ECG News

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ECG – The Association of European Vehicle Logistics

Issue 14.20, 19th –28th May 2014

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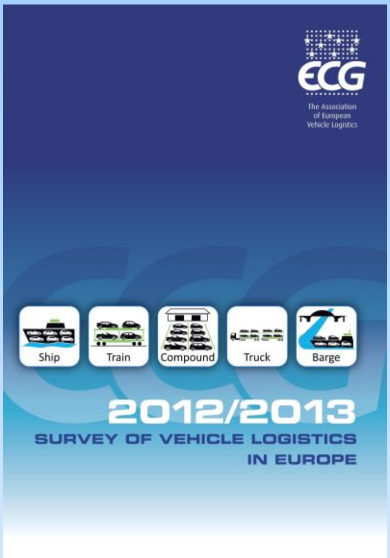

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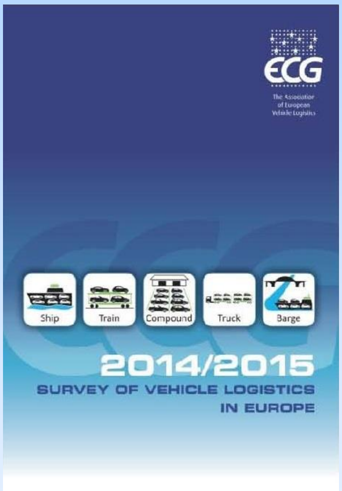
NEWS FROM BRUSSELS

Vehicle logistics industry says it is time to prepare for an era of solid growth starting in 2015

(Source: ECG, 28th May 2014) Newly re-elected ECG President Costantino Baldissara forecasts that 2014 will see the end of the economic crisis, and that it is now time to prepare for an era of solid and sustainable growth of the automotive industry. Baldissara is encouraging all parties involved in the industry to make investments in capacity to accommodate growing demand. ECG also elected a new Board, from 18 candidates who put themselves forward, at its annual General Assembly and Spring Congress. The level of new car registrations has been growing in almost all European markets for seven consecutive months now. In the first four months of 2014, automotive sales increased by 7.1% on average within Europe. Compared to the same period seven years ago, however, car sales in Europe are still on average 18.8% behind pre-crisis levels. In some countries that were hit hardest by the crisis, such as Spain and Greece, car sales are still between 47% and 78% down compared to pre-crisis levels. It will be some years before these countries catch up again with pre-crisis economic activity, but the outlook is favourable. In 2010, 36% of passenger cars, or more than 85 million vehicles, were over 10 years old, and these will have to be replaced. “We would like to invite the OEMs represented by ACEA, the European Automobile Manufacturer's Association, to continue to work with us through their Automotive Logistics Working Group and to prepare for the consequences of these positive forecasts for our sector.” said re-elected ECG Vice-President Wolfgang Göbel. The European automotive industry is still the second largest in the world, having only lost its leading position in the production of cars and commercial vehicles to China in 2013. Last year, over 17 million new cars were produced in Europe (including Russia and Turkey), compared to just over 20 million produced in China. The automotive industry generates turnover of €839bn in Europe, which corresponds to approximately 7% of EU GDP. The sector employs 12.9 million people in Europe, which is about 5.3% of the EU’s workforce. European workers are increasingly valued by car manufacturers. ECG believes that, as world production grows, car makers will use European factories to achieve the necessary export volumes. In the EMEA region (Europe, Middle East and Africa), 18% growth is expected over the next four years. Passenger car density levels around the world, including many European countries, are still low, and the booming BRIC countries represent an additional opportunity for ECG members as logistics service providers to the automotive industry. “For the first time in years, there really is a fresh wind blowing,” said Costantino Baldissara. “Aside from the excellent economic outlook for the automotive industry, whose logistics partners we are, the relocation of car production to European countries will provide us with more work in terms of getting finished vehicles to end users. We are expecting 1.5 million more vehicles to be exported from or within Europe. Our industry needs billions of euros in investments to prepare for the new era if we are to avoid bottlenecks caused by a shortage of capacity versus demand. For instance, investments in new trucks have been at an all-time low in recent years, and this could trigger a capacity crunch.” “I am also calling upon European institutions to give our industry the breathing space we need,” Baldissara continued. “The loaded length of the trucks we typically use to transport vehicles is at risk of being reduced to less than the lengths permitted under national legislation in many European countries. This could mean that the number of journeys made by transporters will have to increase by 20% in order for the same number of vehicles to reach their final destination as they do today, not to mention the growth in numbers that is ahead of us. I also want to warn our lawmakers of the risk that EU emissions legislation on low sulphur fuels, which will come into effect in 2015, will force operators to transport vehicles over land rather than by sea. This goes against the EU’s stated goal of getting freight off the road.”

Advertising opportunity in the ECG Survey of Vehicle Logistics in Europe 2014-2015

ECG has started working on the latest edition of its **Biennial Survey** on vehicle logistics for 2014-15! It is the most important publication of ECG, covering every two years and representing the reality of the industry in each country across Europe, including Russia, Ukraine and Turkey.



The Biennial Survey will be officially launched at the ECG Conference in Amsterdam, on **16-17th October**. It has a genuine two year shelf-life and reaches a very wide audience across the whole vehicle logistics sector.

If you are interested in advertising your company in this ECG publication, please contact us at temp@ecgassociation.eu. Looking forward to hearing from you!

Special rates for ECG members!

At the General Assembly, ECG elected a new Board from 18 candidates who put themselves forward. The following 15 candidates were elected or re-elected for a term of one year:

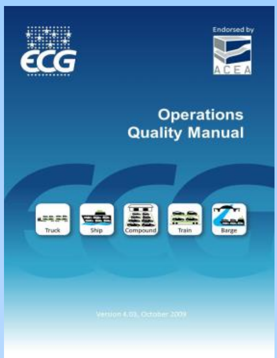
- Maximilian Altmann, ARS Altmann AG (Germany);
- Costantino Baldissara, Grimaldi Group (Italy) – Board member and President;
- Peter Borrmann, STVA (Germany);
- Michael Bünning, BLG Automobile Logistics GmbH & C° KG (Germany);
- Krzysztof Dakowicz, Adampol S.A. (Poland);
- Marcos Duato, Flota Suardiaz (Spain);
- Mats Eriksson, AB Skandiatransport (Sweden);
- Wolfgang Göbel, Horst Mosolf GmbH & C° KG (Germany) – Board member and Vice-President;
- Omer Gursoy, Me-Par (Turkey);
- Christian Lang, DB Schenker Rail Automotive GmbH (Germany);
- Ray Mac Dowall, ECM (Vehicle Delivery Services) Ltd (UK);
- Kirill Petrunkin, FTC Autotechnoimport LLC. (Russia);
- Antoine Redier, GEFCO (France);
- Roberto Volpato, Eliambrosetti SpA (Italy);
- Konrad Zwirner, Hödlmayr International A.G. (Austria).

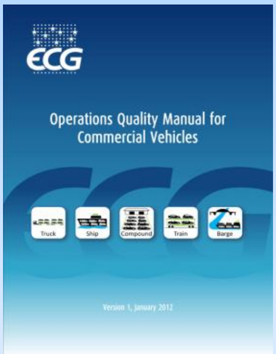
ECG Note*: The presentations of the Spring Congress & General Assembly are already on the website and can be accessed by ECG members (login and password required):*
http://www.ecgassociation.eu/publicationsreports/presentations/generalassemblies/2014athens.aspx
To check the press coverage of the event, please have a look at the 'ECG in the news' section of our website:
http://www.ecgassociation.eu/media/ecginthenews.aspx

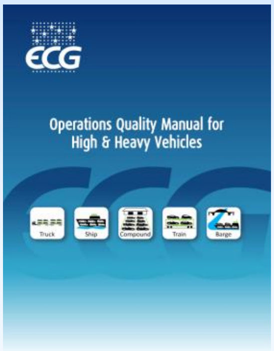
Commission sets out strategy to curb CO_2 emissions from trucks, buses and coaches

(Source: European Commission, 21st May 2014) Trucks, buses and coaches would use less fuel and emit lower amounts of CO_2 under a strategy adopted by the European Commission on 21st May. Such heavy-duty vehicles (HDVs) are responsible for around a quarter of CO_2 emissions from road transport in the EU. Without action, HDV emissions in 2030-2050 are projected to remain close to current, unsustainable levels. While CO_2 emissions from new cars and vans are being successfully reduced under recent EU legislation, the new strategy is the first to address emissions from HDVs. The strategy focuses on short-term action to certify, report and monitor HDV emissions. This is an essential first step towards curbing emissions, where comparability among HDVs has so far been difficult largely due to the considerable variety of models and sizes of trucks available, which are highly customised to market needs and produced in much smaller quantities than cars and vans. The Commission has developed a computer simulation tool, VECTO, to measure CO_2 emissions from new vehicles. With the support of this tool the Commission intends to bring forward proposals for legislation next year which would require CO_2 emissions from new HDVs to be certified, reported and monitored. This will contribute to a more transparent and competitive market and the adoption of the most energy-efficient technologies. When this legislation is in force the Commission may consider further measures to curb CO_2 emissions from HDVs. The most apparent option is to set mandatory limits on average CO_2 emissions from newly-registered HDVs, as is already done for cars and vans. Other options could include the development of modern infrastructure supporting alternative fuels for HDVs, smarter pricing on infrastructure usage, effective and coherent use of vehicle taxation by Member States and other market-based mechanisms. An impact assessment will be done to identify the most cost-effective option or options. Studies carried out while preparing the strategy suggest that state-of-the art technologies can achieve cost-

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

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effective reductions in CO_2 emissions from new HDVs of at least 30%. The strategy is addressed to the European Parliament and the Council, which are invited to endorse it and help deliver the actions outlined.

For more background information and the Commission's Communication, see: http://ec.europa.eu/clima/policies/transport/vehicles/heavy/documentation_en.htm For stakeholder reactions, please check the 'Press releases' section of this ECG News.

Last Marco Polo II Call finances 27 projects

(Source: European Commission, 19th May 2014) The last Marco Polo II Call of the 2007-2013 financial period, which was launched in March 2013, has reached an important milestone with the Decision by the Innovation and Networks Executive Agency (INEA) on which projects shall be funded. 27 projects have been deemed eligible to receive EU support for five distinct types of actions:

- Modal shift
- Catalyst actions
- Motorways of the sea
- Traffic avoidance
- Common learning actions

Support varies from a maximum of €4.2m to a minimum of around €280,000 for projects shifting transport from road to rail and for sharing best practices via e-platforms, among others.

The full list of selected Marco Polo projects can be found here: http://ec.europa.eu/transport/newsletters/2014/05-23/articles/ten-t_en.htm The European Commission has also published a leaflet on ports, entitled 'Ports: an engine for growth – Where we're headed one year on'. It can be downloaded via the link below: http://ec.europa.eu/transport/modes/maritime/ports/doc/2014-ports-leaflet.pdf

Fiat and BMW on track to miss Europe's 2021 CO_2 target

(Source: EurActiv, 27th May 2014) A new report by Transport & Environment (T&E), a green campaign group says that all of Europe's car manufacturers are set to meet a fuel economy target of 95 grams of CO_2 per km (g/km) by 2021, except for the Italian auto-maker Fiat, and Germany's BMW. The new analysis of car-makers' CO_2 emissions in 2013 finds that on current trends, Volvo, Toyota, PSA Peugeot-Citroën, Renault, Ford and Daimler will all hit the cleaner fuel goal early, while Volkswagen and Nissan will make it just in time. But unless they speed up, Fiat and BMW will not achieve the EU's hard-fought over carbon benchmark until 2022 and 2024 respectively, holding out the prospect of a €95 corporate fine for every extra gram that each new car emits. As both companies sell over a million new vehicles a year, Greg Archer, T&E's Clean Vehicles Manager, told *EurActiv* that he thought that the firms would be likely to grudgingly comply in practice. "However it does indicate which companies are ahead and which still have the most work to do," he said. "It's significant as some companies still have to make considerable strides in order to avoid the penalties. That will require very significant effort and investment from them." The figures, which are based on a trajectory measuring emission-cutting performances over the last six years, show that CO_2 emissions from Fiat's fleet actually rose last year, T&E says. But the analysis does not consider loopholes in the EU's legislation like 'super-credits' – which can be worth up to 7.5g/km per manufacturer in the 2020-2022 period. The credits are intended to incentivise the production of electric vehicles and hybrid cars, by allowing car makers to over-count their emission-reducing effect. In 2013, it finds that all European auto-manufacturers achieved their 2015 targets at least two years ahead of schedule, despite industry complaints. In general, the report gives Europe's car industry a relatively clean bill of health. In comparison, non-European car manufacturers which are on the road

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to missing the 2021 target include Suzuki, General Motors, Hyundai, Mazda, and Honda. Volvo reduced its fleet emissions by 8%, while Renault displaced Fiat as the manufacturer of the lowest-carbon, most fuel-efficient vehicles. Carmakers in the EU have often argued that the EU's measures will disadvantage them in competition with foreign car-makers. Luxury German car-makers such as Daimler and BMW were particularly active in pushing Berlin to hold out for legislative concessions over the EU's new fuel economy standards, contending that they were being unfairly singled out due to the 147g/km average emissions of their bulkier car models. But the new report contradicts this position, attributing the ability of car brands to meet fuel efficiency standards to company strategies, not car models.

In order to read T&E's report, please use the following link:
http://www.transportenvironment.org/publications/how-clean-are-europe%E2%80%99s-cars-2014-%E2%80%93-part-1

EU Requests WTO Consultations with Russia concerning Anti-Dumping Duties on Light Commercial Vehicles

(Source: European Commission, 21st May 2014) The European Union requested consultations with the Russian Federation in the World Trade Organisation (WTO) concerning anti-dumping duties imposed on imports of light commercial vehicles (LCVs) from Germany and Italy. The EU believes the anti-dumping duties are incompatible with WTO law, both on procedural and on substantive grounds. WTO consultations will give the EU and Russia the opportunity to find a negotiated solution. If the consultations are not successful, after 60 days the EU can ask the WTO to establish a panel to rule on the case. The duties of 23% to 29.6% imposed on European LCVs are significantly hampering access to the Russian market. The trade restrictions are incompatible with WTO law and mean that exports of LCVs from Germany and Italy have not benefitted from the concessions made by Russia in relation to its WTO accession in 2012. In 2012 the EU's LCVs exports to Russia were worth more than €100m, but exports have been decreasing since Russia imposed a so-called 'recycling fee' in September 2012 on cars, trucks, buses and other motor vehicles just days after joining the WTO. The anti-dumping measures subject to the panel request are further choking off EU exports of LCVs.

AUTOMOTIVE INDUSTRY

Opel factory closure will cost more than €550m, report says

(Source: Automotive News Europe, 16th May 2014) The closure of General Motors' Opel factory in Bochum, Germany, is set to cost at least €550m for the company, sources said. This means mainly the cost of severance payments and early retirement for the plant's 3,300 employees. The clean-up of the factory site and transferring of tooling to shift manufacturing of the Zafira minivan to Opel's Rüsselsheim factory, also in Germany, will come as "on top" expenses, the sources said. Opel's senior management has signed off on the €550m restructuring sum, German business paper *Frankfurter Allgemeine Zeitung* said in its edition of 16th May. Last October, Dan Ammann, now GM president, said the company would incur "significant" restructuring costs for closing Bochum by the end of 2014. Ammann described 2014 as a "transition year" in Europe, in a broader push to bring GM's European operations back to break-even. The plant closure is part of GM's strategy to achieve profitability in Europe in 2016 after more than a decade of losses in the region.

PSA to move Citroën C3 output to Slovakia from France

(Source: Automotive News Europe, 22nd May 2014) PSA Peugeot-Citroën plans to build its next C3 subcompact in Slovakia instead of France, sources close to

ECG AGENDA

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

► **ECG Board meeting** on **18th June** in London, UK

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

►**ECG Eastern Regional Meeting in September (date & location TBC)**

► **ECG Board meeting** on **16th September** in Frankfurt, Germany (TBC)

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

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

the French carmaker said. The move is part of a strategy to shift production of low-margin small cars away from Western Europe, where costs are considered too high. The C3, which is made in Poissy, near Paris, is Citroën's best-selling model in Europe with sales of 48,614 units in the first four months of the year, according to JATO Dynamics. The car accounts for more than 20% of Citroën's vehicle sales in the region. "They're starting technical operations on the new Citroën model in the coming weeks ... it's going to be in Eastern Europe, in Trnava," one source close to the matter told *Reuters*. Two other sources close to the carmaker confirmed that a decision had been made to produce the future C3 in Trnava, where the company already builds the C3 Picasso minivan and the Peugeot 208 subcompact. "Citroën will produce about 10% of the C3 models in Poissy and the rest in Slovakia," Jean-Michel Prillieux, an analyst at Inovev, told *Automotive News Europe*. Prillieux added that while this meant production at the Poissy plant would likely decrease from 300,000 units to 200,000 units per year by 2016 this would not threaten the plant long term. A PSA spokesman declined to confirm the production move, adding that the carmaker never unveils such plans in advance. He said PSA had pledged to preserve its French factories as part of a labour deal signed last year. PSA CEO Carlos Tavares and his predecessor, Philippe Varin, have repeatedly said it was no longer viable to produce mass-market small cars in France because tough competition meant prices on such models were too low to cover the production costs. The average labour cost for an auto worker in France is €57 an hour compared with about €15.50 an hour in Slovakia, according to data from Eurostat.

Citroën C4 Cactus brings Madrid factory back to life

(Source: Automotive News Europe, 23rd May 2014) PSA's Villaverde factory in Madrid, which faced closure two years ago, has a brighter future thanks to the C4 Cactus. Citroën started building the new compact hatchback at the plant at the end of April. Starting next year the C4 Cactus will be the only model the plant makes. The Spanish factory used to produce the Peugeot 207 hatchback and its variants but it lost this business two years ago when the small car was replaced by the 208, which is assembled in France and Slovakia. In 2012 the Madrid plant employed 2,700 people. Today that number is 1,600, with 200 hired this year to support the start of C4 Cactus production. Assembly of the new model will increase until it reaches its target of 380 units a day in July. Operating at that level, the factory will produce nearly 85,000 Cactus units a year, assuming 220 production days a year. This would still be less than half of the plant's 200,000 units of annual installed capacity. Plant director Jose Carlos Robredo Bertol declined to disclose production targets because "the output will depend on the success of the model." Order books for the C4 Cactus have only just opened in some European countries, such as France and Italy. "Now we are working to provide European dealers with cars, then we will work on customers' orders," he said during a visit of the plant. According to Bertol, the plant is ready to adapt quickly to the demands of the marketplace. It would take three months to add a third shift, he told *Automotive News Europe*. If necessary, a fourth shift could be added at weekends. To reach maximum output of 200,000 units per year a further 1,800 people would be needed.

Fiat to invest $773m in Polish plant

(Source: Automotive News Europe, 21st May 2014) Fiat Chrysler Automobiles plans to invest about 2.36bn zlotys ($773m) to upgrade its factory in southern Poland where it plans to start the production of a new Fiat model, the Polish government said. Fiat badly needs a successor for the aging Punto subcompact, the brand's entry in Europe's largest segment by unit sales. Fiat's plant in Tychy, Poland, will build the model's successor, a longer and wider version of the 500 three-door minicar that is built in Tychy and could be named the 500 Plus, sources told *Automotive News Europe* earlier this month. In an official statement on 20th May, the Polish government said the carmaker will hire 420 new employees on top of the current 3,000 in Poland. About 96% of the vehicles from

Events in Belgium

Automotive News Europe Congress 2014 will be organised in Brussels, on **3-4 June**
http://www.autonews.com/section/ane-congress101

The European Electromobility Stakeholder Forum will be held in Brussels, **on 4-5th June**

7th SHORTSEA-EURO
ANTWERP 10-11 JUNE 2014

The 7th Shortsea Euro conference will be organised in Antwerp, on **10-11th June**
http://www.navigateevents.com/events/7th-shortsea-euro.html
ECG will attend. A 20% discount is offered by the organisers to ECG members, please contact the ECG Secretariat for the exact registration details.

CER organizes the event 'Working towards a more energy efficient railway sector: the role of European railways' in the framework of the UIC Energy Efficiency Days, on **17th June** in Antwerp
http://www.energy-efficiency-days.org/
ECG will attend.

The European Transport Safety Council organizes the Road Safety Performance Index (PIN) Conference in Brussels on **18th June**
http://etsc.eu/18-june-2014-road-safety-performance-index-pin-conference/

The European Union Road Federation organizes the symposium on future road infrastructure challenges, on **18th June**
http://tinyurl.com/o5fcy45

the new production line will be exported, including to North America, it said. The investment should be made by the end of 2017, it added. However, Fiat distanced itself from the statement and said that the details of its Polish investment were "assumptions that at this moment have not yet been firmed up in the company's business strategies." Fiat said that "the information on investment plans that will be implemented in individual countries will be announced at the appropriate time along with the industrial choices that the company decides to take."

Saab output suspended on cash shortage

(Source: Automotive News Europe, 20th May 2014) Saab production has been temporarily halted because of lack of funds at China's National Electric Vehicle Sweden (NEVS), the company said. NEVS, which last year resumed low-volume production of the Saab brand after it bought the bankrupt iconic Swedish marque, said on 20th May it currently did not have enough cash to pay outstanding debt. "The reason is that NEVS' part-owner, Qingbo Investment Co., has not fulfilled its commitment to, when necessary, finance NEVS' activity," it said in a statement. "NEVS is therefore making a temporary and controlled halt of production, which hitherto has been six cars per day, and is reducing agency staff." The Trollhattan plant in south Sweden stays idled for four weeks as of 22nd May, NEVS spokesman Mikael Ostlund said. NEVS is betting on an as-yet-unbuilt electric version of a decade-old Saab model to bring the brand back from the dead. It is targeting its home market of China, where the government is promoting clean automotive technology. The battery version of the current model will compete against the likes of BMW, Volkswagen and Ford in one of the most competitive industries in the world. NEVS said it was negotiating with another carmaker to co-develop a new platform for new models. It is also in talks with another carmaker about buying a stake in NEVS. "We are now seeking bridge solutions until sometime in June when we expect to have the result of the discussions with the intended partners," Ostlund said.

EUROPE

Finnlines invests in environmental technology

(Source: Multimodal, 16th May 2014) **Finnlines** will be well prepared to meet the future environmental regulations by investing in scrubber systems and propeller re-blading on its vessels. With new stringent sulphur oxide (SO_x) emission regulations due to be enforced from January 2015, Finnlines has ordered Wärtsilä Exhaust Gas Cleaning Systems for six of its latest series of Ro-Ro vessels (built in 2011-2012) and Alfa Laval PureSOx exhaust gas cleaning systems for four of its Ro-Ro vessels (built in 2000-2002). Both scrubber systems will be installed during end of 2014 and beginning of 2015. By selecting Wärtsilä and Alfa Laval scrubber systems, the vessels will be able to operate in compliance with the new environmental regulations while continuing to operate on heavy fuel oil. "We are very pleased to announce our co-operation with Finnlines in this important project with the aim to protect the marine environment. This order includes our reliable and proven Alfa Laval PureSOx systems, which will provide immediate fuel cost savings compared to using distillates. In the long run these hybrid prepared open-loop systems will make it possible for Finnlines to switch between seawater and freshwater, giving a unique operational flexibility," says Lars Renström, President and CEO of the Alfa Laval Group. "The new SO_x emission regulations will notably reduce the marine industry's environmental impact on the Baltic and the North Sea (including English Channel). The Wärtsilä Exhaust Gas Cleaning Systems represent a very viable retrofit option that enables owners and operators to comply with this legislation. We have a very strong track record and considerable know-how in integrating scrubber systems into existing vessel structures and machinery, and look forward to working with Finnlines on this important project," says Juha Kytölä, Vice President Environmental Solutions, Wärtsilä. At the same

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time Finnlines has ordered the innovative Promas Lite propulsion system from Rolls-Royce to be installed on four Star-class Ro-Pax vessels. These re-blading projects will be done during 2014. Due to advances in hydrodynamic analysis and blade manufacture, this integrated propeller and rudder system increases efficiency and is designed specifically for retrofitting to existing ships. The investment reduces substantially the used machinery power and fuel consumption and improves the speed with maintaining the engine power. Andrew Marsh, Rolls-Royce, President, Services said: “We are delighted to work together with Finnlines to bring the first installation of Promas Lite into the Baltic Sea. Not only will Finnlines achieve a reduction in fuel consumption, but we are also happy to contribute to their lowered NO_x emissions, creating a healthier and greener environment for our waters”. “Environmental compliance and cost efficient operations are key factors in the success of Finnlines. The installation of the scrubber systems and the Promas Lite systems on our modern vessels is a major step in the implementation of our strategy. The extensive experience that Wärtsilä, Alfa Laval and Rolls-Royce have in their respective areas, together with the retrofit services the companies can provide, will greatly help us during the engineering and installation phases of this programme,” says Emanuele Grimaldi, President and CEO, Finnlines Plc. Finnlines will continue environmental investments for other company vessels. Primarily, there will be modification work to enable the use of marine gas oil (MGO). Secondarily, installation of scrubbers may take place. The modification work will be carried out during 2014.

DB Schenker opens Porto logistics centre

(Source: Transport Intelligence, 16th May 2014) **DB Schenker** announced that it has opened a logistics centre close to Porto, Portugal. The new terminal will centralise logistics operations in the northern part of the country, consolidating resources and organisation. The logistics centre is located in Vila do Conde, an industrial location, with direct access to the main highways, and only 14km from the main airport Francisco Sá Carneiro and 22km from the port of Leixões. The new terminal has a warehouse space of 12,000m^2, with a total storage capacity of 14,000 pallet positions. 39 loading docks support the friction-free flow of goods. The terminal is to be TAPA FSR compliant, equipped with 175 CCTV cameras and with access control to all operational areas. Logistics operations will be supported by a warehouse management system which will allow DB Schenker in Portugal to offer logistics solutions for the needs of customers from vertical markets like electronics, automotive and consumer goods. The terminal offers a modern working environment. Direct sunlight in every work area, a canteen, changing rooms, bathrooms for drivers, and a rest room will contribute to more employee satisfaction.

Acumen invests in new fleet for Jaguar Land Rover contract

(Source: Automotive Supply Chain, 23rd May 2014) Following the announcement that **Acumen Automotive Logistics** has been awarded a number of major contracts from Jaguar Land Rover, the company has substantially expanded its fleet with the purchase of 20 new Scania tractor units and 20 Lohr trailers. The new trucks and trailers represent an investment of £3.6m by parent company Acumen Logistics Group and helps enhance a key company policy of reducing CO_2 emissions. The Scania P440 tractor units are each equipped with a 6x2 Euro 5 engine and were chosen for their reliability, low operating costs and, in particular, fuel efficiency. Equipped with sleeping compartments they have been acquired through Widnes based Riverside Truck Rental on a full maintenance contract hire agreement. The Lohr EHR 300 superstructure and trailers have been specifically designed to carry eight Land Rovers or nine Jaguars. Managing Director, Chris Doughty says, “After rigorous testing we chose the Scania primarily for its fuel economy but were also impressed with the innovative interior and driver comfort. They provide our drivers with ample working space and an easy cab access.” The new trucks underline Acumen’s continuing investment to its close relationship with Jaguar Land Rover as well as its commitment to

reducing carbon emissions. In addition to its extensive fleet of car transporters the company operates a wide range of equipment including specialist articulated vehicles and curtain sided rigids & trailers. In conclusion, Chris Doughty said: “This investment has allowed us to renew part of our fleet as well as strengthen our capacities thereby enabling us to make inroads into new markets. Acumen’s on-going investment in new equipment, products and services is helping our continued expansion within the finished vehicle market in addition to enabling us to more efficiently manage our customers’ requirements.”

GEFCO launches China-Europe rail freight service

(Source: Lloyd’s Loading List, 23rd May 2014) French automotive and industrial logistics specialist **GEFCO** has launched an inter-continental ‘door-to-door’ rail freight service linking China and Europe. Operating on a non-scheduled basis at present, it offers the possibility for ocean freight collected from major ports in China and overland cargo to be loaded directly on to trains and shipped to countries such as Kazakhstan, the Kyrgyz Republic, Tajikistan, Uzbekistan, Turkmenistan, Russia, Ukraine, Belarus, Poland, Germany and Hungary via Alashankou and Manzhouli in Chinese-controlled areas of Mongolia. “More and more Chinese companies are looking at opportunities in overseas markets and one of our key strategies in China is to support our local clients for their global expansion,” says GEFCO China’s Managing Director, Andrea Ambrogio. GEFCO emphasises that customers can take advantage of lead-time savings of over 50% compared to ocean freight. In general, it takes 18-28 days from China to Europe by rail, compared to 45-60 days by sea. GEFCO, which became part of the Russian Railways group (RZD) in 2012, backs up the new trans-border rail route with a “reliable, efficient and seamless Customs service across Russia” based on the company’s “outstanding” Customs and VAT expertise. Highlighting the significant reductions in transit times offered by the rail service over ocean freight, GEFCO China’s Overseas Business Development Director, Michael Zhang, said it used to take 60 days for one of the company’s clients - a leading Chinese automotive manufacturer - to transport spare parts from the north-east Chinese city of Harbin to Cherkessk, in Russia, by ocean, “while it only needs 23 days in total by using our rail transportation solution.” GEFCO also supports one international consumer goods company to transport cargo from the Chinese port of Dalian to Hamburg via Manzhouli “in only 26 days,” Zhang added. On arriving in Hamburg, the cargo can be shipped directly to its final destination in the UK. In order to reduce the gap between rates on the rail freight service and those for ocean shipping, GEFCO is working on solutions to develop backflow traffic from Europe to China as currently trains often return empty. However, the company believes that, as trade gathers momentum, more products from Europe, especially high value goods such as automobiles and electronics, will be exported to China by rail in the coming years.

EIB supports construction of Beskyd railway between Ukraine and EU

(Source: European Investment Bank, 19th May 2014) The European Investment Bank (EIB) is lending €55m to finance the construction of a new 1.8km twin-track railway tunnel in Ukraine on the Eastern Partnership regional network to improve transport connections between the country and the European Union. EIB Vice-President László Baranyay, responsible for lending operations in Ukraine, commented: “The EIB is sending a strong message by providing a loan to Ukraine that will finance the upgrading of interconnections along a crucial transport corridor. At the same time, this is the first EIB loan supporting the railway sector in Ukraine, so contributing to the development of an environmentally friendly mode of transport. This project is in line with the intention of the EIB announced earlier this year to provide lending in Ukraine amounting to some €3bn in the coming three years (2014-2016) to support the development of the country and its economy and foster deeper integration with the EU.” “The Beskyd tunnel construction is one of the main Eastern Partnership projects in the field of transport in Ukraine,” the EU Ambassador Jan Tombinski noted. “Until now it was a bottleneck of transport even if over half of the transit of goods between Ukraine and Central and Western Europe pass this tunnel. The Beskyd tunnel project is also an excellent example of co-ordinated efforts of the EU, Ukraine and the international financial institutions in transport co-operation.” The new tunnel, located in the Carpathian Mountains at Beskyd in south-west Ukraine, will replace the existing single-track tunnel, which is the only single track section of the line on the otherwise twin-track electrified corridor between Lvov and the Hungarian and Slovak borders. After completion, the new tunnel will add significant transport capacity at a notorious bottleneck on an international rail corridor and make it possible to cope successfully with the expected future demand. The Beskyd railway tunnel is a priority project located on the Eastern Partnership transport network, endorsed on 9th October 2013 by the Transport Ministers of the EU Member States and Eastern Partnership countries and the European Commission.

Ukraine threatens three-month ban on car imports

(Source: Automotive News Europe, 21st May 2014) Ukraine could ban any import of cars to the country for three months as part of a package of measures designed to stabilise the economy in the country, according to

representatives of the country's parliament, the Verkhovna Rada. The bill, entitled 'Draft resolution on the measures aimed for the stabilisation of the national currency', has been prepared by member of parliament Nikolai Rudkovsky and states that Ukraine will completely close the border for all types of cars for the whole summer. Along with vehicles the bill proposes a ban on imports of any type of "luxury goods". "During the last month the Ukrainian hryvnia has lost about 50% against the dollar," said Rudkovsky. "The country's financial system is on the verge of collapse, with all the attendant social and political consequences. In such a situation, we need to support the hryvnia and as an urgent measure to ban the import of a number of luxury goods: furniture, jewellery and cars." However, industry experts have commented that even if such a radical step were taken it would not affect the problems the car market is facing in the country at the moment. "The problem is that the automotive importers have already virtually suspended vehicle imports even without Mr Rudkovskiy's bill," said Alexander Nazarenko, head of the All-Ukraine Association of Automotive Importers and Dealers. "Today we have thousands of cars in different warehouses that we planned to sell on Ukraine's market during recent months." The representatives of almost all major carmakers in Ukraine have claimed they are not afraid of the government's measures, as most dealers are not ordering new cars but struggling to sell their existing stocks. The average price of cars has dropped between $800-1,500 because of falling demand according to official statistics and, along with this drop, carmakers have to offer unprecedented discounts and conditions of sale. Moreover, producers have to decrease prices, not only in hryvnia but also in dollar equivalent, said Nissan Motor Ukraine's PR co-ordinator, Vladimir Ivanov; for the certain types of cars this decrease could be serious. The Head of the Board of Renault Ukraine, Jan Ptacek, said that the company has to do a discount even on those cars that have passed customs with the payment utilisation fee and other taxes according to the older higher rates, something that means losses for the company. However, without those discounts it would be extremely hard to sell those cars. The importers of Mitsubishi have taken the same decision. The CEO of Peugeot Ukraine, Serge Banse, said that the company is trying to stimulate demand by offering not only large discounts, but also loans with a percentage rate of 0%. Analysts project that demand in the Ukrainian car market during the first half of the year may drop almost by three times, especially taking into account that the fact that the car trade is effectively defunct in the south-east regions of the country because of the increase in violent incidents.

REST OF THE WORLD

Toyota diverts 29,000 cars in North America

(Source: World Cargo News, 17th May 2014) A rail car shortage has forced Toyota Logistics Services (TLS) to deviate 29,000 vehicles in North America so far this year. With US auto sales close to returning to their 2007 peak, car manufacturers are struggling to get vehicles to dealers across the country. Toyota currently has 17,000 vehicles waiting for delivery at two plants alone. Backlogs have been widely attributed to capacity constraints caused by severe winter weather restrictions, but TLS has highlighted a broader rail car capacity issue. Speaking at the Finished Vehicle Logistics Conference in California, Brian Mason, National Manager Strategic Planning and Communications for TLS, said production patterns have changed dramatically over the last five years. Toyota produced 1.84m vehicles in North America last year compared to 1.5m in 2007. Increased North American production has led to a shortage of rail cars, exacerbated by the delays bringing rail cars laid up when the market fell in 2008 back into service. TLS has been forced to make greater use of trucking to get cars to its dealers, leading it to reassess old assumptions about modal economics. TLS previously looked to rail for deliveries over the 200-300 mile range. Mason said it is now finding trucking can be cost-competitive for journeys over 500 miles. TLS has found the economics can be improved by partnering with trucking companies to offer longer contracts and help identify backhaul opportunities. TLS is also making more use of in-house trucking. It owns a fleet of 91 trucks and Mason said it is "very pleased to have them" at the moment. In fact the shortage of rail cars has pushed TLS to a "tipping point" where it is actively investigating expanding the fleet. "They provide safety and security in challenging times," added Mason.

BMW to unveil plans for first Mexico assembly plant in July

(Source: Automotive News Europe, 18th May 2014) BMW plans to announce in July that it will build its first assembly plant in Mexico and has earmarked two regions where the site could be built, *Automobilwoche* reported on 18th May, without citing the source of the information. With numerous free trade accords, a cheap and able labour force and proximity to the lucrative US auto market, Mexico keeps attracting investment by foreign carmakers such as Audi and Honda. BMW's Mexican factory will either be built in the state of Hidalgo or in San Luis Potosi and will initially produce as many as 100,000 cars per year, the German magazine said. Models likely to be built at the site include the 3-series sedan. BMW CEO Norbert Reithofer has said that the

company will need an additional factory in North America to meet rising demand but so far the company has not said whether it favours Mexico or the United States for the plant. The automaker also has not said which vehicles it would build at a new factory. *Handelsblatt* reported earlier that BMW executives favour Mexico for the factory and the company is considering building Minis and its smallest BMW brand vehicles there because the models generate lower profit margins and building them locally would boost earnings. A BMW spokesman said there is no decision yet to build a new factory in the North American Free Trade Agreement area that includes the United States, Canada and Mexico. "We're routinely looking at different locations," the spokesman said. BMW said in March it will ramp up annual production capacity at its US factory in Spartanburg, South Carolina, to 450,000 vehicles by 2016, in a move that cuts the manufacturer's dependence on fragile European markets.

PRESS RELEASES

European auto industry welcomes transparency for customers on CO_2 from heavy-duty vehicles

(Source: ACEA, 21st May 2014) Following the publication of the European Commission's strategy for CO_2 emissions from trucks and buses, the European commercial vehicle industry welcomes the introduction of a certification system which would give customers full transparency on fuel efficiency. "Fuel efficiency is a top priority for the transport companies who buy and use trucks and buses, because fuel accounts for over one-third of their total operating costs," explained Erik Jonnaert, Secretary General of the European Automobile Manufacturers' Association (ACEA). "Fuel efficiency is therefore the number one competitive factor in developing and selling heavy-duty vehicles."

By developing a computer simulation tool and test procedures based on real-world data for certifying CO_2 emissions, the Commission has laid a solid foundation for improving consumer information. This simulation tool, which is called VECTO and is still in prototype phase, will be able to calculate the specific emissions data for each individual bus or truck configuration. "This system will empower customers to compare and choose the most fuel-efficient vehicle combination adapted to their needs," explained Mr Jonnaert. "Customers are the best regulators for fuel efficiency."

ACEA stresses that CO_2 emissions from trucks and buses cannot be addressed via a 'one-size-fits-all' policy, and that an approach that introduces mandatory emission limits would not necessarily translate into improvements in the real world. With several thousand shapes and sizes of trucks and buses, the heavy duty vehicle market's complexity could not possibly be reflected in such a generalised approach to regulation. "As an industry we need to be as close to the real market as possible, rather than showing that we are compliant with an 'artificial' framework based on legal targets," went on Jonnaert. "Market forces are clearly the best way forward."

European commercial vehicle manufacturers are world leaders in fuel efficiency, with fuel consumption down 60% since 1965, thanks to technologies like common rail injection, automated gearboxes, turbocharging and intercooling. However, enhanced vehicle technologies must be accompanied by other measures if environmental targets are to be met: training in eco-driving, adjustments in vehicle dimensions, improved transport logistics, better and more intelligent infrastructure, a shift to alternative fuels, to name just a few.

Commission lorry CO_2 strategy shows urgent need for lorry fuel-efficiency standard

(Source: Transport & Environment, 21st May 2014) The European Commission published a lorry CO_2 strategy that highlights the urgent need to address stagnant lorry fuel economy and reduce Europe's growing lorry emissions, but fails to propose decisive action to do so. Europe has introduced fuel economy standards for cars and vans but there is no regulation to deal with lorry CO_2 emissions. Sustainable transport group, Transport & Environment, welcomes the strategy, but urges swift, concrete action to address the problem of rising lorry CO_2.

Between 1990 and 2010 lorry emissions rose 36% and now represent 6% of total EU emissions. Meanwhile, the EU has pledged to reduce transport emissions by 60% compared to 1990 levels. To deal with rising lorry emissions, the Commission has proposed a tool to measure, certify and report lorry CO_2, hoping that increased transparency may accelerate improvements. In the US, meanwhile, the Obama administration introduced fuel economy regulations for lorries in 2011 and is currently planning a second round of standards for the post-2020 period.

William Todts, Senior Policy Officer at Transport & Environment, said: "Lorry fuel efficiency has remained stagnant for 20 years, but while the US has quickly set standards for American trucks to improve their fuel economy, Europe is just treading water. Fuel economy standards will slash fuel bills, reduce oil and diesel imports and cut climate-changing emissions." Fuel bills make up around 30% of hauliers' costs and fuel-efficiency is a key concern for the logistics sector. Fuel economy standards for lorries could improve efficiency by 35%, which would save hauliers over €14,000 per year in fuel bills and drastically cut CO_2 emissions. Over the vehicle's lifetime fuel bills could be up to €150,000 lower. "Fuel economy standards are already delivering lower fuel bills for car and van drivers. It's time for the Commission to stop strategizing and finally introduce robust standards for Europe's lorries as well," Todts concluded.

ESPO's Gothenburg memorandum outlines six priorities for the new Commission and Parliament

(Source: European Sea Ports Organisation – ESPO, 16th May 2014) More than 240 participants gathered in Gothenburg for the 11th edition of ESPO's annual conference. The event concluded on 16th May with the presentation of ESPO's memorandum for the European elections in which European port authorities identify six points of attention for the incoming Parliament and Commission:

1. Important role of transport and ports in the move towards economic growth
2. No ports no industry
3. Ports in the TEN-T policy: from word to action
4. The internal market for maritime transport, no time to waste
5. European ports in an economic, societal and environmental context
6. A ports policy that empowers Europe's ports to meet tomorrow's challenges

Other highlights of the Conference were:

Clear plea for more clarity on state aid from both the port sector and the Council
In his keynote speech, the Greek Minister for Shipping, Maritime Affairs and the Aegean and President of the Transport Council, Miltiadis Varvitsiotis, asked the new Commission to come up "with a stable and clear framework for state aid in ports in order to ensure that each investment does not have to be investigated on a case by case basis. This case by case approach causes delays in investments and harms the competitiveness of European ports."

The Commission from its side considers that some basic principles on transparency as provided for in the Port Regulation proposal are a pre-condition for developing a framework on state aid for ports. In his intervention on 15th May, Olivier Onidi, Director for the European Mobility Network in DG MOVE spoke about "a two-step approach".

MEP Knut Fleckenstein to continue his work on the port regulation after the EU elections
In full campaign, the Rapporteur for the Port Regulation proposal, Knut Fleckenstein joined the conference to give his views on the way forward with the Port Regulation proposal after the EU elections. He stated that there should be more flexibility when it comes to the setting of port infrastructure charges, the consultation bodies and the supervisory body. On the other hand, he was calling for a stricter framework on transparency in port accounts.

Mr Fleckenstein stressed he wanted to continue to work on the Port Regulation proposal. He stated that all main policy players had or would be changing in the coming months: the Shadow Rapporteurs, the Commissioner and the Director General of DG MOVE.

Ex aequo on the basic conference question: level playing field, a must or a myth!
For the first time, participants were invited to express their opinion on the different topics of the conference through an online voting system. The vote on the main theme of the conference gave a 50-50 outcome. For half of the audience, the level playing field between ports is a must, for the other half it is a myth.

"We can look back at a successful conference and event here in Gothenburg. We are happy that the Council is helping us in putting the state aid guidelines for ports on the political agenda. The presence of the

Commission, the Parliament and the Council allowed us to have a good debate on the best policy for European ports. We hope to continue this constructive dialogue with the incoming European Parliament and Commission", said ESPO Chairman, Santiago Garcia Mila.

ESPO's memorandum can be downloaded here:
http://www.espo.be/images/stories/News/espo_news/2014/espo%20manifesto%20ep%20elections%202014.pdf

Updated ECMT Multilateral Quota User Guide published

(Source: IRU, 23rd May 2014) The International Road Transport Union (IRU) and the International Transport Forum (ITF) have partnered again for the joint publication of the 2014 European Conference of Ministers of Transport (ECMT) Multilateral Quota User Guide.

This ECMT User Guide provides transport operators with the list of all documents, required on board a vehicle when making transport operations under an ECMT multilateral licence, as well as other key information on the correct use of ECMT licences.

The new edition of the User Guide reflects the introduction of the EURO VI lorries into the system from 1st January 2014 and provides a set of mandatory certificates for the latest categories of the vehicles operating under the ECMT Multilateral quota.

"The ECMT Multilateral Quota of road freight licences established by Transport Ministers back in 1973 is a useful tool for facilitating efficient and environmentally sound road freight operations in Europe. It provides facilitated access to road transport markets of 43 European countries", said ITF Secretary General, José Viegas, commenting on the release: "I am convinced that this User Guide, which is also available online, will be highly appreciated by the officials of member country ministries, as well as by hauliers."

IRU Secretary General, Umberto de Pretto, added: "The ECMT Multilateral Quota System is the symbol of high quality in international road transport. This joint IRU-ITF publication will be a very useful guide and practical tool for transport operators and managers in their day-to-day operations."

To download the user guide, please follow the below link:
http://www.iru.org/en_media_press_pr?code=1207&lang=en