ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 14.10 10th –14th March 2014

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NEWS FROM BRUSSELS

Port Regulation not ready to be voted before elections

(Source: European Sea Ports Organisation – ESPO, 13th March 2014) This week, MEP and Rapporteur, Knut Fleckenstein (S&D/Germany) and the shadow rapporteurs on the Ports Regulation proposal have jointly decided not to vote on the Regulation before the European elections. The European Parliament's key players on this proposal are stressing that they are willing to take up the work again after the elections and express the wish that the newly elected Transport (TRAN) Committee takes stock of the progress made so far on this file and continues the work. "We understand that achieving a good compromise on such a controversial file in such a short time frame, especially in the run-up to the European elections is not an easy job. We are pleased that there is a clear will from the main players on this file to continue the work after the elections, away from any electoral pressure. We are looking forward to continue the constructive dialogue with the Parliament, Commission and Council in view of obtaining a balanced result that means a step forward for every single port in Europe," says ESPO Secretary General, Isabelle Ryckbost in a reaction to the postponement.

ECG Note: *In the meanwhile, MEPs on the TRAN Committee remain set to vote on the equally controversial Weights and Dimensions proposal in its session on 18th March – a vote which ECG and its members will follow closely as the outcome will have a significant effect on the cross-border traffic of vehicle transporters, which the sector of finished vehicle logistics has been practising since decades.*

MEPs back new common standards for vehicle checks

(Source: European Parliament, 11th March 2014) A deal with EU Member States on minimum common standards for periodic vehicle inspections, vehicle registration documents and roadside inspections of commercial vehicles was endorsed by MEPs on 11th March. "Parliament secured the existing minimum testing frequency against the stricter approach proposed by the Commission, preventing an additional administrative burden for the citizens, said Werner Kuhn," German Rapporteur for the periodic vehicle inspection rules. The rules, updated to improve road safety, will set new minimum common standards across the EU for vehicle testing and inspectors' training and competences. In addition, at least 5% of the commercial vehicles on roads in the EU as a whole will be subject to roadside inspections. Member States can also impose stricter standards than those laid down in the rules if they wish. "The whole package will contribute to achieving the road safety target of halving the number of road fatalities in the Union by 2020," said Olga Sehnalova, Czech Socialist Rapporteur for the technical roadside inspections file. It will be easier to re-register a vehicle in another member country under the new rules as Member States will be required to recognise a valid roadworthiness certificate issued by another Member State. "With the new directive we set clear rules on recognising roadworthiness tests, meaning that no extra tests and costs are needed," said Vilja Savisaar-Toomast, Estonian Rapporteur on vehicle registration documents. Efforts to detect odometer fraud (tampering with the milometer) must be beefed up, by including odometer readings in roadworthiness tests and certificates and Member States must ensure that tampering is punished effectively. The Commission originally proposed having common testing requirements for motorcycles and mopeds. However, under the compromise agreed between the Council and Parliament, only motorcycles with engines over 125cc will be subject to compulsory inspections, and only from 2022 onwards. Moreover, Member States may exempt them if they have "put in place effective alternative road-safety measures for two or three-wheel vehicles." To support roadside inspections, the new rules will say that Member States should use risk-rating systems to target firms whose commercial vehicle fleets have poor safety records

and reduce the administrative burden for those with good safety records. The agreement now needs to be formally approved by the Council.

Low sulphur norms: action needed at the eleventh hour

(Source: European Community Shipowners' Association – ECSA, 7th March 2014) Priorities must be set to smoothen the introduction of low sulphur norms in Northern Europe: establishing a fair level playing field is one of them. With the 1st January 2015 deadline elapsing in Sulphur Emission Control Areas (SECA) in less than ten months from now, there is no time to lose. This was the core message ECSA Secretary General Patrick Verhoeven gave earlier this week in his keynote speech at the Clean Shipping Conference. The conference is part of Baltic Transport Week, a leading logistics event held annually in the Baltic port city of Gdansk. "With the SECA implementation date approaching fast, there is a lot of talk about monitoring and enforcing compliance", said Patrick Verhoeven, "I would make a plea for a playing field that is level but fair. It means first of all that the early adopters, those operators that completed all the investments and are ready to meet the sulphur norms in time, are not penalised. But it equally means that those that can demonstrate that they made the necessary commitments to meet the norms, but may not be entirely ready by the time the deadline elapses for technical or other good reasons, are given a compliance path within a limited and conditional timeframe. This key point must be discussed in the context of the European Commission's European Sustainable Shipping Forum (ESSF), of which ECSA is an active member [*ECG also appointed representatives whom are active in the ESSF subgroups on Financing Mechanisms and LNG*]. Other issues need priority attention as well, such as the need to clarify financial support options and legal certainty on applicable rules and regulations in ports. The sense of urgency in getting clear answers on these issues cannot be underlined enough", added Patrick Verhoeven, who concluded his intervention at Baltic Transport Week with a reflection on lessons to be learned from the sulphur debate: "Let's just say that, for a variety of reasons, this file does not deserve a beauty prize. What we can learn from it is that we need genuine international rules, also within an IMO context, proper impact assessments and a less defensive attitude from industry. Considering the uniquely positive role we play for society at large, providing so much of what people consume and use in their daily lives at such a low cost, I think we are doing quite well in terms of overall sustainability. But we need to be out there telling that story much better."

ECG Note: *For additional communication from ECSA, please see the "Press Releases" section below. The ECSA Secretary General, Patrick Verhoeven, has accepted the invitation to present an overview of their current policy-related activities at the ECG Spring Congress & General Assembly on 22nd-23rd May. ECG members are kindly requested to register and book their accommodation at their earliest convenience via:* *http://www.ecgassociation.eu/activities/ecgspringcongressgeneralassembly/scgaathens2014.aspx*

AUTOMOTIVE INDUSTRY

Car coolant rejected by Daimler is safe: EU scientists

(Source: EurActiv, 10th March 2014) EU scientists have found that the new car coolant at the centre of a dispute that has pitched regulators against Germany and its luxury carmaker Daimler does not pose any serious safety risks, the European Commission said on 7th March. The European Commission has launched legal proceedings against Germany over Daimler's refusal to stop using an old-style coolant that has global warming potential more than 1,000 times greater than that of CO_2. The suggested substitute, which has roughly the same impact as CO_2, is the R1234yf coolant developed by US conglomerate

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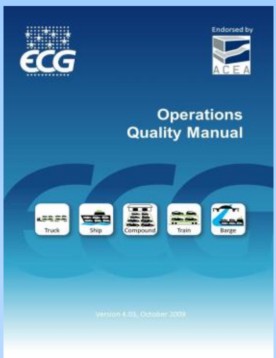

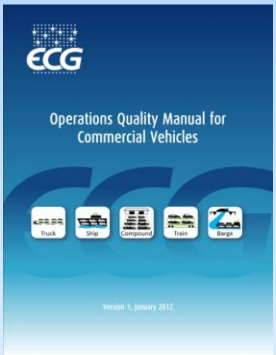

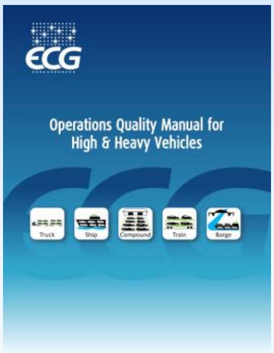

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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Honeywell, in partnership with DuPont. Daimler says that the substitute can emit a toxic gas when it burns, but its refusal to use the product has placed it in breach of an EU law that requires new cars to use coolants with a global warming potential no more than 150 times that of CO_2. In what it described as "a confidence-building measure", the Commission asked the Joint Research Council (JRC), an institute set up to provide impartial scientific advice for policymakers, to carry out a new assessment of R1234yf. "There is no evidence of a serious risk in the use of this refrigerant in mobile air-conditioning systems under normal and foreseeable conditions of use," the JRC concluded in its report published on 7th March. Daimler issued a statement saying that the research was "too restrictive". The carmaker said that its preferred option is to develop air-conditioning systems that use carbon dioxide as a refrigerant. Development of such a system, however, could take years. Honeywell and DuPont both welcomed the JRC's findings. Honeywell said there are now more than 500,000 cars using R1234yf. The number is expected to reach more than two million by the end of this year.

To read the JRC note, please follow the link below:
http://ec.europa.eu/DocsRoom/documents/4651/attachments/1/translations/en/renditions/native (use .pdf reader to open the document).
For more on the issue, please see the EC website:
http://ec.europa.eu/enterprise/sectors/automotive/environment/macs/index_en.htm

VW reveals efforts to cut emissions in logistics

(Source: Automotive Logistics News, 12th March 2014) A big part of Volkswagen's ambitious target to reduce emissions across its business by 25% by 2018 will come from its logistics strategy, the carmaker's Head of outbound logistics has revealed. The carmaker also does not anticipate shifting vehicles off of shipping routes and onto road when sulphur emissions restrictions come in for much of northern European shipping, although there are some concerns for compliance costs and fuel supply. Speaking in the opening session of this week's Automotive Logistics Europe conference held in Bonn, Germany, Andrea Eck, General Manager of outbound logistics at the Volkswagen Group, said that logistics has always been focused on the reduction of lead times and cost, as well as the maintenance of quality. Now logistics is increasingly also about reducing the carbon footprint. The company is taking a three-pronged tool to the problem. "First we need to know how much we are emitting and how we track this," she said. "It is not easy to do this for 106 plants worldwide. You can't start with all of them at the same time, so we are taking different steps but the same standards will be implemented worldwide in the end." Secondly the company is looking to develop measures for improvement, "not to invent the wheel a second time," said Eck, but thinking about optimisation and what the company can develop together with its suppliers and service providers. "The third is important – the coaching and communication of these priorities to our workforce. They need to be aware what it means when we are talking about the reduction of 25% of emissions." Amongst the practical things being done Eck said the company was focusing on an optimal average in the use of inbound transport by looking at better use of cross docks, milk runs and direct runs between supplier and plant. It is also looking at consolidation of different logistics functions in one location enabling a better utilisation of modes, including truck, train and waterway, as seen in VW's recently completed multimodal complex at the inland port located next to its Wolfsburg plant in Germany. "There is a packaging station there, storage for cars and a port," Eck explained. "These are three functions together and we started to optimise the network in the transport of cars and reduce the distance and therefore the emissions. We also built a packaging station, where we are packaging parts for overseas companies." The plant includes state of the art logistics facilities that are built according to the latest green standards. The company is also making reductions on rail routes for inbound and outbound moves in Germany and has reported savings of 10,000 tonnes of CO_2 by using

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

DB Schenker Rail's EcoPlus service, which derives energy for traction from renewable sources (and is shared by other carmakers, including Audi and BMW). And it is not just about CO_2. In a welcome acknowledgement of the pressures VW's ocean forwarders are facing when the sulphur emission control areas (SECAs) come into force in the North and Baltic seas at the beginning of next year, Eck said that VW was eager to work with its providers toward reducing the sulphur dioxide (SO_x) emissions. She ruled out any major cancellation of shipping routes or shifting more of this volume to other modes. "Of course we could stop [short sea] shipments but this is not the solution," she said. "We don't want to close shipping lanes." Highlighting the efforts being made by the ocean forwarders to look for alternatives and new technologies, Eck picked up on the challenges faced by the adoption of liquefied natural gas (LNG), a long-term solution that many are now looking at. "There is a serious problem in terms of infrastructure," she acknowledged. "There is not enough terminal infrastructure at the ports where you can tank LNG. So on the one side we say, of course we will support legislation to reduce this, but there needs to be support from the other side. Because finally, at the end of the day for us as an OEM, these SECA regulations will mean our costs increase. This is a fact and we can do nothing about that. The question is now how we can work together to improve the infrastructure because at the moment it is underdeveloped." To qualify the company's commitment Eck pointed out that VW was the first German OEM to join at the end of last year the Clean Shipping Network, an association of cargo owners. VW is now using the Clean Shipping Index (CSI) assessment tool to analyse and reduce the environmental impact of marine shipment. "We did this to support our partners and to have an influence on the regulations. We think this is the right way to show that we want to contribute to reducing the emissions." Finally, while Eck acknowledged that reducing carbon emissions was not yet playing a role in its supplier and logistics purchasing, she predicted that "We would eventually need transparency from all our suppliers and logistics providers on their emissions starting from their own sourcing. That is the only way that we could really have the full supply chain view," she noted

Ford of Europe works its way back

(Source: Automotive News Europe, 10th March 2014) After Ford of Europe completes its current round of plant closings, it will bring manufacturing to 80% of capacity - a prerequisite to profits, Chief Operating Officer Barb Samardzich says. The moves will put Ford in a position to attain "the profitability that we were targeting in Europe," she said. Ford will shutter its Genk, Belgium, plant at the end of the year. That move follows the closing of plants in Southampton and Dagenham, England, last year. Ford of Europe President Stephen Odell has said Ford expects to post a profit in Europe for 2015. Ford lost $1.6bn in Europe last year. Capacity reduction is one of two key elements in Ford's plan to end losses in Europe. The other is an aggressive vehicle rollout, with 10 launches this year and 25 over five years. Samardzich said the product plan is on schedule, with the EcoSport small crossover on sale and the two-ton version of the Ford Transit currently arriving.

EUROPE

Car supplies to Ukraine disrupted by political crisis

(Source: Automotive Logistics News, 10th March 2014) Transport difficulties in the Crimean peninsula of Ukraine have partially disrupted car imports to Ukraine through the region's ports, resulting in a suspension of sales for a number of car brands there according to local dealers. A number of vehicle shipments that were expected in March have been urgently re-directed to the ports of Nikolaev, Odessa and Ilichevsk located on the mainland part of Ukraine. "This increases the cost of logistics, because the geographical location of these ports is worse

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

than the ports of Crimea, but the overall cost rise is not critical," said Yuri Grischuk Director of Car Dealer. However, according to him, the problem is that these ports are also located in areas where protest and riots are taking place. In Odessa, there have been two weeks of clashes between the authorities and pro-Russian activists. Another problem is that on Perekop, a narrow strip connecting the Crimean peninsula with the mainland of Ukraine, works are already being carried out on a new international border. This week, depending on the results of a referendum, this border could be granted official status with the result that the supplies of cars from Crimea to Ukraine, among others, will be subject to new import and export duties. This situation, coupled with the uncertainty in the foreign exchange market and the fall of the rate of Ukrainian hrivnya, has forced a number of car importers to suspend sales. According to Alexander Dmiterchuk, the Regional Director of Renault dealer Atlant-M South, his company received notice from the importer to suspend sales. According to Dmiterchuk, the suspension was for one day and it is not clear whether further disruption is likely. Marina Yakovleva, CEO of Eurocar, a Skoda dealer in the region, says that because of exchange rate fluctuations and logistics problems, which affected the sale price of vehicles, the company has had to suspend sales, except in certain cases where existing obligations made it necessary. "We hope that as soon as the situation stabilises, the company will be able to carry out its normal business activities," she said. Furthermore, according to Sergey Borovik, Director of Marketing at Ukrainian dealer AIS Group, importers of a number of vehicle brands have sent letters asking to limit the sale of cars, as they cannot guarantee continued supplies. The situation is causing concern for transport and logistics providers in the region. According to a spokesperson for **Avtologistika** the situation in Ukraine is very tense. "We are very concerned about current developments," the spokesperson said. "However, the PDI centre in Illichevsk continues to operate normally without any interruption to the transport routes. We hope that it won't be necessary to implement any contingency plans to our logistics." Yuri Grischuk said that with such instability, there were serious risks to its business. "More importantly, it is unclear whether there is any sense in continuing to import cars because, according to official statistics, in January sales of cars in Ukraine fell 28% to just 14,300 units. And it is predicted that March-April sales could fall by another 20%. I know that market experts are advising producers to suspend the import of cars to Ukraine until the situation stabilises," he added.

Stobart floats transport and distribution business

(Source: Automotive Logistics News, 11th March 2014) UK freight transport provider **Stobart Group** is divesting 51% of its core transport and distribution business for almost £240m to a group led by the group's current Chief Operating Officer (COO) William Stobart and backed by asset management firm DBAY. Stobart Group will retain the remaining 49% share. The company will operate under the name Eddie Stobart Logistics. William Stobart will step down as COO to become the CEO of the floated company. Stobart Transport and Distribution includes all the Group's transport, storage and handling services. Operating from 50 sites in the UK and Europe, the Group's multimodal offering includes road transport, rail freight, air operations and port services. In January last year the company sold its Stobart Vehicle Services division to UK-based fleet management and logistics provider Paragon Group. The division was renamed **Paragon Vehicle Services**. That sale meant that Stobart divested itself of management services including car preparation, customisation and port operations, but retained the vehicle transport part of the business, including the truck fleet.

BLG uses rail to deliver Skoda vehicles to Derince port in Turkey

(Source: Automotive Logistics News, 10th March 2014) German logistics and transport operator **BLG** has made two rail shipments of vehicles to the Turkish Port of Derince. The company said it is the first time rail shipments of vehicles have been made to the port from Europe, having been loaded at Skoda's Mlada Boleslav plant in the Czech Republic. More than 400 vehicles were moved in two shipments. "When the line to the Port of Koper was hardly accessible because of heavy snowfall, a specific inquiry came from Skoda for running two trains to the Asian part of Turkey at short notice," said the company in a statement. "BLG AutoRail was able to submit a binding offer concerning price and performance within 36 hours." The first train left Skoda's Czech plant on 7th February this year, followed by a second train on 10th February. According to the company, specialised security forces guarded the trains from the Slovakian-Hungarian border on a four-day journey along a 2,300km route to the Turkish Port of Tekirdag. At that port the rail wagons were shunted onto a rail ferry and reached the Port of Derince located in the Asian section of Turkey after a six-hour voyage. In total the journey took fewer than five days, and all the vehicles arrived damage free. There the wagons were taken from the rail ferry to the port area and unloaded by means of a mobile ramp. "Our client was so satisfied with the running time and quality of the rail shipments that we take this as an incentive to establish regular service to and from Turkey," said Gerald Binz, Managing Partner of BLG AutoRail.

DB Schenker Logistics launches additional land service from Turkey to the UK

(Source: Multimodal, 10th March 2014) Following on from last year's launch of a new land service to and from Turkey and the United Kingdom **DB Schenker Logistics** will operate an additional direct service between the UK and Izmir which will complement the already established Istanbul services that were launched in Autumn 2013. DB Schenker Arkas who are one of the biggest integrated logistics service providers in Turkey employing around 400 skilled staff in eleven locations across the country, have a robust infrastructure in place in order to support the expected increase in volumes on this route. Mark Rollinson, Director Land Transport said: "Turkey is an important market for DB Schenker Logistics in the UK and this new service will support our ambitions for further development as well as offering our clients a high quality and cost effective solution."

Liquid natural gas hub in Galicia gets an EU funding boost

(Source: Innovation and Networks Executive Agency – INEA, 12th March 2014) The European Union will co-finance with a little over €600,000 from the TEN-T Programme a series of studies to develop a Liquefied Natural Gas (LNG) hub in the Port of Ferrol, located near the city of La Coruña in the northwest of Spain. The studies, which were selected for funding under the 2012 TEN-T Annual Programme's priority on new technologies for transport infrastructure, focus on the design of the necessary facilities, infrastructure and procedures in order to supply LNG as fuel along the entire port logistics chain: from the port services to ships. 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 contribute to climate change mitigation and to the reduction of the impact of transport on the environment. The results will be disseminated among stakeholders and the project can be used as an example for the promotion and for policy making in the field of sustainable transport.

***ECG Note**: You will find the comments of the European Community Shipowners' Association on the last trilogue meeting on LNG refuelling in the 'Press releases' section of this ECG News.*

Events in Brussels

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.

The Forum for the Automobile and Society organises the event 'Future of mobility: Political Groups' visions' in the European Parliament, on **2nd April**
http://www.autoandsociety.com/en/events/fas_debate_on_the_future_of_mobility.htm

The European Barge Union organises a seminar on "Modal integration within the multimodal TEN-T corridor concept", on **7th April**
http://www.ebu-uenf.org/

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Global marine fuel trends 2030 study published

(Source: Lloyd's List, 11th March 2014) Even though shipping is facing increased environmental legislation to reduce its emissions, a new study suggests the industry could be using even more heavy fuel oil by 2030, not less, as the economy improves. A project run by UK class society Lloyd's Register and the Energy Institute of University College London has assessed the potential fuel mix in shipping over the next 16 years, a follow-up to the global marine trends 2030 report that Lloyd's Register published last year. The global marine fuel trends 2030 study assessed the potential of six fuel types, all with biofuel equivalents, against three economic scenarios. The fuels include a range of oil-based fuels such as marine gas oil and heavy fuel oils, but also hydrogen, methanol and liquid natural gas (LNG), which many in the industry see as a new fuel for shipping. The research scenarios mirror the scenarios used in last year's study; a status quo in which global trade remains stagnant, a scenario of little trade increase called Competing Nations and a third scenario, Global Commons, based on increased global trade. The latter scenario is the most optimistic for shipping as it assumes an increase in global trade that will increase the demand for tonnage. The study tries to shed some light on how these potential trade scenarios impact fuel prices, legislation and the complex link between technology and fuel choice, especially as in all cases fuel costs are expected to increase. Lloyd's Register's Marine Director Tom Boardley writes in the foreword that future fuel decisions are not isolated to the maritime industry and that although the alternative fuels debate has been dominated by the interest in LNG, other potentially viable options could be assimilated into shipping, becoming "business as normal". The study looks only at the trends over the coming 16 years to 2030, which does not cover the full life of a newbuilding delivered today. As Boardley points out any marine fuel, whether new or established, must be available, cost effective, compatible with technology or technology developments and, increasingly crucial, compliant with all regulations. Among its predictions the Lloyd's Register study suggests that under its status quo scenario there would be weak adoption of LNG, and as expected a strong continuation using conventional fuels. If there is strong growth in international trade through the Global Commons scenario there will be expected growth in the use of LNG and even hydrogen. But as this scenario suggests more demand for shipping and larger fleets, the overall demand for heavy fuel oil will increase, not decrease, even though its share in percentage terms of the overall fuel mix may drop. Under this scenario the demand for heavy fuel oil in 2030 could be 23% higher than the demand for heavy fuel oil in 2010, which may not paint a good picture of shipping's efforts to curb CO_2 emissions.

To access the report itself, please see: http://lr.org/documents/249392-global-marine-fuel-trends-2030.aspx.

REST OF THE WORLD

GM could increase exports to Australia

(Source: Automotive Logistics News, 11th March 2014) General Motors has confirmed it is considering increasing exports of finished vehicles built in South Korea to Australia. The carmaker has said that potential exports would help boost production declines, following Chevrolet's decision to pull the brand off the European market but a spokesperson for GM Korea said the company was also considering other options. It also said that it will be focusing on Opel and Vauxhall as it begins to phase out the Chevrolet brand in Europe, and that the level of volume needed in Australia will be roughly equal to that currently being pulled from Europe. Since the financial crisis, GM reported losses of millions as Europe struggled to pull itself out of declining automotive sales. GM Korea exports to Europe last year stood at around 120,000 while those to Australia stood at just

short of 41,000 vehicles in 2013. In December, the carmaker announced its decision to close the Holden unit in 2017. The news came as Ford had also announced its exit from the country. Toyota has since confirmed it too will stop production.

Volvo selects CEVA for customs brokerage in the US

(Source: Transport Intelligence, 13th March 2014) CEVA Logistics has announced that Volvo Cars of North America, the Rockleigh, US-based subsidiary of the Swedish luxury automotive manufacturer, has selected CEVA's customs brokerage services for its US business. The US market is Volvo's largest market, with the brand having been sold in the US for more than 60 years. Kimberly Wakeman, Senior Director, business development, customs brokerage and trade services, for CEVA said, "Beyond pricing, Volvo was impressed with our compliance capabilities and our zero defect start-up (ZDS) process." CEVA's ZDS process is an integral part of CEVA's project management methodology and is designed to get customer implementations right the first time. ZDS ensures a standard approach to project implementation with ZDS project managers across all CEVA operations globally trained on the framework and experience in best practice ZDS project implementation tools.

PRESS RELEASES

Automotive sector looking up says logistics industry

(Source: ECG, 10th March 2014) **ECG, the Association of European Vehicle Logistics**, has published its latest Confidence & Cost Trend Survey results and the vehicle logistics businesses that make up the membership are reporting some significant positive trends.

This regular quarterly survey has been carried out for 4 years now and 2013 results show several strong trends developing. The latest results show almost 70% of members plan to invest in trucks and almost 50% in recruiting truck drivers in the next six months. This strong signal is clearly linked to the most positive outlook in years in terms of volume growth expectations with 58% of respondents expecting growth in volume over the next 6 months. No wonder these companies are also reporting a far more optimistic commercial outlook than at any time since the crisis.

The sector's ability to raise funds from banks in order to finance these new investments is also on the rise – a slower and more moderate growth but a trend that commenced at the beginning of 2013. ECG is extremely pleased to note this apparent easing in investment ability but notes that there is still a significant part of the sector struggling to raise the funds needed for expansion.

2013 also marked a welcome period of stability in fuel costs and this undoubtedly contributes to the more optimistic outlook in the industry.

ECG President Costantino Baldissara said "The Confidence & Cost Trend Survey has been conducted regularly among ECG members since 2010 in order to track the sector's performance and the general sentiment for growth, costs and investments. The results of the last four years demonstrate that the Survey is an ideal tool to follow the positive and negative impacts the industry is facing and to identify market trends."

ECG Note: *ECG members can download the complete presentation of the Quarterly Survey results on: http://www.ecgassociation.eu/publicationsreports/ecgquarterlysurvey.aspx (log-in and password required). Other interested parties are welcome to contact the ECG Secretariat for additional information.*

Shipowners' hopes dashed over LNG infrastructures

(Source: ECSA, 11th March 2014) "Shipowners' hopes for decisive action with regard to LNG refuelling points have been shattered," said Patrick Verhoeven, ECSA Secretary General. "While the 2015 deadline for the compliance with the requirements of the EU Sulphur Directive is fast approaching and with time running out, it was our hope that the EU would break the LNG chicken and egg dilemma by deciding that major European ports will need to have LNG refuelling points in place by 2020 the latest so as to coincide with the 0.5% limit in sulphur content of bunker fuels in EU waters," he added.

Member States, the European Commission and the European Parliament have agreed in the context of informal negotiations (trilogue) on a text that would considerably weaken the initial Commission proposal for a Directive on the deployment of alternative fuels infrastructure in Europe (Clean Fuel Strategy). According to the agreement, Member States will have to ensure that “a sufficient number” of big European ports have developed LNG refuelling infrastructure for maritime transport by 2025.

The EU Sulphur Directive adopted in 2012 aims at the reduction of sulphur emissions from maritime transport in the SECAs (Sulphur Emission Control Areas – Baltic Sea, North Sea and the English Channel) by rendering the recent IMO (International Maritime Organisation) rules mandatory in the EU. According to the Directive, sulphur content in marine bunker fuels will have to be reduced to 0.1% by 1st January 2015 in the existing European SECAs, and to 0.5% by 2020 in the rest of Europe.

LNG has been hailed by many as a type of fuel that, despite some drawbacks, could effectively cut down on various emissions such as CO_2 and especially sulphur emissions, thus allowing shipping to comply with international norms. However, given the size of the fleet, the cost of switching to LNG and the evident lack of time, the task EU shipowners face is gargantuan.

One of the concerns expressed by the shipping industry has always been that costly investments in LNG are not conceivable as long as the LNG distribution network is in its infancy and far from being complete. On the other hand, ports are not keen to invest in alternative fuel infrastructure as long as the demand from the shipping industry is weak. By making the availability of LNG refuelling points in major EU ports mandatory, the EU would have been able to break the dilemma of the chicken and egg and could have helped EU shipowners overcome an important hurdle.

“Our disappointment is all the greater not only because the 2025 deadline, as agreed between the Commission, the Council and the European Parliament, will only come five years after the 2020 deadline by which shipowners across the EU will have to switch to compliant fuel, but also because this particular Directive seemed to be the only remaining field in which the EU could effectively lend a helping hand to the shipping industry in its efforts to meet the sulphur requirements both inside and outside SECA areas. The deadline of 2025 is simply too far to have an impact. We urge the three institutional players to reconsider their position on the matter at their next trialogue meeting on 19th March, lest this become a missed opportunity to assist the shipping industry in a meaningful way,” concluded Patrick Verhoeven.

ECG Note: *See the European Sea Ports Organisation (ESPO)’s press release on the Clean Fuel Strategy, which touches upon LNG refuelling as well, in the previous issue of ECG News (14.09) under the ‘News from Brussels’ section.*

CO_2 emissions from ships: a call to reason

(Source: ECSA, 12th March 2014) The European Commission issued a proposal last June for a Monitoring, Reporting and Verification Regulation of CO_2 emissions from ships calling at EU ports, which lays the foundation for a global measure to reduce CO_2 emissions from international shipping. It required ships above 5000 gross tons (GT) to monitor and report the verified amount of CO_2 emitted on voyages to, from and between EU ports. Ships were also required to provide certain other information, such as data to determine their energy efficiency.

In late January, the European Parliament adopted the draft Report of the Rapporteur MEP Theodoros Skylakakis, as amended after a debate in the Environment, Public Health and Food Safety (ENVI) Committee. According to this report, the scope of the Regulation should be extended to also cover smaller ships and more types of emissions. Whereas the initial Commission proposal only made reference to ships above 5000 GT, the text adopted by the ENVI Committee foresees that smaller ships of 400 GT or above should also be included in the Regulation. Moreover, the text extends the scope of the proposed Regulation by including Nitrogen Oxide (NO_x) emissions.

“We appeal to the legislators’ reason” said Patrick Verhoeven, ECSA Secretary General. “Let us not forget that the MRV system is supposed to be the first step to a global solution on CO_2 emissions from shipping. By extending the scope of the proposed Regulation, the EU might hinder a speedy agreement at IMO level, thus shooting itself in the foot. The 400 GT limit and the resulting inclusion of small emitters will place unacceptable burdens on small ships, which proportionally represent but a very limited fraction of the total CO_2 emissions” continued Mr Verhoeven.

On the inclusion of NO_x emissions, he added: “The equipment required to monitor other emissions than CO_2, such as NO_x, is not sufficiently reliable or commercially available for that matter” and went on saying that “continuous NO_x monitoring is much more complex and technologically challenging than CO_2 monitoring. For these reasons, we strongly believe that the proposed MRV system should be implemented for CO_2 emission monitoring only.”

ECG Note: *The European Community Shipowners’ Associations (ECSA) have just published a position paper strongly opposing the extension of the scope of the proposed MRV Regulation. The position paper can be accessed following this link: http://tinyurl.com/owlhhve*

Council and European Parliament agree on updated Community fleet capacity rules

(Source: European Council, 7th March 2014) The Member States’ permanent representatives endorsed the compromise reached between the Council and the European Parliament concerning an updated Regulation on a Community fleet capacity policy to promote inland waterway transport.

New uses of Inland Waterway Funds

The new Regulation broadens the scope of the reserve funds called Inland Waterway Funds, set up under Council Regulation 718/1999, by amending its Article 8. While the measures provided for in the existing Regulation concern only social matters and the safety of the working environment, other types of support measure are now introduced to encourage innovation and environmental friendliness. In this respect, a proposal from the Council that the funds could be used for adapting engines to future stricter European emission standards was accepted by the Parliament.

The measures concerning vocational training or retraining schemes will cover all crew members leaving the sector, including owner-operators, and not only those who are qualified as workers. Owner-operators who work and live with their families on the vessels operate roughly 80% of the fleet.

Measures to encourage owner-operators to join trade associations were already possible under the old rules, but the new text also provides for measures to strengthen the organisations representing inland waterway transport at EU level. The sector currently suffers from fragmentation, and stronger Union-wide organisations can help to mitigate this.

Member States may also encourage ways of leveraging the use of the reserve funds in conjunction with available financial instruments, including, where appropriate, under Horizon 2020 and the Connecting Europe Facility, and financing instruments from the European Investment Bank.

The creation and current size of Inland Waterway Funds

Council Regulation 718/1999 established an EU fleet capacity policy for vessels used to transport goods on inland waterways in the Member States. In order to address the issue of fleet overcapacity on the EU inland waterway market, it provided, among other things, for the setting up of reserve funds by Member States with inland waterways linked to those of another Member State and a total fleet tonnage of over 100 000 tonnes.

These Inland Waterway Funds consist of financial contributions from the inland waterway transport industry. The cumulative value of the various Member States’ funds currently amounts to around €35m. However, due to their restricted scope, these funds have never been used. The new Regulation is expected to change this situation to the benefit of the sector, the people working in it, the environment and the entire economy.

Naiades II to boost inland waterway transport

The draft Regulation is part of the Naiades II programme presented by the Commission in September 2013. Naiades II focuses on making long-term structural changes in the inland waterway transport sector to enable it to contribute fully to the Europe 2020 growth strategy.

Next steps

To come into effect, the text still needs to be formally approved by the Parliament, whose vote in plenary is expected to take place in April, and the Council, which is due to take its decision after the vote in Parliament. The Regulation will enter into force twenty days after its publication in the EU Official Journal.

Sea and inland ports congratulate the new TEN-T co-ordinators on their appointment

(Source: ESPO, 12th March 2014) The European Sea Ports Organisation (ESPO) and the European Federation of Inland Ports (EFIP) congratulate the new TEN-T co-ordinators on their appointment to this challenging position. The two associations look forward to a close and fruitful dialogue between ports and the co-ordinators and hope that these will recognise the importance of sea and inland ports as an integral part of the multi-modal TEN-T corridors.

The European Commission on 12th March appointed European co-ordinators for each of the nine core network corridors of the trans-European transport network (or TEN-T), as well as for the European Rail Traffic Management System (ERTMS) and for Motorways of the Sea. The co-ordinators will be responsible for co-ordinating priority transport projects and reporting back to the Commission. The new co-ordinators will now enter into contact with Member State authorities and ministers to discuss the framework for co-operation and implementation of their mandates.

The following co-ordinators were appointed:

- Pavel Telička (North Sea–Baltic corridor)
- Pat Cox (Scandinavian–Mediterranean corridor)
- Carlo Secchi (Atlantic Corridor),
- Péter Balázs (North Sea–Mediterranean corridor)
- Laurens Jan Brinkhorst (Mediterranean corridor)
- Karel Vinck (ERTMS)
- Karla Peijs (Rhine–Danube corridor)
- Former Spanish Foreign Minister Ana de Palacio will be responsible for the Rhine–Alpine corridor
- Former German Minister for Transport Kurt Bodewig takes on the Baltic–Adriatic corridor.
- MEP Brian Simpson (Motorways of the Sea) and
- MEP Mathieu Grosch (Orient/East–Med corridor)

ESPO Chairman Santiago Garcia-Milà said: “Sea ports have a crucial role to play in the new TEN-T network: They are the main providers of cargo and the main entry gates to the European Union and facilitators of short sea shipping. It is therefore important to consult ports and to listen to their needs when developing the corridors.” EFIP Director Kathrin Obst said: “Inland ports are the multi-modal connecting points of the new sustainable TEN-T Network. In this context we very much welcome the fact that the European Commission is, for the first time, putting a specific focus on multi-modality by making available funding for the development of multi-modal logistics platforms and their connections.”

The TEN-T Guidelines and the Connecting Europe Facility offer a number of opportunities for the ports. It is important that the ports themselves make the most of this opportunity to take part in the development of the TEN-T network. To further enhance this, however, some remaining aspects still need to be clarified. This is in particular the case for Motorways of the Sea and for the support to sustainable freight transport services that is outlined in Article 32 of the TEN-T Guidelines. Funding in the magnitude of €150-200m is to be made available for sustainable freight transport services, but it is still unclear what type of activities will be eligible under this heading. The predecessor of this instrument, the Marco Polo Programme, was heavily criticised for distorting competition between transport operators. Similar problems could be avoided in future by focussing the funding on infrastructure investments rather than transport services.