ECG News

ECG – The Association of European Vehicle Logistics

Issue 14.21, 2nd – 6th June 2014

CONTENTS

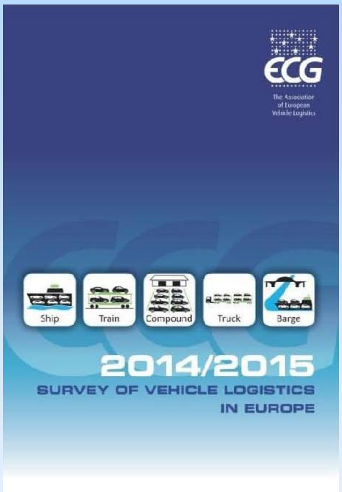
NEWS FROM BRUSSELS

The 2014 ECG Spring Congress & General Assembly in brief

(Source: ECG, 4th June 2014) On 22-23rd May 2014, ECG held its 19th Spring Congress & General Assembly in a spectacular seaside resort near Athens, chosen in recognition of the Hellenic Presidency of the EU. Over 100 member-company representatives and guests took part in the event held in the Astir Palace complex, where the first day traditionally comprised of a Board Meeting preceding the statutory General Assembly. The 'members only' session of the General Assembly began with ECG President Costantino Baldissara's opening speech, welcoming in particular 7 new members since last year, followed by the Treasurer's report and votes to accept the accounts and the budget. ECG's Vice-President Wolfgang Göbel started the open session with his activity report of the past year's achievements, followed by a series of detailed presentations from the Board Members in charge of the following ECG Working Groups: EU Affairs, Maritime & Ports, Land Transport, Eastern Region, Russia, UK & Ireland, which was followed by a report from the ECG Secretariat. The Board members reported on their activities of the last year and mentioned future projects, while members were queried on relevant issues via interactive questions after each presentation. This year was the first time a truly competitive Board election took place – 18 candidates were standing for the 15 Board seats – so the Main Delegates of Full Member companies cast their votes in a secret ballot. During the counting of the votes a proposal for an ECG Code of Conduct was presented to the members who subsequently voted unanimously in favour to adopt it. As a result of the ballot two new Board members have been elected: Krzysztof Dakowicz (Adampol) and Christian Lang (DB Schenker Rail Automotive), while both ECG's President and Vice-President were re-elected with a strong majority. Marek Nowicki, a Board member for 7 years, stepped down this year. His dedicated work and outstanding services for the association were commemorated by the handing out of an ECG 'golden pin'. The first day ended with a formal dinner followed by the graduation ceremony of the ECG Academy's Course 8. During the dinner, a welcome address was delivered by Commodore Panagiotis Paraskevas of the Hellenic Coast Guard, representing the Greek Ministry of Shipping, Maritime Affairs & the Aegean, in which he spoke about the maritime economy, so important in Greek everyday life. At the graduation all 19 students were awarded the Certificate in Automobile Logistics Management by KPMG Education. The top student, Lukasz Szutenberg of Adampol, also received the Giovanni Paci Award which was presented by ECG President Costantino Baldissara. The Spring Congress itself took place on the second day and was opened by President Baldissara, followed by Executive Director Mike Sturgeon with a selection of results from the latest ECG Confidence & Cost Trends Quarterly Survey. Justin Cox, Head of European Production at LMC Automotive concluded the first session with a presentation on current trends in the European automotive market. He outlined in his presentation that consumer confidence had started to show improvement during the last year and the momentum has lasted into this year so far as well. Cox further underlined that European light vehicle production is stabilising; however there is a discrepancy in the capacity utilisation rate of different carmakers. The European utilisation rate also suffers a threat from overseas capacity expansion. In his overview, European output is only predicted to regain 2007 levels by 2017. The second session of the Spring Congress started by a presentation of Miltiadis Provatas from the Greek Ministry of Infrastructure, Transport and Networks. He described Greece's National Logistics Strategy and its relation to EU policies. Two of the main actions underscored in this strategy are the improvement and modernisation of transport infrastructure networks, with a focus on inter-modality, and the better utilisation of EU funds. Greece would also establish a National Committee on Logistics, an advisory body for the elaboration and proposal of policy measures. Subsequently, Patrick Verhoeven, Secretary-General of ECSA (the European Community Shipowners' Associations) introduced his association

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.

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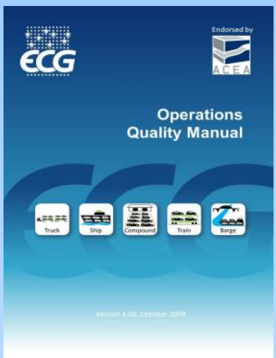
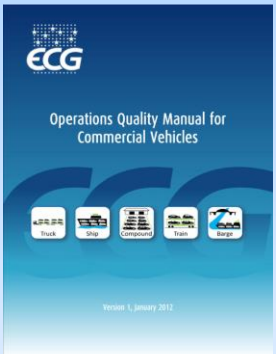
to the attendees. He presented the latest developments in maritime policy, both at EU and global level, which also affect ECG members active in sea shipping. A continued co-operation between the two associations to follow common interests therefore remains a priority for both ECSA and ECG. Dimitris Spyrou, Head of TEN-T Projects at the Piraeus Port Authority (PPA) was next on stage and he presented EU-funded projects on "Motorways of the Sea" in which the PPA participates. The B2MOS project (Business to Motorways of the Sea, www.b2mos.eu) is an innovative study which takes the form of pilot actions principally aimed at preparing and adapting business communities and port authorities' systems to the requirements of Directive 2010/65/EU on reporting formalities for ships departing from or arriving at EU ports. Szymon Oscislowski, Programme Manager within the Maritime Transport and Logistics Unit at the European Commission's DG MOVE presented the EC's vision on freight transport and its renewed Trans-European Transport Network (TEN-T) policy. According to him, the freight transport industry faces many challenges – staying competitive in a complex, global era, minimising its environmental footprint, etc. Public authorities should react to these challenges with an appropriate legal framework, with research and innovation funding as well as standards (both under the EU's "Horizon 2020" calls for proposals) and they should boost infrastructure developments (via Trans-European Transport Networks funded by the Connecting Europe Facility, CEF). Freight transport services – in the past funded through the now defunct Marco Polo programme – are also covered by the CEF, the funding instrument for the TEN-T policy, with the target of stimulating and deploying innovative, efficient and sustainable freight transport services, to which end €25m is earmarked for 2014. At the end of his presentation, Oscislowski highlighted that this year will also see the follow-up to the 2007 Freight Logistics Action Plan and that the Commission would soon launch a public consultation on Combined Transport which he encouraged ECG members to respond to. Rounding up this final panel of speakers, ECG's EU Affairs Adviser Tom Antonissen provided an overview of the current state of play regarding ECG's main lobbying priority in Brussels: its longstanding campaign for an EU-wide harmonisation of loaded lengths for vehicle transporters to a minimum of 20.75m. He only gave a limited description of the background of the campaign, as ECG has been reporting extensively about it during the past months and years – within its Working Groups and Regional Meetings, via ECG News and the President's Report etc. – though he warned that the campaign is now entering a critical phase which could lead to an "all or nothing" outcome by the end of the year. Whilst the European Parliament strongly supported ECG's proposals during their last plenary voting session before the European elections, in April, the Council of (Transport) Ministers has not yet formally discussed them. Therefore it will remain of crucial importance that as many ECG members as possible start or maintain direct discussions with their national Transport Ministries to urge them individually to support ECG's proposals within the Council, especially in the coming months since "trilogue" negotiations between the 3 main EU institutions (incl. the Commission) should start by September. Antonissen finished with a strong plea towards the audience that all ECG members wishing to become (more) involved are most welcome to contact the ECG Secretariat for more detailed guidelines and support. Finally, in his closing speech ECG President Baldissara noted that for the first time in years there is "a fresh wind blowing". He noted that aside from the excellent economic outlook for the automotive industry, the "relocation of car production to European countries will provide us with more work in terms of getting finished vehicles to end users." He ended his speech and the Spring Congress with a plea for ECG member-companies to communicate their views to the association so that a strong common position can be delivered in Brussels, and to continue their support to the ECG Board and Secretariat in doing so.

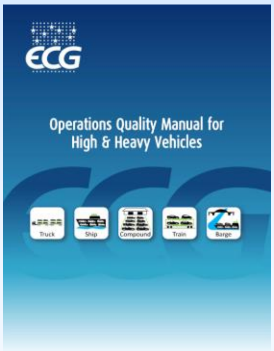
Council agrees its position on lorry sizes

(Source: Council of the EU, 5th June 2014) On 5th June, the Transport, Telecommunications and Energy Council reached political agreement on updated

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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rules for the maximum weights and dimensions of heavy-goods vehicles, buses and coaches. The new draft Directive aims to amend the current Directive from 1996 in order to improve those vehicles' aerodynamics, fuel efficiency and road safety. In particular, the proposal grants derogations on vehicle length so as to allow rear flaps to be attached to the vehicle or the front of the vehicle to be redesigned to create a more aerodynamic shape. The new lorry cab design will improve drivers' field of vision and the safety of both drivers and other road users. The new deflecting shape and crumple zone will greatly reduce the impact of frontal collisions, thus helping to save the lives of numerous pedestrians and cyclists. According to the text agreed by ministers, the use of clean fuels will be promoted by authorising a weight increase of one tonne for alternatively fuelled vehicles, to take account of the weight required for the alternative fuel technology. The maximum weight of buses would be increased by 1.5 tonnes to accommodate various developments such as the increase in the average weight of passengers and their luggage and of new equipment imposed by the safety regulations. In order to enable the inspection authorities to better detect infringements, six years after the entry into force of the directive, Member States must start to identify vehicles in circulation that are likely to have exceeded the weight limit and should therefore be checked. This identification may be carried out by means of weighing mechanisms built into the road or through on-board sensors in vehicles that communicate data remotely to the authorities. Every year each Member State must perform an appropriate number of vehicle weight checks. The number of such checks should be proportionate to the total number of vehicles inspected in the Member State's territory annually. As regards deadlines for the new maximum lengths retained by ministers, the provisions concerning the rear devices will start to apply from the transposition date, which is three years after the Directive's entry into force, and the cab redesign provisions will apply five years after transposition, or when conditions related to type approval and other requirements as specified in the Directive have been fulfilled. The Commission sent its proposal in April 2013. The adoption of this directive requires the approval of both the Council and the European Parliament. The Parliament adopted its first reading position in April 2014.

For stakeholder reactions to the vote, please go to the 'Press Releases' section of this ECG News issues.

EC launches new public consultation on combined transport

(Source: European Commission, 23rd May 2014) The European Commission has launched a public stakeholder consultation on combined transport. This form of goods haulage involves a combination of road transport with alternative rail and/or water-based transport, using these alternative modes for the majority of the journey, with use of road haulage limited as far as possible to a relatively short distance at the start and/or end of the journey. The purpose of undertaking the consultation is to gather information about the implementation of the Combined Transport Directive (Council Directive 92/106/EEC), as well as to assess whether a revision of the Directive would be desirable and, if so, what possible enhancements could be made in future revisions of combined transport policy. The European Commission would particularly welcome contributions from stakeholders with an interest in improving the efficiency and sustainability of freight transport services in the EU. These might include: commercial undertakings which use or operate freight transport services, public authorities, academia, trade associations, and other interest groups.

ECG Note: *As mentioned explicitly during both the General Assembly and the Spring Congress in Athens, it is very important that ECG members take a few moments to respond to such public consultations as the European Commission relies on industry feedback in order to develop future policies and legislation. ECG will always endeavour to respond in its capacity as a representative association, but also relies on its members to provide their expertise so as to* *shape ECG's input. Therefore please take some time to study this new consultation, and you are welcome to send your views to the ECG Secretariat at your earliest convenience! More on the consultation can be found here (the deadline for responses is **15th August 2014**):* *http://ec.europa.eu/transport/media/consultations/2014-combined-transport_en.htm. In addition, the public consultation on 'Carbon footprinting measures for both freight and passenger transport services in Europe' is still open for stakeholder input. The deadline for that consultation is **13th June 2014**.* *http://ec.europa.eu/transport/themes/sustainable/consultations/2014-06-13-harmonised-carbon-footprinting-measures_en.htm.*

AUTOMOTIVE INDUSTRY

Fuel cell vehicle refuelling at Berlin airport

(Source: Automotive Purchasing, 29th May 2014) The first fuel cell electric vehicle has been refuelled at the 'Green Hydrogen Hub' (H2BER) of the Total multi-energy fuelling station at the new Berlin Brandenburg Airport (BER) under construction in Germany, using hydrogen produced onsite via electrolysis using wind and solar energy. In addition to refuelling fuel cell electric vehicles (FCEVs), the H2BER project also anticipates operation of a combined heat and power (CHP) plant with regeneratively produced hydrogen, and its supply into the public gas network. It thus offers an opportunity to conduct research into the energy transition as a single system. By 2016, the H2BER partners – Total Deutschland, Linde, McPhy Energy, Enertrag, and 2G Energy – will have invested more than €10m, with a further €5m in public funding from the federal government, co-ordinated by NOW GmbH. More than 50 cars and buses in Berlin are already being refuelled with hydrogen in the context of the Clean Energy Partnership (CEP) between industry and the federal ministry of transport. CEP is Europe's largest demonstration of hydrogen mobility, and a flagship project of the German National Innovation Programme (NIP) for Hydrogen and Fuel Cell Technology in the transport sector. CEP will create a network of 50 hydrogen fuelling stations across Germany by the end of 2015.

BMW plans to cut €100m of German labour costs per year

(Source: Automotive News Europe, 2nd June 2014) BMW intends to cut €100m of German labour costs annually from 2015 onwards, the *Münchener Merkur* reported, citing workers' representatives. The savings will be a result of the company considering which plants in Bavaria would be economically attractive enough to build new BMW models in the future, the newspaper said on 2nd June. BMW, the best-selling premium brand globally, is spending a double-digit million sum on investment and new models to stay ahead of rivals Audi and Mercedes-Benz, and aims to achieve record sales this year. In March, BMW announced it would invest $1bn to expand its US plant in Spartanburg, South Carolina, increasing the number of people employed there by about 800 to 8,800, making it the group's biggest production facility by 2016. A BMW spokesman declined to comment on the savings target. But he said there were ongoing talks with the workers' council about where to build which car and that management would assess the competitiveness and costs of different sites.

EU aims to have 20% of GDP come from manufacturing, Commission official says

(Source: Automotive News Europe, 4th June 2014) The European Union wants to boost the bloc's share of economic output coming from manufacturing by a quarter by 2020 to 20% from 16% now, a Commission official in charge of automotive regulation told the Automotive News Europe Congress on 3rd June. A strong automotive sector is key to achieving that goal, Carlo Pettinelli of the European Commission's Directorate General for Enterprise and Industry said,

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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

noting that the car business is a major employer in the EU with over 12 million people working at jobs from service to engineering to manufacturing. "This is a huge challenge, but we are fully committed to it," Pettinelli said. To reach that goal, the EU is focusing on four main areas, Pettinelli added. The first is to support manufacturers in continually improving their product so that they can remain competitive on global markets, particularly in improving the transfer of research and development into the finished product – an area where EU companies sometimes stumble, he said. Secondly, the free flow of goods in the internal market must continue to increase. For the auto market, that means better circulation of used cars, he said. Lastly, the EU needs to support manufacturers in the sort of advanced training that workers need to build ever-more competitive cars. The Commission's goal to increase manufacturing's share of GDP in the EU is at odds with the reality faced by automakers like PSA Peugeot-Citroën, Ford of Europe, Opel, and Fiat. The EU's mass-market automotive sector is suffering, as consumers have only started resuming the car purchases that they put off during the recession. Ford and PSA have closed factories, and executives say more plants need to shut. Yet the manufacturing sector is an important source of jobs in any economy, and has traditionally been a ladder enabling lower income families to climb into the middle class. The EU has earmarked €1bn in funds available for automotive companies to spend on innovation from 2014 to 2020, said Pettinelli. For small companies, the EU has set aside €2.3bn, plus a further €2.8bn for early stage start-ups. "The automotive sector, with a significant share of SMEs, could be one of the major beneficiaries of this funding," Pettinelli said. But it's a drop in the ocean compared to the billions spent on R&D each year by the EU's biggest automakers. They spend an average of 5% of their annual revenue on R&D. Future challenges like new post-2020 carbon emissions restrictions and a move to autonomous driving means that automakers must keep spending to keep up. On the positive side, the EU is taking a closer look at the results of its Free Trade Agreement with South Korea, which Pettinelli admitted was not a success story for European automakers. More cars from South Korea have been sold in the EU than vice versa, he noted. "It was not a success story for the auto industry, this is true," he said. "Now we are working to remove the non-trade barriers in South Korea, and the situation is improving." Pettinelli said after his speech that the current round of talks with Japan for a FTA will take a more prudent approach to non-trade barriers.

EUROPE

UECC boosts traffic through Pasajes with Mercedes contract

(Source: Automotive Logistics News, 2nd June 2014) **United European Car Carriers** (UECC), which has its Spanish base is at the northern port of Pasajes (Pasaia), has reported a notable increase in both the number of finished vehicles and components this year. The terminal's Director, Miguel García, believes that this will translate into a slight overall increase compared to 2014, although expects to see major gains made in 2015. UECC, which operates a multi-level storage system at the port, began handling new Mercedes-Benz Viano people carriers and Vito vans in February this year, which should result in a further 3,000 units being handled in 2014. Last, the terminal reported traffic of 50,000 units. The company handles new passenger cars, light commercial vehicles, as well as other high and heavy cargo at the facility. Mercedes-Benz currently accounts for 26% of the total number of finished vehicles handled by Pasaia, but given the number of new Viano and Vito vehicles to pass through the port, this figure is expected to rise. These are built at the company's plant in Vitoria and moved to the port by road, from where they are exported to both mainland Europe and the British Isles. There are three new versions of each model: large, medium and small. For the meantime, these will co-exist alongside 12 existing models, although only these new models will be handled as of 2015. UECC has been

Events in Belgium

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 European Commission hosts a debate event on "Decarbonising road transport: The path to 2050" on **24th June**
http://tinyurl.com/nc9ss3b

operating its own terminal at Pasaia for the past 20 years, although it began handling finished vehicles there as early as 1979. These are moved by either road or rail from inland plants at Valladolid (Renault), Zaragoza (Opel), Vitoria (Mercedes-Benz) and Pamplona (VW).

Ship operators meet to discuss Trident Alliance

(Source: Automotive Logistics News, 2nd June 2014) Maersk Maritime Technology and **Wallenius Wilhelmsen Logistics** (WWL) have hosted a meeting in Copenhagen, Denmark, which saw representatives from 12 shipping companies convene to discuss the enforcement of the forthcoming maritime sulphur regulations in Europe and North America. The exploratory discussions were held to work toward the establishment of the Trident Alliance, a proposed coalition of ship owners and operators who share a common interest in the "robust enforcement" of the regulations and are willing to collaborate to help bring it about. The Alliance will also partner with other groups that share an interest in the enforcement and co-operate on initiatives that support the objective. That enforcement is designed to eliminate the risk of uncompetitive behaviour amongst shipping companies that do not comply with the regulations in one way or another, while others make the substantial investment in new technologies and lower sulphur fuels required to comply. "The meeting in Copenhagen was highly constructive and we all agree that the Trident Alliance is the right way to handle this challenge," said Roger Strevens, Vice-President of Environment at WWL. "The public support and attention we received really added urgency and focused the discussion. None of us want to see this evolve into a coffee club; this is an initiative that will get the work done." The representatives will now present the findings of the discussions in Copenhagen to their respective companies and work within the next couple of weeks to secure the necessary executive commitment. With that, the Trident Alliance will be formally established and the list of founding members announced.

Denmark develops plan to deter ship ECA fuel cheats

(Source: Maritime Professional, 3rd June 2014) The Danish Maritime Authority (DMA) considers it important that no shipowner should gain a competitive advantage by cheating on bunker fuel content when new stricter requirements for ships' engine exhaust gas sulphur emissions take effect in the ECA on 1st January 2015. Consequently, efficient and consistent enforcement of compliance with the regulations is decisive. The DMA's action plan is an extension of the Danish Government's 'Plan for Growth in the Blue Denmark', which contains an initiative entitled 'Improved enforcement nationally and globally'. The initiatives have been identified in dialogue with the Danish Environmental Protection Agency and the Danish Shipowners' Association, and continued co-operation is envisaged. The action plan is based on four focus areas:

- International co-operation
- the development and use of new technology
- improved statistics and documentation on non-compliance
- sanctions.

"With the action plan, Denmark takes an important step in the struggle to ensure efficient enforcement of the sulphur regulations. It is of decisive importance to quality shipping that our control is sufficiently efficient. Efficient enforcement benefits both the environment and the competitiveness of a responsible shipping industry," says DMA's Director General Andreas Nordseth. DMA has already launched the action plan by inviting to Denmark a number of the country's "allies" in the struggle for efficient enforcement in June this year. The purpose of the meeting is, inter alia, to consider the possibilities of closer, informal co-operation between the countries. In order to ensure that non-compliance does not pay, another initiative listed in the action plan involves a closer scrutiny of the size of fines as well as legal prosecution of ships not calling at Danish ports.

You can find out more about the Action Plan here: http://bit.ly/S0x6j1

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Salvage operation to begin on Baltic Ace

(Source: Automotive Logistics News, 4th June 2014) Almost a year and half since the sinking of the car carrier Baltic Ace, Dutch salvage operators Boskalis and Mammoet Salvage have started an operation to raise the vessel. The Baltic Ace, managed by Stamco Ship Management and chartered by **UECC**, was on route between the port of Zeebrugge in Belgium and the port of Kotka in Finland when it was involved in a collision with the Corvus J container ship on 5th December 2012 in a busy North Sea shipping lane 65km off the Dutch coast. It quickly sank with the loss of 11 crew members and a cargo of 1,400 vehicles, mostly Mitsubishis. In March this year Boskalis and Mammoet Salvage were contracted by the Dutch Department of Public Works to remove 540,000 litres of fuel, extract the automobiles and raise the wreck from a depth of 35 metres. The contract was awarded because of the threat posed to the environment and to shipping on the busy route towards the Port of Rotterdam. Around 16,000 vessels use the route annually. Once the fuel is pumped out of the ship it will be cut into six pieces and lifted to the surface with giant cranes, the Dutch Department of Public Works said in a statement. Both companies will contribute to the operations with their own specialist salvage equipment. The operation is expected to be fully complete by spring/early summer next year said the Dutch Ministry of Infrastructure and the Environment. The Baltic Ace was insured for between $50m and $60m according to news agency *Reuters*.

EIB supports modernisation of Polish railways with €268m loan

(Source: EIB, 4th June 2014) The European Investment Bank (EIB) is lending €268m to the manager of the national railway network in Poland, PKP Polskie Linie Kolejowe S.A. (PLK), for the upgrading of 58km of an existing electrified railway line (E30) from Katowice to Kraków. Thanks to the EIB loan, a number of improvements will be introduced on this section, such as the replacement of ballast, sleepers, track and overhead catenary as well as upgrading of the existing power supply. Several stations will also be reconstructed to ensure full accessibility for people with reduced mobility. The modernised line will allow for the introduction of trains running at a maximum speed of 160 km/h for passenger trains and 120 km/h for freight trains. Furthermore, additional environmental mitigation measures will be implemented (e.g. noise barriers, better drainage, animal crossings), which will reduce existing negative impacts during operation. These modernisation works will begin this year and are expected to be completed by the end of 2016. The EIB strongly promotes sustainable transport solutions. Accordingly, the project will result in better quality rail services as well as help to reduce vehicle operating costs and journey times. This should encourage the shift from other modes of transport to rail and thus potentially reduce the level of harmful emissions. This project is a continuation of the EIB's successful co-operation with PLK. Including the current operation, the Bank has provided ten loans to PLK totalling €1.9bn to finance railway modernisation projects across Poland. The Bank's support provides high financial value added to PLK by making available long-term financial resources at a lower funding cost. In 2013, EIB financing in Poland amounted to €5.7bn, 18% of which was earmarked for rail and urban transport projects. The Bank has now helped to finance rail investments in Poland for 24 years – the first loan signed with a Polish counterpart was for a rail project. The Bank supports the improvement of both infrastructure (with PLK) and rolling stock (with the operating companies).

REST OF THE WORLD

Toyota launches CKD production in Kazakhstan

(Source: Automotive Logistics News, 3rd June 2014) Toyota will launch its complete knockdown (CKD) production of the Fortuner SUV in Kazakhstan in late June or early July of this year, following the growing demand in the local market for the carmaker's SUV brands from the local market. The company is working as part of a joint venture project with local carmakers Agromash Holding and Saryarka Avto Prom. According to the chairman of the Board of Agromash Holding, Alexey Sidorenko, production at Kostanay in northern Kazakhstan, will include the welding and painting of cars. The capacity of the assembly line is designed for up to 3,000 vehicles a year based on one shift. The company is targeting a high level of localisation though a figure of 90% initially cited by local sources is not confirmed by Toyota. Kazakhstan is about to join a Eurasian Economic Union with its neighbours Russia and Belarus, following the signing of a treaty on 29th May, which entails there are no customs duties between the countries. Despite this, Toyota said that the new CKD plant will supply cars only to Kazakh market. This distinguishes it as most companies opening CKD production in Russia, Belarus or Kazakhstan use the facility to target all three markets. Kazakhstan is already part of a customs union with Belarus and Russia (though this will be modified from January 2015). Spokesperson Keysuke Kirimoto said that last year Toyota sold 8.9 million vehicles globally last year and, while Kazakhstan accounted for just 13,400 units, it represented a sale growth of 45% compared with 2012 and those statistics showed that its brands were popular in Kazakhstan.

China mandates removal of 6 million older vehicles

(Source: Automotive Purchasing, 27th May 2014) In a renewed push to revive sluggish progress toward cleaning up its smog-choked cities, China's government has vowed to take 6 million older polluting vehicles off the road by the end of 2014. The plan also calls for filling stations in Beijing, Shanghai and other major cities to switch to selling only the cleanest grades of gasoline and diesel, according to a recently issued official statement. The cabinet order comes after China failed to meet official pollution-reduction goals for 2011-2013, the statement said. It said vehicles registered before 2005 that fail to meet cleaner emissions standards will be "phased out", though it did not say how. The order also called the country's environmental situation "extremely grim". The latest proclamation suggests authorities have settled that conflict in favour of environmental protection following reports on the mounting health and economic costs of pollution. Plans call for retiring 5 million older, polluting vehicles in Beijing, the nearby port of Tianjin and the deltas of the Yangtze River, around Shanghai, and the Pearl River, around the southern business centre of Guangzhou, according to the statement. It gave no details on where the remaining 1 million vehicles due to be taken off the road were. China has about 240 million vehicles on the road, and half are passenger cars, according to the Ministry of Public Security. China is the world's biggest auto market by number of vehicles sold. Sales rose 15.7% last year to 17.9 million vehicles. Sales growth is slowing but analysts still expect an increase of 8 to 10% this year.

WTO finds that China infringed anti-dumping agreements with US

(Source: Automotive Logistics News, 28th May 2014) The World Trade Organisation (WTO) has upheld a complaint filed by the US stating that China has previously imposed unfair duties on vehicle imports. The complaint was lodged in July 2012 and followed up by another from the US, which accused it of unfairly subsidising its vehicle and parts makers. In response, WTO has concluded that China acted inconsistently with certain articles of the Anti-Dumping Agreement and with the agreement on subsidies and countervailing measures (SCM Agreement). In doing so it has "nullified or impaired benefits accruing to the United States under those agreements". It recommended that China now bring its measures into conformity with them. Under the seven points outlined as inconsistent by the WTO in its report were the fact that China's Ministry of Commerce (Mofcom) failed to disclose essential facts under consideration which formed the basis of its decision to impose anti-dumping duties, as well as acting inconsistently in its analysis of price effects. In all China was seen to have "acted inconsistently", with on a total of 16 article points included in the Anti-Dumping and SCM agreements. However, it did not uphold several other points of contention raised by the US regarding the agreements, including the accusation that China had acted unfairly with the respect to the disclosure of essential facts and public notice of residual duties for unknown US exporters. Under WTO rules, China's government must be able to show that dumping is taking place, calculate how much lower the export price is compared to the exporter's home market price, and show that the dumping is causing injury or threatening to do so. Back in November 2009 Mofcom launched its own investigation following a complaint by the China Association of Automobile Manufacturers (CAAM). Mofcom eventually found that those vehicles from US carmakers with a cylinder capacity of more than 2,500cc had "caused material injury to China's domestic industry", having unfairly benefitted from subsidy rates between 6.2% and 12.9%. Following that, in

2012, the US filed two complaints with the WTO seeking to offset Chinese duties on more than $3bn worth of car imports from the US, mostly involving GM and Chrysler models, as well as $1bn in subsidies.

GEFCO France transports a Bugatti Veyron for the Emir of Qatar

(Source: GEFCO, 3rd June 2014) **GEFCO** France handled the transport of a Bugatti Veyron for the Emir of Qatar, an operation managed by its Roissy depot. Valued at €1.8m, it is the fastest convertible in the world. GEFCO France also provided a dedicated assistance service with the supervision of the vehicle's stowage up to its handover to the airline company. "We established a customised logistics service for the Emir of Qatar. Once again, GEFCO was able to illustrate its historic know-how in special transports, a domain with stringent requirements," explains Olivier Vaillant, Manager of the GEFCO Special Transports activity.

PRESS RELEASES

Effective damage management

*(Source: **UniCar**, 28th May 2014)* The development of the global automotive industry over the past 10 years has seen significant changes in both the complexity and the lengthening of the supply chain. Many factors impact on a product that is uniquely unprotected compared to all other consumer goods that are delivered across the world. This makes it vulnerable to delay caused by damage leading to dissatisfaction from a customer expecting his vehicle to arrive in perfect condition and on time.

But whilst all parties involved are trying to get the right vehicle to the right place at the right time, undamaged, in reality it's far more complex than that. Each has their own priority and these priorities are rarely in the same order of importance for all parties. So can we really avoid damaging vehicles? After all, damage adds no value to the supply chain process and typically ends up being billed to the logistics service providers, eating away at profits that could be invested into innovation or vital new equipment.

Zero Damage

Our target as an industry sector should be "Zero Damage". And whilst you may say to yourself, "this is unrealistic", it needs to be our aim if we are to reduce damages significantly for the benefit of all those involved. So, in practical terms, what should you be doing?

Handover inspections are still the only way to provide visibility of where and when a vehicle gets damaged within the supply chain. This information is priceless as it can provide an insight into the quality of the supply chain and drive future improvements. To see inspections as purely a cost is opening yourself up to significant liabilities and should be reconsidered.

Claims Management is another area that is perhaps not fully appreciated. Even professional insurance companies acknowledge that it is only by using specialists who understand the peculiarities of the finished vehicle sector, that you will truly identify and reduce the unnecessary wasted cost of damages. We know what is transport damage and the true cost of repair. Lack of experience in this area can be very costly.

Finally, Audits are another way of understanding and controlling the supply chain environment. Handling standards will vary by brand and logistics service provider, so don't believe that everyone interprets quality requirements in the same way – you need to check on a regular basis. Human nature shows us that a supply chain left unmanaged typically reverts to poor practice very quickly, and this causes avoidable damage.

The power of technology

Finally, collecting data about a vehicle's condition and location into a central database provides you with a number of opportunities to track these assets, manage them better in real time and understand the causes of damage within the supply chain. Professional organisations like ourselves cannot exist without such operational tools. We have years of experience developing such tools and are happy to demonstrate the analytical power that can be gained using our systems either independently, or as part of a full service offering.

UniCar Group
UniCar is a leader in international automotive Damage Management Services which include inspections, claims management, auditing and catastrophe event management. We are part of the Bureau Veritas Group of companies, a global leader in testing, inspection and certification, delivering high quality services to help clients meet the growing challenges of quality, safety and environmental protection. We employ 65,000 people in 140 countries with annual revenues in excess of €3.9 billion across 8 diversified business areas, including the global automotive industry.

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Flexible truck dimension rules will improve environmental performance, says auto industry

(Source: ACEA, 5th June 2014) The European Automobile Manufacturers' Association (ACEA) reconfirms its commitment to cleaner and safer trucks following the agreement of the Transport Council on the revised Directive on the weights and dimensions of trucks on 5th June. "The revision of the Directive on the weights and dimensions of commercial vehicles provides a unique opportunity to reduce CO_2 emissions more efficiently from heavy duty vehicles," explained ACEA Secretary General, Erik Jonnaert.

"Industry should have the flexibility to make use of revised rules to deliver even cleaner and more efficient trucks in the most cost-effective manner," said Mr Jonnaert. He added, "Allowing an extension of the current maximum length of vehicles and vehicle combinations, while complying with legal requirements, will enable the industry to incorporate both existing and future fuel-efficiency innovations into their designs."

The industry has long advocated revising weights and dimensions rules to further increase the efficiency of the road freight sector. This includes using the most cost-effective solutions – such as permitting the wider use of the European Modular System (EMS). EMS greatly improves fuel-efficiency without negative safety impacts or increased road wear, and can be implemented immediately by all stakeholders at low cost.

Should it become mandatory to re-design truck fronts in order to improve their fuel-efficiency performance, the lead time granted to the industry must reflect the complexity and expense of this exercise, bearing in mind that trucks are very complex to design and are also produced in small volumes. This lead time should respect the product lifecycle for a new truck, which is on average 10-15 years. This means that manufacturers need to know about a new regulatory framework several years before its implementation.

Jonnaert: "The industry is committed to continuing to improve truck safety. Safety technologies that prevent accidents happening in the first place are the best way forward." Regarding improvements to forward, side and rear vision for instance, the use of new technologies such as cameras and proximity detectors will provide a quicker, more flexible and more efficient way to improve the safety of pedestrians and cyclists than re-designed cabs. This technological approach to safety is covered by different legislation - the General Safety Regulation.

Ministers reject megatrucks but stall safer lorry designs for eight more years

(Source: Transport & Environment, 5th June 2014) EU transport ministers decided on 5th June to delay changes to the weights and dimensions rules for lorry cabins, which would allow safer and more fuel efficient lorries to be produced. Under Franco-Swedish pressure, ministers regrettably agreed to ban the introduction of safer and cleaner lorry cabs from Europe's roads for at least eight years. In a more positive note, ministers rejected a proposal to allow megatrucks to cross borders.

Current rules on weights and dimensions of lorries indirectly restrict the length of cabins to 2.35m, which explains why European lorries have such blunt cabin fronts. Longer and rounder cabins can save hundreds of lives and billions of litres of diesel per year.

The European Parliament previously voted to allow lorry makers to introduce safer lorries straight away, without forcing them to do so. However, some lorry makers oppose changing the rules in case some manufacturers benefit more, and earlier than others. Transport ministers decided to back lorry makers and block this enabling law for eight years: three years for the law to be transposed into national law and at least five years delay thereafter. The European Parliament, Council and Commission will now have to find a compromise in so-called trilogue negotiations before the final law can be adopted.

William Todts, Senior Policy Officer at Transport & Environment, said: “Allowing rounder lorry cabs will not only make Europe’s roads safer, but cleaner too. Extending today’s ban on better cabs is a truly shameful decision because it puts the interests of a few manufacturers above those of everybody else. In the upcoming trilogue negotiations, the Parliament must insist that better lorry cabs are allowed straight away.” Under the agreement, lorry makers would, in about eight years’ time, be given more design space for the cab, allowing a more streamlined nose. Some blind spots could also be eliminated while new design space could also provide for a crumple zone and make sure pedestrians and cyclists are not knocked underneath the wheels in a collision.

On the controversial issue of ‘megatrucks’, transport ministers rejected the Commission’s proposal to allow the cross-border use of longer lorries. A blocking minority of governments argued such an allowance could lead to a domino effect, where country after country would be pressured into accepting its neighbour's megatrucks. Members of the European Parliament had previously demanded that the Commission properly assesses the impact of wider megatrucks use and report back to Parliament in 2016 before deciding.

Council reaches political agreement on ERA and railway interoperability and safety

(*Source: Council of the EU, 5th June 2014*) The Transport, Telecommunications and Energy Council on 5th June arrived at a political agreement on the draft directives on the interoperability and safety of European railways and the draft regulation on the European Railway Agency.

Together, the three legislative acts make up the technical pillar of the 4th Railway Package, published by the Commission in January 2013. The completion of this technical pillar is expected to increase economies of scale for railway undertakings across the EU, reduce administrative costs and speed up procedures. It should also help to avoid any covert discrimination in the issuing of safety certificates and vehicle authorisations.

According to this Council position on the technical pillar, a dual system of vehicle authorisations and safety certifications will be set up, with the ERA acting as a one-stop shop for authorising vehicles intended for cross-border operations and issuing safety certificates to railway undertakings involved in cross-border traffic. National safety authorities will still have an important role in carrying out the necessary assessments. The texts agreed by the ministers also stipulate that, for vehicles and railway undertakings involved in national transport only, there will be a choice between submitting a request for authorisation or certification to the Agency or to the national safety authority.

The other measures of the railway package, forming the political pillar, aim to ensure further opening of the market for domestic passenger transport services by rail and lay down new rules on governance structure in relation to infrastructure management and transport operations. These proposals have not yet been discussed in the Council. The adoption of the various legislative acts that make up the package requires the approval of both the Council and the European Parliament.

IRU strengthens team to meet challenges in Russia and the CIS

(Source: IRU, 28th May 2014) IRU Secretary General, Umberto de Pretto, announced the appointment of Mr Dmitry Cheltsov as IRU’s new General Delegate to Eurasia, based in Moscow, as from 1st June 2014, to help the road transport industry meet the numerous challenges and opportunities arising in the CIS region in the coming years. Highly experienced in transport and customs issues in Russia and in the CIS region, Mr Cheltsov worked 12 years for TNT Express Worldwide (CIS) at various management levels, and most recently as Country Sales & Marketing Director. Mr Cheltsov has also held the position of Chairman of the Customs and Transport Committee of the Association of European Businesses (AEB) in the Russian Federation for many years, as well as that of Member of the Coordination Council for optimising procedures for foreign trade and transit flows of the State Duma Transport Committee. IRU Secretary General, Umberto de Pretto, commented: “Russia and the entire CIS region are key for trade and international road transport and therefore for the IRU and its members. We therefore need a strong presence in Moscow with permanent contact with the competent authorities and with the private sector, in order to further facilitate and secure international trade in the region, through the effective implementation of the main UN facilitation instruments such as the Harmonisation and TIR Conventions.” “The recent difficulties involving the application of the TIR system in Russia demonstrate that more attention should be paid to dialogue with key stakeholders. In this respect, I am confident that Mr Cheltsov will be a key addition to the IRU team,” Mr de Pretto concluded. Mr Cheltsov replaces Mr Dmitry Larionov, who has held the position of IRU General Delegate to Eurasia since June 2013.