ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 16.22, 9th –13rd June 2014

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NEWS FROM BRUSSELS

ECG welcomes De Rooy as its new member

*(Source: **ECG**, 12th June 2014)* ECG is happy to welcome J.H.C. De Rooy Holding BV among its members! The Dutch company was established in 1923 as a family company and since then it has developed its network throughout Europe, as well as in Russia and the Middle East. De Rooy is market leader in truck and tractor transport, owns 450 trucks and compounds in the Netherlands, the UK, France, Italy, Austria, Poland, Germany, Latvia and Estonia. Moreover, the company has since 1982 participated at the Dakar rally. For more information, please visit the company's website: http://www.derooy.com/home-en

ECG welcomes Port Authority of Livorno as its new member

*(Source: **ECG**, 12th June 2014)* ECG is happy to welcome the Port Authority of Livorno as a new member! The Port of Livorno is one of the most important Italian seaports and is among the largest seaports in the Mediterranean Sea. It is a multipurpose port offering among others Ro-Ro, Lo-Lo, solid and liquid bulk services as well as hosts ferries and cruises. Livorno is the leading port in Italy for the new cars traffic, reaching 360,000 units handled in 2013. The Port offers daily Ro-Ro service connections to Sardinia, Sicily and France, and weekly connections to Spain, Morocco, Tunisia, Libya and Turkey. For more information visit the Port's website: http://www.porto.livorno.it/

ECG Maritime & Ports WG meeting following Shortsea Euro in Antwerp

*(Source: **ECG**, 13th June 2014)* Members of the ECG Maritime & Ports Working Group met in Antwerp, on 11th June, kindly hosted at the offices of Grimaldi Belgium. The meeting took place straight after the 7th annual Shortsea Euro conference, where several ECG members participated and delivered presentations, and which ended with a closing keynote speech by M&P WG Chairman Marcos Duato (for the detailed programme please see: http://www.navigateevents.com/events/7th-shortsea-euro/agenda.html). The main discussions at the conference were centred around the upcoming deadline of 1st January 2015, when the so-called Sulphur Emissions Control Areas (SECAs) will be installed in the Baltic and North Seas, including the English Channel, and this potentially disruptive development featured also highly on the ECG M&P WG's agenda. While several follow-up actions were proposed as well as future project-ideas discussed, the members also agreed to hold their next meetings in September at the Port of Le Havre and in November at the Port of Zeebrugge. ECG members wishing more information or interested in participating, please contact tom.antonissen@ecgassociation.eu.

Member States reject expansion of mega-lorry scheme

(Source: European Voice, 5th June 2014) Transport ministers from the European Union Member States on 5th June rejected a proposal from the European Commission that would have allowed extra-large lorries, which are only allowed on the roads as part of temporary national trials, to cross borders to other countries conducting such trials. Last year the Commission changed its legal interpretation of the existing law to allow such border crossings, but MEPs demanded that the change be put forward in legislation. The Commission then inserted the provision into a proposal to revise EU law on lorry weights and dimensions. But the Parliament voted to reject the provision in February, returning the EU to a situation where such border crossings are not allowed. The Nordic countries, the Netherlands and some German states, which are conducting the trials, want to be able to send mega-lorries across borders. However, several countries that are not conducting the trials, including Austria and Italy, are opposed to this, fearing that it would put pressure on them to take part in the trials. Environmental campaigners, who are opposed to the idea of mega-lorries

because they believe it will encourage more freight to be moved using road rather than rail, applauded the result. But they criticised the Council position adopted on 5th June for watering down the legislation by delaying the introduction of safer, greener lorry designs. The Council position inserts a ten-year delay in authorising new lorry designs, a provision added to the legislation at the behest of France and Sweden. The Commission proposal would allow lorry manufacturers from 2015 to use lorry designs that save fuel and make the front of cabs rounder, which it is hoped would reduce the numbers of pedestrians and cyclists killed by lorries. Under the proposal, these designs would be obligatory for most lorries from 2022. However, France and Sweden have backed an alternative proposal that would eliminate the optional transition period. The new designs would become mandatory from 2025. Manufacturers would not be allowed to use them until then. The move is said to be a result of pressure from Swedish firm Volvo [*Group*], which owns French manufacturer Renault [*Trucks*], according to an industry source. Volvo has lorries coming up for type-approval and is concerned that it would be at a competitive disadvantage against other manufacturers that start using the new designs after 2015. MEPs are unlikely to be receptive to a ten-year delay in the safer lorry designs. A spokesperson for Volvo said last month that the company's position is consistent with the rest of the automotive industry – that significant lead-time is needed before these new designs can be in place. He said the issue is too complex to have some manufacturers using the designs earlier than others. "It needs to be a stable situation for the whole of the European truck manufacturing industry, in order to secure that we have a competition-neutral regulation, which is what the whole of the industry is requesting," he said. But environmental campaigners, who say the new designs are essential for fuel savings, say they cannot understand the need for a delay. "It is ludicrous to argue that industry needs a ten-year lead-time to comply with a law that enables, not obliges, safer lorry cabs," said William Todts of green transport group T&E.

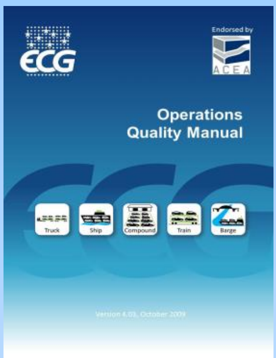
ECG Note: *More on the Council's position on the proposed Weights and Dimensions Directive, which still needs to be negotiated with the European Parliament and Commission in so-called "trilogues", can be found in last week's ECG News 14.21. Please see also the IRU's press release below (in the section "Press Releases" of this ECG News), which provides further insights on the "megatrucks" issue.*

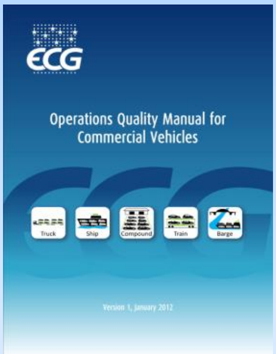
AUTOMOTIVE INDUSTRY

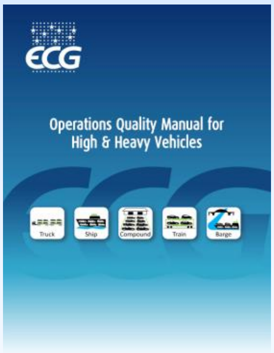
Mulhouse kickstarts Peugeot's 'rightsizing'

(Source: Automotive Purchasing, 12th June 2014) PSA Peugeot Citroën confirmed on 12th June that it would invest €300m to revamp and shrink its Mulhouse plant in eastern France, as the French carmaker begins work on a recovery plan under its new Chief Executive. The French automaker briefed unions on the introduction of two new large Peugeot cars and a compact model - most likely for its premium DS brand - as it downsizes the second-biggest domestic plant to one production line under plans first reported by *Reuters* in September. As Laurence Navarro, a CFTC union official at the factory in eastern France, commented: "This is a relief for us because it means we now have a future beyond 2020." Under Carlos Tavares, who formally took over from Philippe Varin in March, Paris-based Peugeot has sold stakes to Chinese partner Dongfeng Motor Group and the French state, raising €3bn to fund its turnaround plan. After losing more than €7.3bn in the last two years of a prolonged European slump, Peugeot has pledged to slash model line-ups and costs in pursuit of a 2% operating margin for 2018, rising to 5% by 2023. The company will use a competitiveness deal struck with unions at the height of the crisis to reduce costs and headcount while doubling the supply of parts from lower-wage countries and

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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"rightsizing" French sites, Tavares also said on 14th April. Unions now expect jobs to go in Mulhouse, which currently employs 7,550 workers, as production falls below 200,000 vehicles next year ahead of the first new model due in 2016. Managers pledged to stabilise output around that level but declined to give employment guarantees, staff representatives said on 12th June. Plant Manager Corinne Spilios said in a company statement: "this plan is very good news for Mulhouse and its employees." But it may spell bigger cuts at Peugeot's factory in Rennes, western France, which currently builds the Peugeot 508 large car and its station-wagon version. Rennes, which employs about 4,000 workers, so far has only one new model confirmed, a successor to the current 5008 minivan. The plant has already been cut to one production line, with Poissy near Paris to follow suit next year. The new Peugeot models will be based on the company's new EMP2 architecture designed – like Volkswagen's modular MQB underpinnings – to allow a broader range of vehicles to be developed and manufactured from common parts.

Ford will keep Fiesta production in Germany after cost-saving deal

(Source: Automotive News Europe, 10th June 2014) Ford Motor will keep production of the Fiesta, its top-selling European car, in high-wage Germany after agreeing with workers to cut assembly costs as the carmaker looks to end losses in the region. The announcement ends months of uncertainty for staff in Germany after media reports had said Ford considered moving Fiesta output to its factory in Craiova, Romania, where the company builds the B-Max minivan. Ford said in a statement that management and workers at the Cologne plant had agreed to scrap costly night shifts, increase flexibility on working hours and reassign work from suppliers to Ford, delivering total savings it estimated at $400m between 2017 and 2021. The pact covers all 24,000 Ford employees in Germany and includes a pledge not to cut jobs. Full shifts can be added on a daily basis or shifts can be cut or extended by 30 minutes according to demand, Ford said. "We absolutely looked at other plants. We wanted to make the Fiesta profitable in Cologne," Barb Samardzich, Chief Operating Officer Ford of Europe, said on a conference call with journalists. The "breathing factory" would make Cologne "globally competitive", she said. Ford will also hire about 500 engineers at its development centre in Cologne, one of two German factories, which employs about 4,100 staff. Labour costs in the German manufacturing industry were €36.98 per hour in 2012, compared with €29.56 in Japan, €25.87 in the United States and €3.78 in Romania, according to the Cologne-based IW economic institute. The next-generation Fiesta is due in 2017. European sales of the Fiesta rose 13% in the first four months to 113,811, according to JATO Dynamics, making the subcompact the automaker's top-seller in the region ahead of the Focus, which had European sales of 81,192, up from 79,871, during the period. Ford's Cologne plant opened in 1931. The company operates a second assembly plant in Germany in the town of Saarlouis, close to the French border. Ford closed two smaller manufacturing operations in Britain in 2013 and plans to shut its Genk, Belgium, assembly plant at the end of this year, cutting about 5,700 jobs in total. Ford plans to return to profit in Europe in 2015. The European operations are "on track" for the turnaround, Ford CEO Alan Mulally said at a conference in Dusseldorf, Germany, on 23rd May. Losses this year are expected to narrow from the $1.6bn posted last year.

European plant capacity usage improves, but breakeven still years away

(Source: Automotive News Europe, 10th June 2014) Capacity-utilisation at Europe's vehicle plants should rise to 70% this year because of factory closures and rising sales, and may return to 80% as soon as 2016, say forecasters. A return to the 2007 high of 85%, however, is not expected until 2020 – if ever – forecasters say. "Our prediction is that capacity utilisation will increase, but it

ECG Academy

Course 9 will commence in October 2014

This practice oriented course takes place over **five modules**, 22 days of intensive training. The modules are held at different locations in Europe to give the participants insights into practical realities of the different elements that make up vehicle logistics. It is targeted at both experienced practitioners and new entrants to the supply chain management.

Benefits:

- Acquiring a vast wealth of knowledge in an accelerated timeframe, but in as much depth as it is required
- Unique networking opportunities. Each course brings together over 20 individuals representing companies from across Europe
- The course culminates in the award of a Certificate in Automobile Logistics Management, which is an accredited qualification.

For more information please contact info@ecgassociation.eu

won't come back to peak levels of 2007," said Michel Costes, CEO of France-based automotive research group Inovev. This year's expected improvement to 70% capacity usage from 68% in 2013 is encouraging, but it's still a long way from 80% to 85% that experts say is necessary for carmakers to run their plants profitably. PwC's Autofacts unit said in a recent report that capacity utilisation could exceed 80% in some European regions by 2016 – bolstering claims by money-losing mass-market producers that say they will bring their operations back into the black. Ford says its Europe unit will be profitable again next year while General Motors' Opel division and PSA Peugeot-Citroën promise to stop losing money by 2016. Capacity utilisation by all three was 60% or less in 2013. "Given the increase in car sales from 2013 trough, as well as plant closures and re-localisation, capacity utilisation could continue to improve going forward," PwC Senior Manager Michael Gartside said. This year's planned closure of GM's plant in Bochum, Germany, and Ford's factory in Genk, Belgium, along with the recovery of car sales in Europe should improve the region's capacity utilisation by a couple of percentage points, Inovev forecast in a recent report. PwC says that the combined five European plant closures in 2013 and 2014 will reduce capacity by 650,000 units and that re-localisation from other regions will add 550,000 cars. A slight recovery in car sales will help ease the burden of too much manufacturing capacity, but not enough to make a big difference to carmakers' bottom lines this year. "We still have a market with 20 million units of capacity and about 14 million sales," Ford of Europe CEO Steve Odell told *Automotive News Europe*. A six-year slide in car sales amid Europe's recession and changing consumer habits means that western Europe has up to 10 car factories too many, according to auto executives and sector analysts, translating into billions in combined losses at mass-market carmakers such as Opel, Ford of Europe, Fiat and PSA. Europe's approach to solving the overcapacity problem has been to manage the decline step by step rather than the sort of co-ordinated solution adopted by the US government's automotive task force in 2009. This taskforce oversaw the lending of billions of taxpayer dollars to invest in turnaround plans following the bankruptcy of Chrysler and General Motors. Eleven US factories were closed between 2008 and 2012, according to the *Automotive News Europe* Data Center. (One of those factories, GM's plant in Spring Hill, Tennessee, was reopened in 2011.) Closing plants in Europe is expensive because of high social costs, and is politically unpopular in a weak economy. Ford expects to be hit by $800m in restructuring and personnel costs as it closes its Genk facility and moves that production to Valencia, Spain. Inovev's Costes said he expects four to five more plant closures in Europe in the next five years. "In a perfect world, it would be good to close 10 plants. But realistically, we think only four to five plants will shut in the next five years," he said. Since it's not politically feasible to shut 10 car plants in Europe, mass-market carmakers will be forced to continue their starvation diet of cost cuts for years to come. A recovering car market will help ease the pain. But the way to reduce losses, barring massive plant closures, is to "have good platform policies, since they decrease the cost and put more value-added cars on the market," Costes said. The success or failure of new models will drive the closures of under-used plants in the future, PwC's Gartside said. "Future plant closures are a possibility," he said, "if demand doesn't increase as forecast or certain OEM growth strategies do not match their expectations."

Tesla could open factory in Europe, CEO Musk says

(Source: Automotive News Europe, 12th June 2014) Tesla Motors will build a factory in Europe once sales of its electric cars reach 160,000 a year in the region, CEO Elon Musk said. The US electric-car maker also plans to open a European research and development centre in the UK "either next year, or the year after" and will expand its final assembly plant Tilburg, in the Netherlands, where batteries are reinstalled back into Tesla vehicles imported into Europe from the United States. "My aspirations for Europe are that we sell a comparable number of cars in Europe as the US", Musk told *Automotive News Europe* at an event in London to mark the delivery of the first Model S sedans in the UK. The

ECG AGENDA

► **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 Land Transport Meeting,** in Hannover, Germany **in September (TBC)**

►**ECG Maritime & Ports Meeting,** in Le Havre, France **in September (TBC)**

►**ECG Board meeting** on **16th September** in Turin, Italy (TBC)

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

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

►**ECG Maritime & Ports Meeting,** in Zeebrugge, Belgium **in November (TBC)**

►**ECG Dinner Debate in the European Parliament,** in Brussels, Belgium on **19th November**

Model S five-door premium sedan is Tesla's only vehicle. European Model S sales were 3,467 units in the first four months, according to JATO Dynamics market researchers, compared with 2,050 sales in the United States. Musk said once global sales pass 500,000, it "would make sense" to have a factory in Europe and in China. He said that Tesla's vehicle sales would likely be split evenly between the United States, Europe and China. In April, Musk said at a conference in Beijing that Tesla will likely establish local manufacturing in China in the next three to four years, allowing the company to sell cars at cheaper prices by avoiding China's 25% import tariff. Currently, Tesla builds the Model S in Fremont, California, in a factory formerly known as New United Motor Manufacturing, Inc. (NUMMI), a joint venture between General Motors and Toyota. At the London event, Musk said he expects the UK to surpass Norway as Tesla's biggest market in Europe. The Model S Tesla sells in the UK starts from £49,900 (€61,770, $83,249) and is sold at the company's only UK dealership in London's Westfield shopping mall.

Slovakia's automakers to create new jobs

(Source: Automotive Purchasing, 9th June 2014) All three carmakers in Slovakia, Volkswagen, PSA Peugeot Citroën and Kia, have announced plans to expand their production capacities. Speaking to his country's media on 9th June, Slovakia's Economy Minister Tomas Malatinsky confirmed around 3,000 new jobs would be created in total, with Volkswagen preparing the largest investment of the three - it alone is about to create 1,500 jobs, while further several hundred jobs are expected to be created by its suppliers and sub-suppliers. Nevertheless, all three carmakers are demanding that the state provides financial stimuli to support the investments, said Malatinsky. The minister said that the Bratislava-based Volkswagen plant is asking for tax relief. According to the Act on Investments, projects in Bratislava can't receive state stimuli for several reasons, including the low unemployment rate in the region (6%). The only exception is investments into research and development, which has not been included in Volkswagen's plan for projects in Bratislava. The expansion of production in Bratislava should involve the introduction of a new model. The Bratislava plant has the chance to be given the task to produce the first SUV of Italian mark Lamborghini, which belongs to Volkswagen. In addition, the Bratislava plant is set to produce complete Porsche Cayennes as of 2017. At the moment, it is producing only the bodywork. The Economy ministry has therefore recommended Volkswagen to divide up the investment, with part to be placed to its minor plant in Martin (Zilina region), which would be allowed to receive state support. In 2013, Slovakia dominated the world chart in car production, with 181 automobiles produced per capita. Overall car production is still increasing and 980,000 vehicles were manufactured in 2013 in the Slovak assembly plants of the three carmakers.

Progress report on the World Forum for Harmonisation of Vehicle Regulations

(Source: European Commission, 6th June 2014) In accordance with the CARS 21 Communication of 7th February 2007, the Commission issued an annual working paper on the major automotive-related regulatory developments and activities at the World Forum for Harmonisation of Vehicle Regulations (WP.29) of the United Nations Economic Commission for Europe (UNECE). The Commission staff working document is the seventh annual report on these activities aiming at informing the European Parliament, the Council and stakeholders about the progress achieved by WP.29 and of the compliance observed by the European Commission with regards to the political orientations set out in the relevant European Union legislation. The UNECE was established by the United Nations Economic and Social Council in 1947 with the main goal of promoting regional economic integration through dialogue and co-operation on economic and sectoral issues. It provides analysis and policy advice to governments, in consultation with key stakeholders, as well as a framework for norms, standards and conventions to facilitate international co-operation for various sectors. The

Events in Belgium

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

WP.29 is a permanent working party within the UNECE's Inland Transport Committee that administers three Global Agreements on motor vehicles (1958, 1997 and 1998 Agreements) and offers a unique framework for globally harmonised regulations on motor vehicles. The benefits of such harmonised regulations are tangible in road safety, environmental protection and trade. The UNECE brings together 57 countries across the five continents. Given that the EU is a Contracting Party to the 1958 and 1998 Agreements, the document focuses on progress made in 2013 under those two Agreements.

To read the progress report, please follow the below link:
http://tinyurl.com/nnpd7da

EUROPE

Tarragona allows expansion of Bergé's facility

(Source: Automotive Logistics News, 10th June 2014) Spain's Tarragona Port Authority has changed the concession granted to Bergé Marítima at its finished vehicle terminal on Cantabria quay. The company can now expand the facility by 10,500m^2. This extra space will be given over to a centre for vehicle handling. In 2013, the port of Tarragona handled 61,487 finished vehicles, compared to 55,903 in 2012, a 10% increase. Of these, exports accounted for 34,134 units and imports 27,353, with a 21.92% increase in inbound traffic. Imported cars arrive from countries such as Italy, South Korea and Turkey, with exports sent to Italy, Algeria and the United Kingdom. Carport Bergé is seeking to establish the port as a hub for distribution to North Africa and throughout the Mediterranean. The Bergé group reported handling 13.63% more units in 2013 than in the previous year. In Tarragona port, Carport Tarragona provides import/export and storage services, while **Bergé Automotive Logistics** is responsible for warehousing, inspection, pre-inspection and despatch of consignments by road. At Tarragona Bergé also handles vehicles that are domestically produced, so not all the vehicles handled at its facilities in Tarragona actually pass through the port, meaning Bergé's handling figures are higher than those for the port. In 2013, Bergé handled 107,715 vehicles there, of which 61,255 (57%) were rotated in or out by sea, while 46,460 units were restricted to purely road movements, this constitutes a growth of more than 16%. Rail continues to play a significant role at the port, with 28,077 vehicles moved by 120 trains in 2013.

Honda switches motorcycle export hub from Algeciras to Barcelona

(Source: Automotive Logistics News, 9th June 2014) During June Honda will move its main Spanish hub exporting motorcycle parts and components to North Africa from the Port of Algeciras to the **Port of Barcelona**. The change was prefaced by the company's opening of a logistics centre at Santa Perpètua de Mogoda, close to the Catalan capital. The switch of ports is being undertaken to reduce costs. Previously, components (mostly for motorcycles) were sent from its logistics centre at Ghent, in Belgium, overland by road to Algeciras, where they were placed on board vessels for onward transfer to the port of Tanger-Med, in Morocco. Once in North Africa, the containers would then be taken by road to Casablanca. Under the new system, containers will still be shipped on road from Belgium to Spain, but despatch will now be made via the Port of Barcelona. The service, which will operate weekly, will help cut the distance between the central Belgium warehouse and Morocco, thereby ensuring faster delivery. According to Honda's Customer and Business Support Manger in Spain, Jordi Busquet, the changes of distribution route will allow the company to save around €57,000 annually. Previously, Honda made use of facilities at the Port of Barcelona to distribute motorbikes in both Spain and Portugal. Honda is currently targeting growth in the North African market, having gained a foothold in Morocco, with

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Tunisia and Algeria being the short term objective. Here, it will again make use of local distributors. Honda's existing 86,000m² facility at Santa Perpètua de Mogoda, which opened in October 2013 at a cost of €12m, acts as a base for its commercial arm, production plant, safety institute, competition team and logistics centre. The plant, which covers 20,000m² has 20 loading bays and can accommodate 48,000 parts and components as well as 6,800 finished motorbikes. In addition to this arm of the business, Honda also has a motor vehicle production plant at and finance centre at El Prat de Llobregat, which is also close to Barcelona.

Outcome of Norbert Dentressangle's cabotage investigation expected soon

(Source: Lloyd's Loading List, 6th June 2014) Norbert Dentressangle (ND) is expected to find out by the end of next month whether a judicial investigation into the alleged "unlawful loan of labour and illegal subcontracting" concerning drivers employed by its subsidiaries in Poland and Romania will lead to charges, according to a report in the French media on 5th June, quoting a judicial source. The investigation was opened in May 2012 and followed complaints filed by the CFTC trade union against the French transport and logistics giant, which employs 400 Romanian and 700 Polish drivers out of total of more 10,000 truckers. ND has declined to comment specifically on the report, which claimed that senior managers from the group were questioned by gendarmes earlier this week. A spokesman would only confirm that the group was "the object of an investigation into the organisation of international transport and internal sub-contracting concerning subsidiaries in Poland and Romania". The allegations levelled at Dentressangle are that it employed Polish and Romanian drivers illegally on France's domestic market. Under EU cabotage rules, hauliers in the 28 EU Member States are at present allowed to carry out a maximum of three domestic transport operations in fellow Member States over a seven-day period, immediately following an international operation. In an interview with *Lloyd's Loading List* earlier this year, the ND spokesman made it clear that the group categorically denied any wrongdoing, echoing the remarks of Chairman Hervé Montjotin: "Our Polish and Romanian drivers do not remain in France beyond the legal limit." The judicial source said Norbert Dentressangle's premises had been searched and data seized but insisted that the presumption of innocence prevailed ahead of the court's judgement.

Battery-powered ferry ready to sail

(Source: Port Technology, 11th June 2014) A new era in environmentally-responsible shipping may have dawned, with the recent delivery of the world's first battery-powered ferry. Built in Gdansk, Poland, the ferry was delivered to Norway's Fjellstrand Shipyard for outfitting and sea trials. The 80m long vessel will accommodate around 120 cars and 360 passengers, and will make 17 daily crossings of a high-frequency route on Norway's Sognefjord, between Lavik and Oppedal. The innovative design has grown out of a collaboration between ferry operator Norled, Fjellstrand Shipyard, Siemens and Rolls Royce. The pioneering craft, which uses port systems specialist Cavotec's first combined automated mooring and shore power system, has already been nominated for SMM's Ship of the Year Award – to be announced in September 2014. Cavotec's automated, alternative maritime power (AMP) electrical supply and MoorMaster systems are currently being installed at the Lavik and Oppedal berths ahead of the introduction of the ferry. Cavotec claims that these are the first systems globally to integrate automated mooring and automated shore-to-ship AMP. Cavotec noted that this demonstrates its innovation and ability to offer systems that maximise both efficiency and environmental performance. "The extent of technical innovation and system integration of this project shows how port operations can be made dramatically more sustainable and efficient," said Norled technical director Sigvald Breivik. The ship will enter service in January 2015.

REST OF THE WORLD

Thailand emerging threat to car exports from India

(Source: Daily News & Analysis, 9th June 2014) India, a hub for car exports to developed markets, is seeing serious competition from Thailand as production constraints and quality issues force manufacturers to consider production of critical models in the Southeast Asian nation. Ford India is looking at shifting production of the Fiesta, and Japanese manufacturer Suzuki is planning to move production of its newly launched Celerio from India to Thailand for exporting to developed markets, according to sources. Ford's India unit is unlikely to export the company's new compact sports utility vehicle EcoSport to North American markets, whose production will be moved to the US carmaker's Thai plant by 2016, according to recent reports. Experts said EcoSport and Fiesta will mainly be exported to North American markets while Celerio will be exported to Europe. Mayuree Chaiyuthanaporn, senior analyst, IHS Automotive ASEAN, who tracks Thailand automotive market, said, "Manufacturers are looking at Thai plants mainly because of Indian production constraints coupled with the better quality production in Thailand. Reportedly, Ford EcoSport produced in Thailand provides better noise, vibration, and harshness (NVH) levels. Meanwhile, export orders are likely to utilise Thailand's capacity to its maximum." Thailand is a production base for pickups and small cars, with total capacity expected to reach three million units by 2019, the highest in Southeast Asia. The production cost in Thailand can be reduced because of economies of scale. Completely built units (CBUs) export account for around 60% (2013) of total production output, according to IHS Automotive. According to an industry expert, "Manufacturing of pickups and small car segments get supported by the government in a big way. Thailand has better infrastructure and technology, while it also has some challenges in terms of political instability and natural calamities. However, quality of production is very competitive as compared with India." The country also has the highest number of suppliers among ASEAN countries. The Thai Board of Investment offers both fiscal and non-tax incentives for investments. Tax sops include exemption or reduction of import duties on machinery and raw materials, and corporate income tax exemptions and reductions. A Ford India spokesperson said, "We do not comment on speculations. However, it is important to clarify that our operations around the world do not 'compete' with one another. Under the global One Ford plan, our manufacturing strategy is determined by a number of variables like logistics, cost efficiencies, geographies, etc., and is implemented to deliver the success of a single global One Ford plan." "Export strategy is fundamental to our growing operations in India and we are well on course to establish India as our export hub and a centre of excellence for small cars and low displacement engines for both domestic and exports. As part of the One Ford plan, Ford is investing significantly to deliver scale and flexibility to reciprocate the increasing demand from both domestic as well as export markets. With upcoming manufacturing facility at Sanand, Gujarat, Ford India will double its manufacturing capability and significantly increase export volumes to several global markets including mature markets."

JLR to build engine plant in China

(Source: Automotive Purchasing, 12th June 2014) As Jaguar Land Rover accelerates its strategy to internationalise its production footprint, the company has confirmed its plan to build an engine factory in China. JLR's new engine plant would be sited at the same location as its car factory in China, which is due to start production later this year. As Ian Harnett, JLR's Director of Purchasing, explained to the Financial Times: "There is an opportunity to do that [an engine factory] within the existing footprint of the factory." JLR's increase in car production in recent years has been a major contributor to the renaissance of the UK's automotive industry, which has doubled the value of its exports over the past decade. While Harnett declined to comment on the company's internal timeline for its China plant, he conceded it would open after the company's British engine factory in Wolverhampton begins production. Construction of an engine factory in China – JLR's first ever outside the UK – is expected to start within two years, said two people with knowledge of the plans. UK engines will be exported to the Chinese car factory in the interim period. Hartnett said: "We will be building more engines in the UK than we do in China, for certain." Tata Motors-owned JLR is a relative late-comer to the Chinese market, where Audi, BMW and Mercedes-Benz dominate the luxury segment with a combined market share of about 80%. But, as a maker of luxury sport utility vehicles, such as the Range Rover Evoque, the British brand has an opportunity to take a larger share of the fastest-growing segment of the Chinese market. According to the China Association of Automobile Manufacturers, SUV sales between January and May soared 38%, year-on-year, to almost 1.5 million units. Annual SUV sales in China are expected to triple to 7 million units by 2020. JLR also intends to develop a local brand for the Chinese market, in line with government requirements. In 2013, Mercedes opened a new engine factory in Beijing – its first outside the United States. The German automaker said

the plant will eventually export critical components back to its home country. At the moment, luxury vehicles account for about a quarter of sales in Beijing, Shanghai and other major regional markets and are expected to increase their market share as licence plate restrictions to combat congestion and pollution encourage existing car owners to upgrade to more expensive brands.

PRESS RELEASES

IRU welcomes Council agreement on commercial vehicle weights and dimensions

(Source: IRU, 6th June 2014) The International Road Transport Union (IRU) welcomes the political agreement reached on 5th June in the Transport Council of Ministers on the weights and dimensions of commercial vehicles, that paves the way for safer, more environmentally-friendly buses, coaches and trucks on Europe's roads by encouraging the use of alternative fuel vehicles and permitting a re-designed truck cabin.

IRU General Delegate to the EU, Michael Nielsen, commented, "The Council text lays the foundation for constructive negotiations with the European Parliament. I hope these will start soon and we trust that the eight-year transition for the introduction of redesigned cabs will be reduced further."

The political agreement confirms the use of aerodynamic flaps at the rear of trucks that will improve fuel consumption, therefore reducing carbon and toxic emissions. The agreement also allows for a 1.5 tonne weight increase for coaches, so that they can benefit from existing environmental improvements and allow for alternative fuel propulsion systems without compromising capacity. Similarly, the agreement would allow for a 1 tonne weight increase for certain trucks using alternative fuel propulsion systems.

Mr Nielsen added, "It is vital that the road transport industry be given the tools enabling it to better meet its environmental obligations and improve road safety without delay. Incentives should be provided to facilitate the uptake of newer, more eco-friendly vehicles. I am positive that vehicle manufactures will rise to the challenge and rapidly make available the further improved vehicles that Europe needs."

The Council agreement notably leaves untouched the current position on the European Modular System (EMS) or eco-combi vehicles, which, following a European Commission legal interpretation allows for continued trials and use of eco-combies in Member States that wish to use them and cross-border use and trails between two agreeing Member States.

UK car export values double in decade to £24.8bn

(Source: SMMT, 11th June 2014) Income generated by UK car exports more than doubled over the last decade according to new analysis by automotive industry body, the Society of Motor Manufacturers and Traders (SMMT). At the organisation's International Automotive Summit on 11th June in Canary Wharf, SMMT Chief Executive Mike Hawes revealed that global markets spent £24.8bn last year on UK-built cars, compared with £12bn a decade ago. Alongside rising manufacturing volumes, the income surge is largely attributable to the shift to building higher-quality models across the country, doubling the average export value of a car from £10,200 to £20,640.

"Countries around the world are spending twice what they were 10 years ago on UK-built cars. This reflects the thriving nature of our domestic industry and our global reputation for engineering expertise," said Mike Hawes. "With booming production volumes and the increasing value of UK car manufacturing, we are enjoying healthy demand from both growing and established markets. We want this success to continue but urgently need more young people to join our industry, working in every area from design and engineering to manufacturing and retail."

UK car manufacturers produced more than 1.5 million cars last year, and are on course to break all-time records by passing the two-million car barrier by 2017. Around 80% of cars built in the UK are exported, half of which are destined for the rest of the EU. Exports to wider global markets have increased markedly over the past decade, however, helped by growing worldwide demand for premium vehicles and the significant investments committed to the UK by global manufacturers. The UK has been quick to react to global car buying trends, and the booming demand for premium vehicles worldwide has led to a shift in the manufacturing landscape. In volume terms, 28.9% of the UK's exports were made up of premium and specialist brands in 2004, whereas, by 2013, this had increased to 42.4%. This pattern is also evident in the number of models built for each category, with premium models moving from the minority in 2004 to account for almost 60% of the UK model count last year.

A Manifesto for a Competitive European Automobile Industry

(Source: ACEA, 13th June 2014) Employing 12.9 million people and responsible for a fifth of all automotive production in the world, Europe's automotive industry is part of this continent's heritage and its industrial future. The purpose of this policy manifesto is to highlight to Europe's new leaders and key policy makers the importance and needs of an industry whose turnover amounts to almost 7% of the EU's GDP.

Last year, around 13.6 million new cars, vans, trucks and buses were registered in the EU. That may be down by over a quarter since the pre-crisis peak in 2007, but things are slowly improving. With the European economy slowly recovering, the European Automobile Manufacturers' Association (ACEA) predicts that sales in Europe could rise moderately in 2014. It is hoped that this growth can be sustained alongside the resurgence of Europe's economy. Indeed, the link between economic growth and the strength of the automobile industry is inextricable.

It is for this reason that we, as one of the cornerstones of Europe's economy, call on policy makers to commit to making the reforms necessary to sustain and improve the conditions in which business and industry operate. Growth creates jobs and demand, building a virtuous cycle leading to more jobs and greater prosperity.

Follow this link to read the manifesto:
http://www.acea.be/publications/article/a-manifesto-for-a-competitive-european-automobile-industry

European rail infrastructure managers discuss excellence in performance and safety

(Source: CER & EIM, 10th June 2014) At the invitation of the Swedish infrastructure manager Trafikverket, the High-Level Infrastructure Managers' meeting took place in Stockholm. CEOs of all major European rail infrastructure managers discussed how to achieve greater excellence in performance and safety for their customers and stakeholders. At the beginning of the meeting, the results of actions specified at previous high-level infrastructure manager meetings were presented: a paper highlighting examples of longer trains in Europe and 2012 KPIs on rail infrastructure performance and quality.

The event saw speakers of the Japanese and Turkish rail companies present global perspectives on maintenance, punctuality and investments. This was complemented by a presentation of RailNetEurope about the benefits of standardisation of core processes and tools for international traffic on freight corridors. The last session of the event was dedicated to a workshop led by the Dutch infrastructure manager ProRail and the British infrastructure manager Network Rail. The workshop focused on Safety leadership and how to achieve a more holistic and pro-active approach to a fair safety culture in rail infrastructure managers and its importance for performance and punctuality. The participants brainstormed on rail infrastructure's safety leadership and how to develop a clear safety vision for European infrastructure managers with commitments throughout the entire value chain of rail infrastructure management.

Gunnar Malm, Director General of Trafikverket and President of EIM [*European Rail Infrastructure Managers, www.eimrail.org*], welcomed the exchange of best practice between all rail infrastructure managers: "Improving individual excellence in performance entails better service delivery to all our customers and stakeholders. The role of safety in terms of performance is crucial in this regard and I would be glad to see further discussions in this area on a wider European level." CER Executive Director Libor Lochman said "The quality and capacity of the rail infrastructure is the essential prerequisite that makes rail attractive both to the railway undertaking as well as to their final clients. Today's meeting demonstrated the interest of infrastructure companies to improve their mutual co-operation and to deliver the expected infrastructure parameters to their customers." Participants agreed to pursue further opportunities to develop benchmarking and exchange of best practices to drive safety leadership across Europe's railways.