the US. “Right now we are trying to understand the situation,” said Nihar Patel, Vice-President of North American business strategy at Toyota Motor Sales. “For now, there is no near term impact. We are, however, working closely with our European team (TME) to respond if the issues persist and impact overall consumer behaviour in those markets.” Ford would only state that it hoped for a peaceful resolution to the situation. President of the EMEA region, Stephan Odell, said the company was closely monitoring a “very volatile” situation and would not be doing anything in the short term. “It’s too early to jump to conclusions,” he told reporters at the Geneva motor show this week. That point was echoed by GM’s President Dan Ammann, who pointed out that the company had significant business in Russia. GM has a 9% market share of the automotive sector there and last year sold 258,000 vehicles. Renault also said it was monitoring the situation closely, including the performance of the Russian currency. The company has a high localisation rate of more than 80% in the country.

UK auto industry receives £45m funding boost

(Source: Automotive Logistics News, 5th March 2014) UK Business Secretary Vince Cable announced the implementation of government-backed funding this week for the country’s automotive sector. The Advanced Manufacturing Supply Chain Initiative (AMSCI) funding will be worth £45.5m and will go towards building the networks and capabilities of UK-based suppliers. The AMSCI is a competition run by the UK’s Department for Business, Innovation and Skills. It was set up to improve global competition for the UK and its manufacturing supply chains. The Long Term Advanced Supply Chain (LTASC) project provides funding for a four-year programme of support for research and development, skills training and capital investment among 38 UK suppliers. The funding will create nearly 1,000 jobs across various supply chains and safeguard 1,600 existing jobs throughout the supply chain. The programme will employ strategies to address Quality, Cost, Delivery (QCD), R&D capability, management and employee development. The

ECG Academy

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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:

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- 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.

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funding is part of a wider government project linked to the manufacturers' organisation (EEF) report called Backing Britain, which investigated the quality of goods manufactured overseas. It has prompted one in six firms to bring all or part of their production to domestic suppliers over the past three years. Mike Hawes, SMMT Chief Executive, commented: "The UK has a thriving UK automotive industry but we must continue to grow and develop our supply base. This SMMT-driven programme will allow the supply chain to increase skills, R&D capability and manufacturing facilities, and will make UK-based companies more successful in competing for both local and overseas business." Similarly, the Chair of supply chain group of the Automotive Council, Dave Allen, said: "The UK automotive supply chain has some real opportunities for growth in the coming years and this programme will really benefit those looking to improve their competitiveness. This is at the heart of the automotive strategy as we look to cement the sector's role as a significant driver of economic growth."

France, Spain February car sales show Europe recovery uneven

(Source: Automotive News Europe, 3rd March 2014) New-car sales in February fell 1% in France, but rose 18% in Spain, in a sign that Europe's automotive market recovery remains uneven at a time when Executives gathering at the Geneva auto show are hoping for a sustained recovery. Deliveries dipped to 141,300 in France in February, figures provided by the country's CCFA association showed. But in Spain they jumped to 68,763, according to car manufacturers' association Anfac. Europe's car industry is struggling to recover from a six-year slump in sales as consumers held back spending, particularly in those countries hit by austerity measures following the sovereign debt crisis. The dip, which ended almost five months of straight sales gains in France, hit Volkswagen hard as its sales fell 7%, while PSA Peugeot-Citroën and Renault saw their sales rise 4% and 2% respectively. By contrast, new car sales rose in Spain for the sixth consecutive month, thanks in part to government subsidies, Anfac said. Under the government subsidy scheme PIVE, buyers of new cars who turn in an older car receive a €2,000 rebate, half from the state and half from the car dealer. The subsidy has been extended four times and continues to drive sales. Sales in the European Union are expected to reach 12,013,910 in 2014, up 3% from 11,692,432 in 2013, estimates provided by IHS Automotive show.

New PSA boss Tavares eyes further cost cuts

(Source: Automotive News Europe, 3rd March 2014) PSA Peugeot-Citroën may seek more cost savings and does not rule out capacity cuts in France after 2016 if they are needed to turn the struggling carmaker around, new CEO Carlos Tavares said. Tavares also pledged to accelerate a €1.5bn savings drive already underway at the company. "I am very confident we can pursue the turnaround of the company," Tavares noted. "We will come back to a positive cash flow no later than 2016. It may be 2015." Tavares added that it will be at that point of positive free cash flow that the company "will make an assessment" of where it will go in future. Tavares was speaking on 3rd March in a press panel interview organised by French trade publication *7pm Auto*, his first full interview since taking operational charge at PSA last month. He said PSA would not consider selling its 51.7% holding in parts supplier Faurecia as part of its profitability plan. He did not rule out a sale, but when asked why such a sale would not be part of an asset sale programme to improve profitability, he said "Because that's cash, not profitability. There's a big difference between putting cash in the bank and generating profit." PSA has promised not to close any French plants for two years under a pact with its workforce. "We are going to respect very rigorously the agreement we have with our unions, which means no factory will be closed until 2016 at least. That's the deal." Whether plant cuts are needed after that date "will depend on the results of the company," Tavares said. PSA is making good progress towards the existing savings goal announced in 2012 and could go

ECG AGENDA

►**Rail Technical Meeting** on **18th March**, in Brussels, Belgium

►**ECG Maritime & Ports Webinar**, on **25th March**

►**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 Maritime & Ports Working Group meeting** on **11th and 12th June**, in Le Havre Port, France

►**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

further, Tavares also indicated. He gave a first hint of his plans for PSA on 19th February, saying he saw “huge room for improvement” to its manufacturing and distribution businesses. The French state’s arrival as a major shareholder will not prevent further restructuring if necessary, Tavares said, adding that the government’s 15% Renault holding had not prevented that carmaker from adjusting capacity. “It’s part of my job to explain to our shareholders where the levers are for sustainable profitable growth,” he said. “Everything we have seen so far from the presence of the French state on our competitor’s Board seems to indicate concretely that things can be done.” PSA has already announced more than 10,000 job cuts over three years and halted production at its doomed Aulnay plant near Paris in 2013. The company also recently confirmed plans to cut its Poissy and Mulhouse factories down to one production line each from two. PSA still makes about a third of its cars in France, compared with less than 20% for Renault. Assembly line wage costs average €35 an hour in France, just over €20 in Spain and about half of that in Eastern Europe. Under their framework deal, PSA and Dongfeng have agreed to expand an existing joint venture with new models and Asian export markets, aiming to triple sales to 1.5m vehicles by 2020.

EUROPE

GEFCO provides value-added services for Citroën

(Source: Automotive Logistics News, 5th March 2014) **GEFCO** is providing value-added vehicle services for Citroën Berlingo vehicles at its logistics facility in Setúbal, Portugal. The services include installation of an interior partition and modification of the opening angle of the doors. In all GEFCO is applying the service to 4,500 of the vehicles. GEFCO is moving the vehicles from the carmaker’s Mangualde plant in the north-east of the country to its Setúbal facility and, once the work is carried out on the vehicles, providing onward transport services through Spain before the volumes are distributed on the French market. “We are very enthusiastic about developing this project in Setúbal,” said Fernando Reis Pinto, Managing Director of GEFCO Portugal. “It is a real challenge, not only because of the volumes and the quantities that come into play, but also as a result of all the other requirements which need to be accomplished in record time and require a variety of transport, storage and transformation services.”

DB extends Eco Plus service for BMW

(Source: Automotive Logistics News, 5th March 2014) **DB Schenker Rail** has added a further route to its Eco Plus transport service for BMW in Germany. The service, which uses energy from renewable sources to drive traction, was first taken up by the carmaker last year for component shipments from Frankfurt to its plants in Regensburg and Landshut. That service has now been extended north-west to Wuppertal, near Düsseldorf. DB Schenker Rail said the service will achieve annual savings of almost 2,000 metric tons of CO_2. Users of the service receive an annual certificate confirming the CO_2 emission savings. BMW received its first on 13th February this year for the services from Frankfurt. Audi also uses the Eco Plus service for the movement of vehicles from its Ingolstadt plant in Germany to the port of Emden on the north coast of the country. German companies Mondelez International, Lanxess and Vinnolit also use the service, which has been available since 2010. “On introducing Eco Plus, DB Schenker Rail successfully launched a pioneering product onto the market. We believe it is important to make an active contribution to environmental protection, and this innovative product does so without the need for projects to offset CO_2 quantities that have already been emitted,” said Axel Marschall, Management Board member for sales at DB Schenker Rail. For BMW the extension of the service to Wuppertal started this March and a 500-metre train runs five times a week between there and the assembly plants; Regensburg and Landshut are 650km

Events in Brussels

Smart, Green and Integrated Transport – SMEs in Transport Information Day, organised by the European Commission on **11th March**
http://ec.europa.eu/research/transport/events/smes2014/index_en.htm

The European Commission organises the Conference on the new EU rules on procurement and concessions, on **19th March**
http://tinyurl.com/nnazyop

The Parliamentary Committee on Industry, Research and Energy organises the Intergroup Meeting on 'Promoting the electrification of transport: the EU and Quebec - similar priorities', on **19th March**
http://tinyurl.com/mcktycs

The British Chamber of Commerce in Belgium organises an event on the Italian Presidency priorities for transport on **26th March**
http://britishchamber.be/event/italian-presidency-priorities-transport

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

from Wuppertal and lie within 40 minutes of each other by direct rail link. The news comes as DB Schenker expands services in Europe and beyond. Last month, it announced investments to improve North African branches in Tangier and Casablanca, through the national company Schenker Maroc. Similarly, the start of 2014 saw the logistics provider's railway arm announcing new freight services with high speed railway routes across Europe. The services now carry automotive components from Spain to east London, via the Channel Tunnel. The contract between the two is expected to last initially for six months. "The new contract demonstrates the value of the high speed network in the UK," said a spokesperson for HS1. "Due to size dimensions of the freight, it is something that can only be carried in the UK on the high speed network, offering the shipper a seamless European rail service. We enjoy a good relationship with DB Schenker Rail UK and have always maintained that a partnership approach is crucial to the long term success of the HS1."

'Russian pressure could stall life-saving shipping pollution cut'

(Source: EurActiv, 7th March 2014) A bid to limit dangerous Nitrogen Oxide (NO_x) emissions from new ships is in danger of being delayed until 2021, because of pressure from Russia. Pollution from international shipping is estimated to be responsible for more than 50,000 premature deaths in Europe alone and, by 2020, maritime NO_x emissions are expected to equal or overtake those from land-based sources. Because they take place close to shore, such emissions can have a disproportionately damaging effect on human health. But last year, Russia called for a five-year delay to a deal cut at the International Maritime Organisation (IMO) in 2008 which would have strictly limited such emissions. Moscow has given no indication that it would support a future curb on NO_x emissions in 2021. Despite this, a proposal by non-EU member Norway to postpone implementation of the new IMO standard outside of North America, in line with Moscow's wishes, has gathered support from several EU Member States, and from sections of industry. In response, the European Commission has attempted to assert competence over the issue, at a time when Russian pressure on Europe is under the spotlight, as rarely before. "It is inconceivable that Europe could even consider legitimising Moscow's attempt to torpedo international rules unanimously agreed 6 years ago," Bill Hemmings, Shipping Manager at Transport and Environment (T&E), a green campaign group. "Europe needs to stand firm and resist Russian manoeuvres to block measures to reduce harmful emissions from ships." The European Commission's memo to EU diplomats says that environmental protection "is in very large measure regulated by Union legislation" such as the Clean Air Quality package and Water Framework Directive. EU states in the IMO should thus take a common position to oppose what they see as a Russian-backed boondoggle. But several European countries are loathed to support this position. Baltic states in close proximity to Russia such as Estonia, Finland, Sweden and Denmark are thought to favour stalling any IMO-backed NO_x Emission Control Area (NECA) in the Baltic Sea. Gas supplies and the presence of ethnic Russian minorities in some of these countries can be a potent bargaining chip. EU Member States collectively own the world's largest merchant fleet and the CO_2, NO_x, Sulphur dioxide (SO_2) and particulate matter (PM) emitted by ships in European waters contribute up to 10-20% of overall shipping emissions, and 30% of CO_2 emissions. Globally, the world's shipping industry emits around 1bn tonnes of greenhouse gases a year and accounts for around 3% of total emissions. Without action to curb emissions, this figure is expected to double by 2050. But countries with shipping interests – such as Cyprus, Greece, Latvia, Malta and Poland – have supported the Norwegian compromise at the IMO. Others countries fear gifting Brussels the power to sue any state which breaks ranks. But without that, it would be "every man for himself," one observer commented. Some countries have raised concerns about the possible precedent for subsidiarity that could be set in other areas, if the Commission were to assert competency in this area. Greek Presidency sources also say that they will reject any attempt to debate the Commission memo, although they say they are aware

ECG Office

Mike Sturgeon
Executive Director
T: +32 2 706 8282
Mike.sturgeon@ecgassociation.eu

Tom Antonissen
EU Affairs Adviser
T: +32 2 706 8283
tom.antonissen@ecgassociation.eu

Oleh Shchuryk
Research & Projects Manager
T: +32 2 706 8279
oleh.shchuryk@ecgassociation.eu

Cliona Cunningham
External Relations Manager
T : +32 2 706 8280
cliona.cunningham@ecgassociation.eu

Szilvi Kiss
Communications Officer
T: +32 2 706 8284
assistant@ecgassociation.eu

Beatriz Peon
ECG Survey Project Coordinator
T: +32 2 706 8285
temp@ecgassociation.eu

that the Ukraine crisis could still influence proceedings. Last year, Russian pressure successfully scuppered plans for a Marine Protection Area in the Antarctic Sea. An inability to take a decision will see the issue kicked back to an IMO co-ordination meeting in a few weeks' time.

Spanish liquefied natural gas for ships studies receive EU support

(Source: INEA, 28th February 2014) The European Union will co-finance with a little over €1m from the TEN-T Programme a series of studies to help make the liquefied natural gas (LNG) supply for ships a reality on the Spanish Mediterranean coast. The studies, which were selected for funding under the 2012 TEN-T Annual Programme's priority on new technologies for transport infrastructure, aim to overcome the existing barriers for developing a LNG bunkering supply chain in the region. LNG is rapidly emerging as a more environmentally friendly fuel for the shipping sector and its uptake is encouraged by the European Union. The studies will address the transition of both maritime fleets as well as port facilities, reducing the time-to-market of the LNG bunkering service in the Spanish Mediterranean ports (the **ports of Barcelona**, Valencia and Cartagena). The technical, operative, economic and legal aspects of LNG bunkering vessel operations will be analysed and there will be an evaluation and design of an optimised LNG supply chain in key Spanish ports of the Mediterranean.

For more information, please consult the project's page:
http://inea.ec.europa.eu/en/ten-t/ten-t_projects/ten-t_projects_by_country/spain/2012-es-92034-s.htm

ERTMS upgrade for locomotives and track in Italy

(Source: INEA, 4th March 2014) Two projects to upgrade Italian infrastructure and rolling stock in terms of European Rail Traffic Management System (ERTMS) will be supported by the European Union to the tune of almost €4.5m from the TEN-T Programme. The projects will improve the safety of rail transport whilst at the same time making the sector more competitive. The two projects were selected under the 2012 TEN-T Multi-Annual Call, which gave priority to ERTMS, a major European industrial initiative to make rail transport safer and more competitive. Its goal is to substitute more than 20 different train control-command systems which are currently in use in Europe with a single harmonised system. The first project, receiving a grant of just over €1.4m, involves upgrading the ERTMS software and hardware of the on-board units of 12 high speed locomotives in order to ensure their compliance with the latest consolidated version of this system. The locomotives will then be able to circulate in all other EU Member States which have implemented the same system. The second project, which will receive €3m in EU co-financing, consists of deploying ERTMS trackside equipment along the Torino-Napoli high speed line, more specifically on the 230km long Roma-Napoli section, which is part of ERTMS Corridor B, which stretches in a north to south direction from Stockholm in Sweden to Naples in Italy. The project will ensure the full interoperability of the line.

REST OF THE WORLD

UNECE, EC and IRU join forces to promote main UN road transport agreements

(Source: IRU, 25th February 2014) The United Nations Economic Commission for Europe (UNECE), European Commission (EC) and International Road Transport Union (IRU) published an Advocacy Paper jointly developed within the framework of the EU-funded EuroMed transport project, to promote the main UN road

transport Agreements, notably the Harmonisation and TIR Conventions, as the best tools for achieving regional integration in the EuroMed region and sub-regions through facilitated and secure trade by international road transport. The Advocacy Paper aims to raise awareness on the benefits of these tried and tested global UN facilitation instruments, which reflect 60 years of experience of international collaboration in facilitating trade and international road transport. The Paper notably showcases the advantages of implementing these agreements to set a basic regulatory framework and international standards of vital importance for EuroMed countries, as well as their ability to serve as models for national regulations. As road transport drives economic growth through its unique ability to connect all businesses in all regions around the world to all global markets, the effective implementation of key UN instruments allow Customs to efficiently facilitate cross-border road transport, contribute to facilitated and secure road transport, improve road safety, harmonise procedures, reduce time and costs, and create a fair and competitive playing field, while improving road transport's ability to efficiently and effectively support economic and social development. Commenting on the benefits of the UN agreements, IRU Secretary General, Umberto de Pretto, said, "These key UN instruments allow road transport to play its role in driving economic and social development, progress, prosperity and ultimately peace. The IRU is working to promote these tools in the EuroMed region and more widely in Africa through the commitment of our Regional Committee for Africa to allow African countries to benefit from all that facilitated road transport has to offer to achieve economic integration."

To read the Advocacy Paper, please follow the below link:
http://www.iru.org/cms-filesystem-action/press/UNECE_Road_Agreements_ENG_A4-Web.pdf

JLR to move forward with Saudi factory plan

(Source: Automotive Purchasing, 3rd March 2014) Jaguar Land Rover appears to have taken a significant step towards investing a reported $167m in a new Saudi Arabian car plant. The Tata Motors-owned luxury car maker has been in talks with the oil rich state over the possibility of setting up a manufacturing plant. JLR is said to be close to signing a deal with the Saudi government, according to last weekend's *Sunday Times* newspaper. The plant will initially make a new version of its popular Land Rover Discovery and is eventually expected to create between 4,000-5,000 new jobs. Addressing an India-Saudi Arabia Business Forum meeting in New Delhi recently, Saudi Minister of Commerce and Industry Tawfiq Al Rabiah said the factory would be located in the Eastern Province. The Saudi government would invest in the plant as it seeks to develop the automotive industry in the Arab world's second-largest state. JLR is likely to begin by assembling cars from components made in Britain, and progress to taking more parts from Saudi companies. It will be the company's third big foreign expansion after deals to open factories in China and Brazil were finalised. JLR signed a letter of intent in December 2012 with the Saudi Arabia's National Industrial Clusters Development Programme (NICDP) aimed at establishing an automotive cluster. The signing fired the starting pistol for a joint feasibility study as to the possibility of setting up a 'financially sustainable automotive facility' in the Arabian Peninsula. It is believed JLR has already earmarked £100m to develop the facility which could be capable of building 100,000 vehicles a year. The attraction of Saudi Arabia is not only the potential for high sales, but access to an abundant supply of aluminium, which the car maker is increasingly using to reduce the weight, and increase the efficiency of its vehicles. Saudi Arabia has a huge aluminium factory, part-owned by metals group Alcoa. Ratan Tata, former Chairman of JLR owner, Indian conglomerate Tata, is on the Board of Alcoa. JLR currently exports about 85% of all its products and is in the process of building a manufacturing plant near Shanghai in a £1bn joint venture with Chinese car maker Chery to support growing sales of its models throughout China. JLR also confirmed plans late last year for a £240m factory in Brazil, in Rio de Janeiro.

India's auto sector points the way for a decade of industry trends

(Source: Automotive Purchasing, 27th February 2014) According to a recent report, the Indian automotive industry has emerged as the seventh largest in the world and is on the cusp of rapid transformation and growth, thanks to stable economic growth and infrastructure development. The auto components industry is also gearing up to complement the growth of the vehicles industry. However the auto industry would need to address several important challenges that would likely impact its cost effectiveness and efficiency, as it strives to hold its own against global competition. A new study, The Future Thought of Business: Automotive, commissioned by Wipro and Dun & Bradstreet attempts to identify future trends likely to impact and shape the future of the Indian automotive industry over the coming decade. According to industry experts, the main focus would need to be on enhancing efficiency and productivity, as also innovation, across both process and product domains, driven by changing customer demands.

To download the document, please follow the link:
http://www.wipro.com/ftob-automotive/

PRESS RELEASES

UECC orders two Dual LNG Pure Car and Truck Carriers

(Source: UECC, 6th March 2014) **United European Car Carriers** (UECC), jointly owned by Nippon Yusen Kabushiki Kaisha (NYK) and Wallenius Lines, has signed a contract to construct two dual fuel LNG Pure Car and Truck Carriers (PCTC).

The contract has been signed with Kawasaki Heavy Industries (KHI) and the vessels will be constructed at the NACKS shipyard in Nantong, China which is a joint venture between KHI and China Ocean Shipping (Group) Company. Deliveries of both the vessels will be in the second half of 2016.

The vessels will be 181 metres long with a 30 metre beam. Both the vessels will have 1A super Finnish/Swedish ice class, facilitating year round trading in the Baltic area. Approximately 3,800 standard sized cars spread over 10 decks will able to be transported. A significant part of the cargo capacity can also be used to transport high & heavy cargo and any other cargo loaded on to mafi trailers. The deck configuration is optimised for both present and predicted future cargo mix.

The vessels are capable of operating with LNG fuel or heavy fuel oil and marine gas oil, providing greater flexibility and efficiency. It is the first PCTC of its kind to be fitted with an LNG fuel propulsion system, and can complete a fourteen day round voyage in the Baltic using solely LNG fuel, including main engine and auxiliary power generation.

LNG is recognised as the cleanest and most environmentally friendly choice of fuel suitable for marine transport. The choice of LNG as a fuel significantly reduces CO_2 and NO_x emissions, as well as almost eliminating Sulphur Oxide and particulate emissions. “The LNG installation is a pioneering design and will be one of the largest employed on a commercial vessel and the largest yet of its kind on a pure car and truck carrier. We are proud of the exciting step UECC is taking towards greener and more environmentally friendly shipping” said Glenn Edvardsen, CEO of UECC.

The vessels will employ a number of other design elements and technologies to help reduce fuel consumption and emissions, ensuring safer and more efficient operations. With capacity for approximately 3,800 cars, it will be the largest PCTC type vessel specifically designed for transiting the Baltic and other ice prone areas. Mr. Edvardsen further stated, “UECC will be able to provide our customers with transportation in the Baltic area with unparalleled efficiency, reliability and superior environmental performance”. The vessels have been jointly developed by UECC, Wallenius Marine and NYK Technical Group, together with Kawasaki Heavy Industry in Japan.

For any further information, please contact:
Mr. Bjørn Svenningsen, Head of Car Transport Sales & Marketing, Oslo.
Telephone: +47 90160455

Memorandum of understanding signed at Cuxport to construct berth 4

*(Source: **Rhenus** Cuxport, 24th February 2014)* Olaf Lies, the Lower Saxony Minister of Economic Affairs, Labour and Transport, and Dr. Andreas Schmidt and Hans-Peter Zint, the Managing Directors of Cuxport, signed a memorandum of understanding for the construction of berth 4 at the Cuxport terminal in Cuxhaven.

Once the planned work has been completed in the spring of 2017, Cuxport will have at its disposal another 290 metres of pier alongside water deep enough for sea-going vessels and about 85,000m^2 of space for port handling operations.

“The Lower Saxony state government is fully aware of the huge significance of the port industry for the economic development of our federal state. The construction of berth 4 at Cuxhaven will create the conditions for further growth in the port sector on the North Sea coast and therefore pave the way for new jobs,” said Olaf Lies, giving the reasons for the involvement of his government.

“We’re delighted by the decision taken by the Lower Saxony state government to expand this terminal with us; we urgently need more handling and storage space in order to continue developing the business site at

Cuxhaven. Utilisation levels at the moment do not permit any further growth in terms of volumes," Hans-Peter Zint emphasised.

The completion of berth 4 will enable Cuxport to meet the steady growth in demand for a wide variety of efficient logistics services in future too. At the same time, the investment will safeguard existing skilled jobs in the Lower Saxony port sector and lay the foundation for creating new ones.

"None of this would be possible without the expansion of the port infrastructure by the state of Lower Saxony. Based on the excellent development and forecasts for this business, particularly in the Ro-Ro and offshore logistics sectors, we assume that the newly created capacity at our multi-purpose terminal will soon be put to full use," says Hans-Peter Zint, looking to the future. Once the construction work has been completed, the area will be used for port handling and providing temporary storage for goods prior to their shipment by sea or distribution further inland.

4th Railway Package - Parliament allows the long-awaited railway reform to deliver concrete results…but NOT ALL!

(Source: European Rail Freight Association – ERFA, 26th February 2014) 26th February was the day of the First Reading in plenary by the European Parliament (EP) on the 4th Railway Package. 26th February was also the day of publication of the First Railway Package in the EU Official Journal. But that was back in 2001!

This First Package was meant to include the basic elements for a full opening of the rail freight market. Thirteen years later, we are still far from this objective because major barriers to market development remain in place. However, the European Parliament has just sent a clear signal that things should finally change for the better.

The first barriers are of a technical nature: With the unambiguous support for the technical pillar of the 4th Railway Package, the Parliament's vote allows for simplified, cheaper and ever safer processes for vehicle authorization. The way is also paved for the empowerment of the European Railway Agency (ERA) – though too late put in operation – to issue European safety certificates for railway undertakings in co-operation with National Safety Authorities.

The second type of barriers is of a political nature: ERFA has repeatedly demonstrated that the independence of the infrastructure manager (IMs) is a *sine qua non* condition for further market developments. The foreseen strong Chinese Walls between the IMs and railway undertakings (RUs) were good protection measures to avoid discrimination and conflicts of interest. What is at stake is not only the organization chart of the infrastructure manager. It is also ALL its functions (traffic control, maintenance, investments and renewals in addition to path allocation and charging); in other words, its actual ability to fulfil its role. Unfortunately, the Members of the European Parliament did not decide for a full independence of the IM and preferred to limit its decision-power. Once more, ERFA will be obliged to strict vigilance on the risks for discrimination.

ERFA has also been at the forefront of the setting up of the Coordination Committees which will allow for a regular and open dialogue between the IM and all its clients. The performance of the network manager will be controlled in a transparent way, discussed and eventually enhanced. The European Network of Infrastructure Managers (ENIM) was also adopted, which is good news for the EU's network of "core corridors".

From a social point of view, unions' representatives must understand that the railway reform will bring benefits to the workforce. It will level-up salaries and working conditions in the sector.

François Coart, Chairman of ERFA: "This vote is a major step forward in the construction of a real European rail network. The reinforced interoperability will benefit to passengers as freight customers in terms of safety, pricing and reliability. I strongly regret that lobbies exceeding by far the usual democratic game led a majority of MEP's to not choose for the compromise which was produced by the TRAN Committee in terms of separation between Infrastructure Managers and historic operators. ERFA will continue to defend its members to guarantee fair competition and equal treatment."

IRU publicly releases evidence disproving once and for all FCS RF allegations of any old TIR debts

(Source: IRU, 3rd March 2014) The International Road Transport Union (IRU) publicly released key documents on 3rd March disproving once and for all allegations made by the Federal Customs Service of the Russian Federation (FCS RF) to justify illegal TIR restrictions on Russian territory since July 2013, concerning alleged old TIR debts from the IRU's Russian TIR Guaranteeing Association - the Association of International Road Transport Carriers (ASMAP).

The release of these documents follows a very clear judgment from the Moscow Arbitration Court on 13th February which had already recognised that the FCS RF allegations were not in conformity to reality and defamatory.

The release of the whole set of related documents are the result of a detailed objective analysis conducted by a team of 20 claims experts, who looked at each and every one of the more than 4,000 alleged cases to determine their exact status and respond with concrete evidence.

While some of these cases date as far back as 1993, nearly half of them had never been reported to the IRU until November 2013 when the FCS RF finally sent an official letter containing lists of the alleged cases. Moreover, out of the more than 4,000 cases, only four recent cases are still pending a decision, which represents less than 0.1% of all cases reported to the IRU by the FCS RF.

Commenting on the public release of documents disproving these allegations, IRU Head of Legal Affairs, Kseniya Kasko, said, "This confirmation of the absence of any debt from the TIR guarantee chain towards Russian Customs comes as no surprise, as we all know how efficiently the TIR System functions. The IRU has nothing to hide, which is why we are making this information available for public scrutiny, with no restrictions. We are now ready to explain these files in detail to any interested party, including to any Russian competent authority in order for these cases to be officially closed once and for all."

The full collection of these documents is open for consultation through the Geneva-based law firm CMS Von Erlach Poncet.

To read more, please see http://www.iru.org/en_iru_tir_news.