ECG News

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ECG – The Association of European Vehicle Logistics

Issue 14.24, 23rd –27th June 2014

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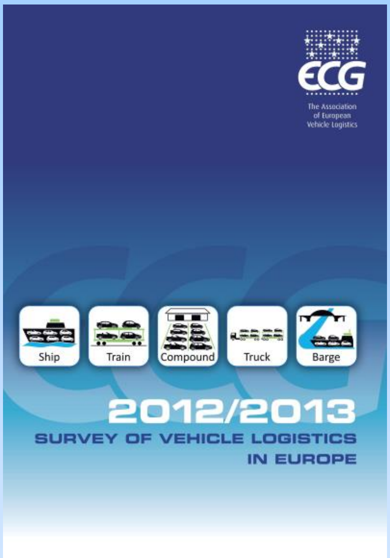

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NEWS FROM BRUSSELS

ELP calls for Inter-parliamentary Group on Logistics

(Source: ELP, 24th June 2014) At the fifth event of the European Logistics Platform (ELP) in the European Parliament, 50 EU policymakers and industry stakeholders came together to discuss the importance of logistics as the backbone of the European economy. In light of the new parliamentary term, the reception introduced the ELP to the newly elected Members of the European Parliament and called for an inter-parliamentary group on logistics. Gesine Meissner MEP, hosting the event, stressed the crucial role of logistics for the well-functioning of the European market. “Logistics facilitates global trade flows and provides employment to more than 7 million Europeans. In order to remain competitive and to tackle current and future challenges, a more integrated policy approach is needed. Therefore, I fully support the creation of an inter-parliamentary group on logistics to give this important economic sector a prominent platform for discussion with policy makers.” Michael Nielsen, General Delegate of the IRU, stressed the need for an inter-parliamentary group on logistics to ensure that a holistic and cross-committee approach is taken on issues impacting on logistics including for example customs, e-commerce, trade barriers, climate change and deployment of new technologies: “The value added of the logistics sector to the EU economy is €300bn annually, almost 14% of the total EU GDP. Only with a strong logistics sector can the European industry continue to be efficient, sustainable and innovative. The fact that there is no parliamentary committee dealing with the full range of policy areas that impact logistics makes the necessity for an inter-parliamentary group even more apparent.” For the ELP, Julian Böcker, Vice-Chairman of the Steering Committee, emphasized: “The ELP teams up a wide variety of actors involved in logistics and supply chains across Europe. Thus, we provide the necessary expertise as well as the practical knowledge to Members of the European Parliament to efficiently tackle the challenges of the logistics sector such as overstrained infrastructure, trade barriers and climate change”. The European Logistics Platform consists of more than 20 industry stakeholders representing a wide variety of actors involved in logistics and supply chains across Europe. Current members are ACEA, AEA, BDL, CER, CLECAT, Deutsche Bahn, Deutsche Post DHL, duisport, **ECG**, EIM, ECSLA, ESC, FERRMED, FTA, HERE – a Nokia business, IRU, Michelin, Nordic Logistics Association, Transport en Logistiek Nederland, Rail Freight Group (RFG), Procter and Gamble, SAP, VdTÜV Verband der TÜV e.V. and Volvo Group.

‘Brussels’ to extend liner consortia rules

(Source: Lloyd’s Loading List, 24th June 2014) The European Commission has extended the regulation governing liner shipping consortia for another five years after a lengthy review into whether an industry-specific exemption from antitrust rules was still needed. The decision was announced just days after China decided to ban the P3 Network proposed by Maersk Line, Mediterranean Shipping Co and CMA CGM, even though regulators in both the US and Europe gave the green light to the alliance. However, because of its size, P3 would have fallen outside Europe’s consortia requirements, with member lines having to conduct a self-assessment to ensure they were in compliance with EU competition law. Brussels has now confirmed that the maritime consortia Block Exemption Regulation (BER) will remain in place until April 2020. The existing regulation was due to expire next year, and questions had been raised as to whether container lines still needed their own set of rules rather than be treated the same way as most other industries. After a public consultation, the Commission said it had concluded that the exemption has worked well, providing legal certainty to agreements which bring benefits to customers and do not unduly distort competition, and that current market circumstances warrant a prolongation. The regulation allows shipping lines with a combined market share of below 30%

to enter into co-operation agreements to provide joint cargo transport services. Such agreements usually allow liner shipping carriers to rationalise their activities and achieve economies of scale. Calls for the threshold to be raised to at least 35% were rejected, however. Market share ceilings were adjusted from 35% for non-conference lines to 30% for all alliances after joint rate-fixing was prohibited in Europe in 2008. While against any forms of collusion between lines on prices, the Commission favours co-operation that allows members to reduce costs, as long as customers benefit from the greater operating efficiencies. "If consortia face sufficient competition and are not used to fix prices or share the market, users of services provided by consortia are usually able to benefit from improvements in productivity and service quality," the Commission said in its statement on 24th June. It has therefore exempted such agreements from the prohibition of anti-competitive agreements in Article 101 of the Treaty on the Functioning of the European Union (TFEU). The first consortia BER was adopted in 1995 and prolonged several times. The latest market investigation, conducted in 2013, showed that the main tenets of the Commission's approach are still valid. This was confirmed by a public consultation. In consortia and alliances exceeding the market share threshold established in the BER, it is the responsibility of the companies themselves to make sure that their agreements comply with the law. The Commission can decide to intervene if necessary. "The Commission will continue to closely monitor market developments and the conduct of companies to ensure that markets remain open and competitive," the statement said. "In particular, in the context of the recent developments in the sector, the Commission will remain vigilant as regards any risks for competition that may arise from the implementation of maritime consortia and might intervene if necessary."

ECG Note: *Please see ECSA's reaction to this extension below under the "Press Releases" heading of this ECG News issue.*

Continuous efforts needed to establish harmonised reporting procedures for vessels

(Source: European Commission, 25th June 2014) The European Commission adopted the report on the functioning of the reporting formalities directive (Directive 2010/65). The Directive aims to ensure that by June 2015 vessels entering or departing EU ports will provide required information electronically via one single entry point – the National Single Window. At present, these procedures are often considered duplicative and time consuming, resulting in costs and delays making maritime transport less attractive. The report urges Member States to step up efforts for this major simplification and harmonisation of the current reporting procedures to become reality. All Member States have done considerable work to transpose the Directive. Initiatives for the National Single Window implementation have been taken, mostly building on existing platforms, technical solutions and standards. Naturally, there is an impact on the budget and the budgeting processes of those involved in the implementation. The objective of collecting the required data in a harmonised way is not solely financial or technical but also organisational. The Member States and the European Commission have therefore established co-ordination mechanisms to foster the co-operation between various authorities at local and national levels, paving the way for the implementation of truly harmonised and co-operative solutions. The European Commission recommends that EU guidelines and technical specifications for the implementation of the National Single Windows are agreed upon urgently by the European co-ordination group. In the absence of harmonised implementation with non-interoperable standards, the National Single Windows might differ from Member State to Member State, necessitating industry to develop interfaces to communicate with each of these systems, leading to increasing implementation costs. As requested by the European Parliament and the Council, the report looks also into the possibility of extending the simplifications introduced by the Directive to inland waterway transport, the

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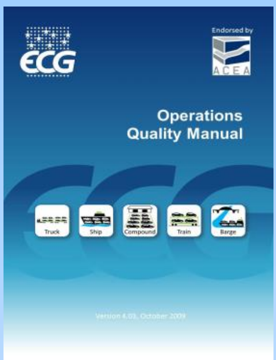

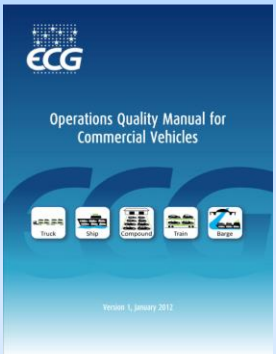

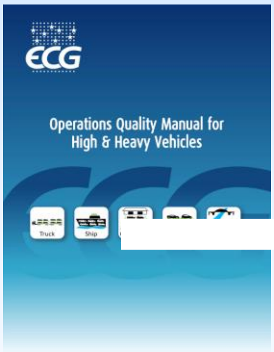

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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availability of statistics on traffic movement of specific types of cargo within the Union and/or calling third country ports as well as further simplification of formalities for vessels that have called third country ports. In addition, clarity is needed on the modalities for lodging cargo information in the National Single Windows. Currently, an electronic goods manifest (eManifest) is being developed in the context of the Blue Belt initiative with the aim of using it to also meet the Directive's reporting requirements on cargo. The Commission hopes to get the eManifest proposal adopted before the summer.

The Commission's report can be downloaded via the following link:
http://ec.europa.eu/transport/modes/maritime/ports/doc/com(2014)320.pdf

AUTOMOTIVE INDUSTRY

PSA seeks to cut 500 jobs at French plant

(Source: Automotive News Europe, 25th June 2014) PSA Peugeot-Citroën will offer workers at its French plant in Rennes early-retirement benefits as part of a plan aimed at reducing headcount by about 10% at the site. PSA will allow members of staff in Rennes who are at least 55 years old to stop working and still receive 75% of their gross salary until they turn 60, Pierre Contesse, a FO union official at the Rennes plant in Brittany, said on 25th June. Unions agreed to the plan, which is aimed at encouraging the departure of about 500 employees, he said. Pierre-Olivier Salmon, a spokesman for the carmaker, declined to comment on personnel issues at the plant. This offer includes the opportunity to continue working elsewhere and specifically targets the Rennes factory, which has about 4,800 employees, because overstaffing means about 700 workers at a time are on furlough programmes, Contesse said. PSA builds the Peugeot 508 and Citroën C5 sedans in Rennes. The programme at Rennes is part of CEO Carlos Tavares' wider "Back in the Race" turnaround plan which aims to end losses in Europe. Tavares' strategy includes investing in hybrid drives, reorganising South American and Russian units and trimming the model line-up. To cut costs, the company is offering part-time work incentives in France to encourage 3,500 older workers to leave before the minimum retirement, Head of Human Resources Philippe Dorge said in an interview in January. The manufacturer, which lost money in 2013 for the second year in a row, also closed a car factory near Paris. The early-retirement offers come on top of PSA's plan to eliminate 11,200 jobs in France, or 17% of the company's domestic workforce, by the end of this year. A three-year labour agreement signed in October freezes pay and sets terms for work-hour flexibility for remaining employees. In return, PSA agreed to refrain from large-scale firings.

EUROPE

Danish DFDS Crew Receives IMO Bravery Award

(Source: Maritime Professional, 19th June 2014) On 19th June, the United Nations' International Maritime Organisation (IMO) Council agreed to present the Award for Exceptional Bravery at Sea to the Captain and crew on board the **DFDS** ship Britannia Seaways. Thus, the IMO Council agreed with the decision of the Assessment Panel to present the award to the Danish crew. They receive the award for the efforts made when a fire broke out on the ship on Saturday, 16th November 2013, while it was carrying military equipment along the Norwegian coast. It was an extensive fire with flames extending more than 30 metres in the air, extreme heat and explosions. Thanks to the professionalism and courage displayed by the Captain and the crew, they succeeded in getting the fire under control. Nobody among the 32 people on board was injured, and a major pollution incident was prevented. Denmark has nominated the crew for the award. In the

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nomination, it is, inter alia, stressed that Captain Andreas Kristensen and his crew displayed great courage and sound seamanship when they fought the fire, while putting their own lives at risk. “First and foremost, I would like to congratulate Captain Andreas Kristensen and the entire crew on board Britannia Seaways. This award is a distinguished recognition of the unique actions taken by the crew. There is no doubt that, during the fire, the crew went far beyond what was expected of them, not least considering the significant danger they were facing,” said Director-General of the Danish Maritime Authority Andreas Nordseth. The award will be presented to the Captain on behalf of the entire crew at a ceremony to be held in London on the opening day of the next session of the IMO Maritime Safety Committee, on 17th November 2014. The IMO Bravery Award has been instituted as a unique, international recognition of exceptional bravery displayed at sea in order to save the lives of others or to prevent pollution of the marine environment. The award was presented for the first time in 2007, and it is given on the basis of nominations by Member States or interest organisations. This year, the IMO had received 35 nominations.

Price war looms as ECA could add $184m a year to Baltic feeder costs

(Source: Lloyd’s Loading List, 26th June 2014) With the costs of complying with low-sulphur fuel requirements for container feeder ships in the North European Emission Control Areas (ECA) likely to exceed fines for non-compliance, conditions for a price war are ripe to emerge in the area. The scenario is backed in a study released by Danish research group SeaIntel of costs for feeder ships in the Baltic as they comply with sulphur content regulations requiring them to switch from 1% sulphur fuel to low-sulphur fuel of 0.1%. “It is a real possibility that we will see a low-sulphur surcharge price war in the Baltic Sea feeder market, as the upcoming sulphur regulation will add considerable costs to the feeder carriers’ bottom lines,” says Alan Murphy, a SeaIntel Partner and Chief Operating Officer. SeaIntel ran an analysis of costs based on sailing distance, vessel age and vessel sizes on 46% of the 65 feeder services operating in the Baltic Sea. The 46% figure emerged because the remaining 54% do not publish sailing schedules, making estimates of sailing speeds impossible to glean. Using a $600 per tonne bunker price as a comparable, and running a proprietary model based on vessels’ age, size, speed per leg of rotation and distance sailed, the analysis determined that expenses for the group will increase to $490m-$518m per year from a current $335m. That would represent a rise of 46%-54% in expenses, or $152m-$184m a year, for the vessels in the sample group. The calculations used analysts’ projections of low-sulphur fuel prices between $875 and $925 per tonne. The surcharge implications for shippers and mainline carriers will be substantial, with the proviso that the vessel owners will be able to pass the added fuel costs to customers. SeaIntel reckons that these low-sulphur surcharges will be $160-$190 per TEU, assuming a 65% utilisation rate. In an earlier study, SeaIntel established that even the most stringent fines - such as those imposed by Polish authorities - would match the savings for a trip from the English Channel to Gdansk and back using 1% fuel, assuming that the ship gets caught every time. Savings for a voyage from the English Channel to Hamburg would be six times the level of the fine the authorities would slap down. SeaIntel also found that only Sweden, Norway and Finland plan to increase the number of inspections when the new low-sulphur regulations come into effect in 2015. They also found that only the Swedish and Lithuanian authorities perform inspections on the high seas. The implications for the market in this particular Baltic group go beyond a system that rewards dodging the rules. It may encourage operators to run the risk of burning higher sulphur content fuel as a means of gaining pricing power against competitors, because the actual cost of penalties will be lower than strict adherence to the rules. Under the circumstances, the new cost landscape after the full implementation of the sulphur regulations could put financial strain on owners of feeder vessels similar to pressures that afflicted Ro-Ro ships in the same area, with some vessel owners forced to shut unprofitable businesses.

ECG AGENDA

►**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 (TBC)**

Europe set for compliance chaos with new ship fuel sulphur rules

(Source: Reuters, 20th June 2014) Northern European regulators will face a battle with many shipping companies over new EU rules aimed at cutting pollution from ship fuels as some owners are likely to find it cheaper to pay fines than to comply. Ships are typically powered by heavy fuel oil or bunker oil, both of which produce harmful pollutants such as sulphur dioxide which can cause respiratory and heart problems. Such fuels contain 2.5-3% sulphur on average, which is up to 3,000 times the sulphur content of road fuel in Europe, according to marine campaigners Seas at Risk. Under EU rules from 1st January 2015, all ships operating in the North Sea, Baltic Sea and English Channel will have to use a fuel with a maximum sulphur content of 0.1%. Ship owners can comply by changing fuels, such as to low-sulphur marine gasoil, which can cost four times as much as high-sulphur bunker fuel. Or they can use bunker fuel and fit a 'scrubber', a technology that filters out pollutant gases before they are released into the atmosphere. This measure costs as much as €3m for a small vessel - often more than the value of the ship itself - and as much as €12m for a larger ship, and it could take up to two years for every ship to be fitted. Another option is to use liquefied natural gas (LNG), but ships would need expensive retrofitting, and there is not yet a reliable supply chain in place for LNG. "Neither of these options (scrubbers and LNG) can easily be deployed by January 2015," the International Energy Agency said last week. Many shipping firms have complained about the costs of meeting the regulation, saying it will damage competitiveness and lead to job losses. All ships worldwide, however, will be subject to a limit of 0.5% sulphur content in fuels by 2020 under rules by the International Maritime Organisation, which are still subject to a feasibility review. Maersk Line, the world's biggest ship container group, said switching to low-sulphur fuel under the EU rules will cost it an extra $200m a year. P&O Ferries' fuel bill will rise by £30m ($50m) a year, which it said it would pass onto customers. "On longer routes fares will need to rise more than on shorter ones to cover the greater increase in fuel costs," P&O Ferries Chief Executive Helen Debbie wrote in a letter to staff, which was seen by *Reuters*. There is also the risk that some firms will find it cheaper to pay fines for not complying with the limits than pay upfront capital costs to change fuels or fit technology. "The potential for not following the regulations is there, because you can save a lot of money. It is so significant that over time companies in compliance may not even be able to compete with companies who are not in compliance," said Mads Stensen, global adviser on sustainability at Maersk Line. Britain-based ferry group Red Funnel has been using low-sulphur fuel for 18 years, however, and a spokeswoman said the company has maintained its competitiveness through efficiency improvements. Apart from the costs, there is also a lack of clarity about how enforcement will work. Each EU Member State is responsible for deciding its own methods of enforcement including penalties, according to the European Commission. Industry sources say many countries have yet to decide on the level of fines, how to monitor the sulphur content of fuel or how often to check ships. A spokeswoman at Britain's transport ministry said the government was still in consultations on the new sulphur regime. "Repeat offenders could potentially be subject to penalties other than fines, including the detention of their vessels until such time as compliant fuel was supplied," she said. Britain's shipping minister, Stephen Hammond, said the government was trying to secure EU finance to compensate ship owners and ports for the higher fuel costs.

Deadlock in the Russian vehicle transport sector

(Source: Automotive Logistics News, 25th June 2014) The current stagnation in the Russian car market and the consequent drop in rates has led to more finished vehicle transport companies going out of business than in 2009 when the global economic downturn hit. The result is a loss of capacity, instability in lead times for the carmakers and deterioration in quality levels because of an ageing standard

Events in Brussels

The European Commission holds a stakeholder workshop on 'Developing Combined Transport' on **27th June**
http://tinyurl.com/nqjr2wh
ECG will attend.

NGVA Europe, the European Natural Gas Vehicle Association holds the 5th NGVA Europe International Show & Workshops **on 8th July** on the theme of 'bio CNG & LNG – the green, affordable and real alternative for all transport modes'
http://www.ngvaeurope.eu/what-happens-next-month
ECG will attend.

The European Commission holds the third public hearing on Advanced Manufacturing **on 10th July**
http://tinyurl.com/ntmgj5x

CLECAT organizes the '2014 Freight Forwarders Forum, Envisioning the Future of Logistics: Challenges and Solutions Explored' on **6th November**
http://tinyurl.com/nc4bsv5

of equipment. Speaking at this week's Automotive Logistics Russia conference in Moscow Dmitriy Tikhomirov, Managing Partner at Inter Auto Group – Russia, said that the transport sector was deadlocked and that the slump in the Russian market, which has been dragging on for more than two years, has dried up financial resources for small and medium-sized providers, many of which have left the market without replacement. Other providers have withdrawn equipment because of the drop in rates and the rise in operating costs and are waiting for a recovery in the market before they reintroduce them according to Tikhomirov. "When the market drop continued and rates were reduced there was a struggle amongst providers," he said. "Rates dropped very low and some companies have withdrawn." He added that the logistics providers left will now not be able to meet even slight growth in the market without investment in new equipment. The impact on lead times for both road and rail transport has been registered by the carmakers. Alexey Kokotkin, Manager of vehicle logistics at Toyota Motor, said that lead times at the end of last year and the beginning of 2014 were particularly bad, with delays reaching more than three days, a situation he described as "horrible and unacceptable". "Last year we took pride in the progress we made with our partners," said Kokotkin. "This year we see a negative trend has been particularly dramatic." Toyota has responded by introducing a group scheme for faster delivery, which avoids loading delays and is based on earlier scheduling. Renault-Nissan has also registered the impact of the market slump and its effect on the carrier sector. "On a high market everyone is fighting for capacity, but now we have a weak market and it affects business planning," said Sergey Levshin, Outbound Logistics Manager for Nissan Manufacturing Russia. He went on to describe how the company was dealing with the challenges of managing fixed costs in the transport sector and the issues surrounding the use of subcontractors at peak times, including quality rates. The problems for the industry are compounded by high inflation rates, which have increased by 15% in the last year, and by fuel prices that have risen by 12%. Added to this is the fact that the vehicle transport sector was suffering from a lack of professional drivers. Inter Auto has been forced to set up special courses for its drivers as there are not enough skilled operatives to go round according to Tikhomirov. He added that Inter Auto was also working on ways to improve quality and upgrade its fleet.

Ukraine warns IMO of security issues around Crimea

(Source: Automotive Logistics News, 25th June 2014) Ukraine's government informed the International Maritime Organisation (IMO) that it can no longer manage ports on the Crimean peninsula due to Russia's "illegal annexation" of the area. As a consequence, Ukrainian authorities are unable to manage or control the Ports of Yevpatoria, Feodosia, Yalta, Kerch and Sevastapol and the Ukrainian Ministry for Infrastructure is now seeking to close down those companies managing port activity. As the body responsible for maritime safety around its shores the Ukraine Ministry of Infrastructure concluded that it was now impossible for it to be responsible for the safety of vessels and maritime security in accordance with international conventions. A letter sent by the Ukrainian embassy in London warned of the high risk to property in the waters around the ports because of the occupation and mentioned "Ukraine's inability to assure required level of maritime security in those ports in compliance with international commitments regarding safety of life at sea, search and rescue." Short sea operators calling at ports in the Black Sea have already made adjustments to their services as the political situation in Crimea has escalated since the beginning of the year. "During the outbreak of hostilities we stopped serving Sevastopol, while in the meantime most of our customers switched to discharge at the Port of Illiychevsk," said a spokesperson for **Neptune Lines**. "In this way, we have discharged most of our units there and have not called at Sevastopol recently." Neptune Lines, which began providing services in the Black Sea in 1993, has been working with logistics provider **GEFCO** since 2008 on regular services from Italy and Spain to Illyichevsk.

ECG Office

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

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

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

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

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

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

Longer semi-trailers have proved significant benefits says DfT

(Source: Commercial Motor, 20th June 2014) A report into the first two years of the longer semi-trailer (LST), conducted on behalf of the Department for Transport (DfT), has said that it has reduced vehicle kilometres, lowered carbon emissions and shown a higher standard of operating safety than the wider articulated fleet in the UK. It has taken two years to get 613 LSTs into live operation under vehicle special orders (VSOs), with approximately 100 comprising of the 14.6m variant, and the remainder the 15.65m variant. The planned total allocation is 1,800 LSTs. To date 76 operators have put an LST into operation but a total of 130 operators have provided evidence to the DfT of an order being placed to a manufacturer under a VSO. Parliamentary Under Secretary of State for Transport Stephen Hammond said: "Freight operators help to keep the wheels of our economy well-oiled so we are determined to do all we can to support UK trade and industry in transporting the day-to-day goods we need." The report, compiled by Risk Solutions, states that an estimated 608,127 net vehicle kilometres have been saved by operators using LSTs in the past two years. And while the study does not collect direct environmental impact data it estimates, using the same methodology to collect vehicles kilometres and assuming Euro-5 emission standards, that the trial is expected to save over 3,000 tonnes of CO_2 over its 10 year duration. Hammond added: "Longer semi-trailers enable freight companies to transport more goods more efficiently, so could have significant economic and environmental benefits – it is great news that these longer lorries are now delivering real results in fewer journeys and it is encouraging that there have been involved in fewer incidents than standard lorries." Since the trial began there have been no fatal accidents involving LSTs.

To read the Evaluation report for LSTs, please go to the following website: *https://www.gov.uk/government/publications/evaluation-of-the-longer-semi-trailer-trial-annual-report-2013*

Greener river vessel inaugurated with EU support

(Source: INEA, 19th June 2014) The Innovation and Networks Executive Agency (INEA) is pleased to announce the inauguration on 19th June of the 'Eiger-Nordwand', the first inland waterway vessel to be retrofitted with pollution-reducing Liquefied Natural Gas (LNG) engines. This pilot vessel represents one of the milestones of the EU-supported 'LNG Masterplan Rhine-Main-Danube' project, which is a series of studies and trials to assess the use of Liquefied Natural Gas (LNG) as a shipping fuel in the European inland waterway sector. It is a great technical accomplishment that paves the way for more clean fuels to be deployed on the entire transport supply chain along the inland waterway networks. INEA Executive Director Dirk Beckers praised the inauguration, noting: "This is only a start. The LNG Masterplan is a prime example of the opportunities we have ahead to develop new technologies and new fuels, and I am confident that this project will continue to deliver benefits to inland waterways by analysing and testing all aspects related to LNG deployment. LNG is rapidly emerging as a more environmentally friendly fuel for the shipping sector and its uptake is strongly encouraged by the European Union." The inauguration of the Eiger-Nordwand is a key step in the realisation of the LNG Masterplan project, one of the biggest innovation projects financed through the TEN-T programme, which was selected for funding under the 2012 TEN-T Multi-Annual Call. It benefits from over €40m of EU support and is implemented by a consortium of 33 companies and organisations from the public and private sectors across 12 EU Member States (Germany, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, France, Italy, Luxembourg, The Netherlands, Romania and Slovakia). The LNG Masterplan consists of a series of studies and pilot deployments for LNG as fuel for inland vessels, as well as cargo transported on waterways and distributed via inland ports along the Rhine, Main and Danube rivers. The objective is to provide a platform for key public and private stakeholders to promote LNG uptake in the inland waterway sector and build the necessary regulatory framework for the safe

transport and use of LNG as vessel fuel. As part of the project, a series of inland waterway vessels will be retrofitted with LNG engines capable of substantially decreasing nitrogen oxides (NO_x) and particulate emissions, the main pollutants from inland waterway transport, as well as improving local air quality alongside waterways and ports. This is a win-win situation for business and society and improves the environmental performance of the inland waterway sector as a whole whilst decarbonising the entire transport supply chain. The Eiger-Nordwand is the first such vessel, an important stepping stone which will allow assessing the feasibility and requirements of a large-scale deployment of LNG infrastructure and vessels across the European Union's river and canal networks. The results of the LNG Masterplan project, due by December 2015, are expected to have a significant impact on LNG's introduction on the European inland waterway networks and to promote this means of transport in general.

For more information on the project, please see:
http://inea.ec.europa.eu/en/ten-t/ten-t_projects/ten-t_projects_by_country/multi_country/2012-eu-18067-s.htm

REST OF THE WORLD

AFSCA Awards for HAROPA

(Source: World Cargo News, 23rd June 2014) **HAROPA** received the Best Seaport in Europe 2014 AFSCA Award (Asian Freight and Supply Chain Award). The prize was presented in Shanghai by Henry Geng, Kerry Logistics' General Manager for Eastern Region of Mainland China. Hervé Martel, Chairman of the Management Board of the Grand Port Maritime du Havre and President of the HAROPA marketing alliance (Le Havre, Rouen, Paris), said: "This trophy, for long held by Rotterdam, is a great pride for all the companies of HAROPA ports. This is also a deep proof of confidence from our customers." Eurogate's CTH Hamburg terminal has been also honoured in Shanghai as Best Container Terminal Europe 2014 with the AFSCA Award. Conferred annually, the award was presented this year for the 28th time. The award is organised by Cargonews Asia, Hong Kong, which counts Asian importers and exporters among its core readers.

Logistics providers recognised with Glovis awards

(Source: Automotive Logistics News, 18th June 2014) **Hyundai Glovis**, which provides services for Kia and Hyundai, has recognised its finished vehicle transport providers in North America for services with this year's Club Elite awards. Glovis said it based the selection on results in transit performance, damage prevention and customer services. Amongst those companies recognised were car haulier Proficient Auto Transport and rail provider Union Pacific Railroad. Auto Carrier Express, Auto Transport Group and Fleet Car Carriers also received awards. Proficient Auto Transport has had a long relationship with Glovis and it is not the first award the company has received, as its president and CEO, Kirk Williams made clear. "Proficient has been fortunate to have a long partnership with Glovis having previously been awarded Vendor of the Year," said Williams. "In fact, Glovis was Proficient's first contracted customer. That long history together and mutual admiration between our companies makes this award even more special. We look forward to many more years of strong partnership with Glovis." Speaking for Union Pacific Railroad, Linda Brandl, Vic-President – Automotive, said: "Union Pacific is honoured to be recognised as an elite service provider. Our team is focused on safety, service and efficiency, proactively evaluating customer needs to ensure Union Pacific delivers on the performance factors it promises." Glovis also provided six President's Club awards to the finished vehicle sector. The recipients were Brothers Auto Transport, Champion Auto Carriers, Diversified Automotive, Exclusive Global Logistics, US Auto Logistics and CSXT.

Renault in search of financial partner to resume Iran activities

(Source: Automotive Purchasing, 20th June 2014) In an interview with news agencies, Renault's Chief Performance Officer Jérôme Stoll said: "What we are looking for is a financial partner, who will on their own as well comply with all the international regulations and which enables us to resume our activities in Iran. We are just trying to explain our position to the American and French administration," said Stoll, adding that the company had short-term concern about Latin America due to the worsening financial situation in Argentina. Stoll also confirmed Renault planned fresh investment in its Oyak Renault unit plant in the north-western Turkish city of Bursa. Before the deterioration of diplomatic relations with the western world and subsequent economic sanctions, Renault enjoyed a leadership position on the Iranian automotive market and is now seeking to restart car manufacturing alongside its two local partners, Iran Khodro and Pars Khodro. In 2012, Renault sold a total of 100,783 vehicles in Iran, and had a 10% market share. The Islamic Republic was Renault's eighth biggest global market by sales, above Italy and Spain. In January 2014, the automaker said it restarted shipping cars to Iran and that it expected to gradually resume car production throughout the first part of the year. So far, Renault has been approached by both Turkish and international banks. The automaker sells in Iran the Tondar model, which is essentially a locally

made version of Dacia's affordable sedan, which is shipped in kits to the country and assembled there. The news comes as Iran and the five permanent members of the UN Security Council - China, Russia, Britain, France, and the United States - plus Germany have begun drafting a final deal on the Islamic Republic's nuclear energy programme with a view to easing sanctions against Tehran. The two sides clinched a landmark interim deal in the Swiss city of Geneva on 24th November 2013.

Daimler to build plant at Nissan's Mexico site

(Source: Automotive Purchasing, 26th June 2014) In what's seen as a prime example of car makers teaming up to share costs, Germany's Daimler has announced it will build a Mercedes production plant in Mexico at a facility operated by its alliance partner Nissan Motor. Daimler's executive board is expected to approve the project very shortly. According to sources with knowledge of the matter, the two automakers plan a news conference to unveil the arrangement. For the time being, neither company is prepared to comment further. In March, Nissan and Daimler started preparing the ground for a joint manufacturing venture in Mexico that could produce small, upmarket cars for their respective Infiniti and Mercedes-Benz brands. The two companies have already set out a legal framework for a 50-50 joint venture that would ease Daimler's manufacturing capacity constraint in North America and allow the two partners to benefit from Mexico's low labour costs to export into the US profitably. The new manufacturing deal will be the "largest project in the global collaboration of Daimler and the Renault-Nissan Alliance", Daimler said. Nissan has a long history in Mexico, where it has two assembly plants at Aguascalientes making Versa Note and Sentra models, which are exported into the US.

BMW to decide on location of 2nd North America factory before summer break

(Source: Automotive News Europe, 25th June 2014) BMW Group is still deliberating on where to locate a second factory in North America but will reach a decision before the summer break, CEO Norbert Reithofer said on 25th June. BMW is considering locations in countries that are signatories to the North American Free Trade Agreement (NAFTA), an area that includes the United States, Canada and Mexico. The carmaker said in March it will ramp up annual production capacity at its existing North American plant in Spartanburg, South Carolina, in the United States as it moves to cut dependence on fragile European markets. BMW has been narrowing the list of locations, with at least two sites in Mexico still being considered, sources said in April. The carmaker may build 3-series and 1-series cars and possibly Mini models at a new Mexican site, according to a report in *Handelsblatt* last month. BMW has said it will need an additional factory in the region as it seeks to fend off rivals Audi and Mercedes-Benz. Production in North America helps European automakers reduce exposure to swings of the dollar-euro exchange rate. BMW, Audi and Mercedes are all planning record deliveries in 2014 on growth in China and the United States, the world's two largest auto markets. All three companies are adding capacity as demand outstrips production. Mercedes, which ranks third in luxury-car sales to BMW and Audi, makes SUVs at a US factory in Vance, Alabama, where it has added production of the C-class sedan. Daimler CEO Dieter Zetsche said in February that the company may set up a new plant in North America to add capacity as he rolls out 30 new models by the end of the decade, a dozen of which will have no predecessor. Audi, which doesn't yet produce vehicles in the region, is constructing a $1.3bn factory in San Jose Chiapa, Mexico, which is scheduled to begin building the Q5 SUV in 2016. BMW announced plans on 28th March to spend $1bn expanding its South Carolina plant, which will become its largest facility worldwide.

K Line adds to latest generation car carrier fleet

(Source: Automotive Logistics News, 24th June 2014) Ocean carrier K Line has ordered two new car carrier vessels, each with a capacity for 7,500 units. The latest order, which will be delivered in 2017, follows its recent contract for eight vessels, which will be delivered between 2015 and 2016. The two new orders are being built by Shin Kurushima Dockyard in Japan. "By adding these two new additional ships, the line-up of our new next generation car carrier vessels, with better stability and increased fuel efficiency, will expand to a total of ten," said the company in a statement. "We are committed to continue to deliver value-added efficiency as well as the capability of handling an even wider variety of cargo mix to assure our services successfully meet the needs of our valued customers in order to be best suited for not only passenger cars but also other Ro-Ro cargoes." K Line's fleet comprises over 100 vessels, ranging from small-sized 800-unit pure car carriers for intraregional traffic, to 6,000-unit pure car and truck carriers sporting a number of decks with variable heights for the safe carriage of passenger and commercial vehicles, as well as high-and heavy machinery on deep sea routes. K Line's latest fleet additions will be equipped with the latest technology to mitigate wind pressure for better fuel consumption according to the company. They will also feature loading equipment inside the cargo hold and loading ramp to handle other Ro-Ro cargo. Shin Kurushima Dockyard has also recently delivered a post-Panamax car carrier to NYK Line. The Aries Leader, which has capacity for 7,000 units and a gross tonnage of

almost 70,000 tons, was built at the Onishi Shipyard in Ehime prefecture and is the very first post-Panamax car carrier to be delivered in Japan.

PRESS RELEASES

Transport organisations promote best practice

(Source: UIRR, 19th June 2014) Several European transport industry associations came together on the initiative of UIRR (International Union for Road-Rail Combined Transport) to jointly identify best practice in a series of important aspects of intermodal transport, and then to collaborate to achieve their broad-scale acceptance and adoption within the sector. The DESTINY (DEployment of STandards for INtermodal efficiencY) project, organised under the Common Learning Action of the European Commission's Marco Polo Programme, has focused on the collection and dissemination of best practice in the identification and codification of intermodal loading units (ILU), load securing and dangerous goods handling, as well as certain horizontal aspects of intermodal transport, such as the use of optical character recognition (OCR) technologies, the development of eLearning tools and a European database for ILUs.

The final conference of the DESTINY Project, hosted by CEN on 18th June in Brussels, lined up the representatives of CER, CLECAT, EFIP, IRU, UIC, UIP and UIRR, the co-ordinator of this unique joint activity, to inform the multitude of sector representatives in attendance. These European transport organisations agreed that "standardisation by the sector for the sector" is a much more desirable (voluntary) method of coming to a common platform - indispensable for freight transport to function efficiently - than the alternate forms of government imposed regulation. Besides the definition of standards and the development of best practice guidelines, the importance of an organised and co-ordinated promotion effort was also pointed out at the event, which is absolutely necessary to achieve a widespread understanding by the affected stakeholders, and ultimately the alignment of their daily operations.

UIRR, the industry association of road-rail combined transport operators and transhipment terminal managers, has long been advocating a harmonisation in the identification regime of ILUs used in the European area with the worldwide recognised BIC-Code for containers. The proposed changes were included into the standard EN13044, which created the ILU-Code to facilitate the easy and internationally compatible owner identification of European loading units. The standard named UIRR as the Administrator of the ILU-Code. The ILU-Code was also featured among the topics of the DESTINY initiative.

Freight logistics serves the entire society and facilitates the competitive functioning of the economy, hence its efficiency, safety, smooth and reliable operation is a common interest. The aims to disseminate standards and best practice within the DESTINY project to the stakeholders of the intermodal transport sector were recognised by the European Commission, which awarded a 50% support to the overall budget of €883.000 that was the cost of the activities of 24 months.

ECG Note: *The detailed results of the project can be found on the www.destiny-project.eu website. ECG participated at the event.*

CER and UNIFE call for agreement on Technical Pillar under Italian Presidency

(Source: UNIFE, 24th June 2014) On 1st July, the Italian Presidency of the Council of the EU will start its work taking over from Greece. CER Executive Director Libor Lochman and UNIFE Director General Philippe Citroën are looking forward to working with the Presidency and wish them a successful period. The Italian Presidency will last from 1st July to 31st December. With no meetings taking place in August, the Transport Council and its Working Parties will have to deal with many transport-related dossiers in just five months. Both associations therefore call upon the Presidency to keep a close eye on the time at its disposal: significant progress will only be made if resources are concentrated on selected topics.

Regarding the 4th Railway Package, a political agreement on the Technical Pillar could easily be reached before the end of the year. Informal trialogues would need to start as soon as the European Parliament Rapporteurs and shadow Rapporteurs are appointed. The Council would therefore need to start preparing such trialogue meetings right from the beginning of the Presidency. CER and UNIFE invite the Italian Presidency to put the Technical Pillar on top of the rail agenda of the July Working Parties. This will create a sound basis enabling the launch of informal trialogues with a solid negotiating mandate from all EU Member States.

CER Executive Director Libor Lochman said: “The sector sees it as essential that the negotiations on the Technical Pillar progress quickly. For the EU’s rail operators, finding an agreement on the Technical Pillar is the vital precondition for them being able to perform on a single and truly open EU market. Harmonised and faster procedures will improve vehicles’ availability for all operators, and will result in naturally lowered market entry barriers for new entrants: having more efficient operators is what we wish to provide to our customers and to society.”

“For the European rail industry, the Technical Pillar of the 4th Railway Package is of utmost importance,” reiterates Philippe Citroën, Director General of UNIFE, “Streamlined and more efficient authorisation procedures are needed in Europe to get rail products onto the market more quickly and to improve the competitiveness of our industry. The European rail industry hopes that the Italian Presidency and the Council Working Group will seize the opportunity of the summer months to prepare the trialogues, paving the way for an adoption of the Technical Pillar in autumn 2014”.

Commission extends Liner Consortia Block Exemption Regulation until 2020

(Source: ECSA, 24th June 2014) The European Commission announced on 24th June that the validity of EU rules, which exempt liner shipping consortia that have a market share of up to 30% from EU antitrust rules, will be extended until April 2020. Commenting on the move, Patrick Verhoeven, ECSA Secretary-General said: “We warmly welcome the European Commission’s decision as it is fully in line with our reasoning. The extension of the liner Block Exemption Regulation (BER) will greatly benefit liner shipping by allowing for the continuation of a legal framework that has so far proved its usefulness.” Mr Verhoeven added: “The rules provide clarity, transparency and legal certainty, which the liner shipping industry needs in these testing times.”

The Commission had previously proposed to extend the validity of the Liner Consortia BER by five years until 2020 based on the observation that the justifications for a block exemption for consortia are still valid and that the conditions on the basis of which the scope and content of Regulation (EC) No 906/2009 were determined have not substantially changed. The European Commission also considered that the existing rules, modernised in 2009, would lead to considerable compliance costs if changed at such an early stage.

“Liner Shipping Consortia increase competition, improve services rendered and foster innovation in a time of rising fuel prices, economic stagnation, stricter environmental rules and a relentless cost-cutting exercise that carriers have undertaken to remain afloat,” continued Mr Verhoeven, before concluding: “The Commission’s decision is praiseworthy as it removes legal uncertainty from the equation. By doing so, it allows operators to enter or leave consortia agreements based solely on market realities, thus serving the best interest of shippers and carriers, but most importantly, of the consumer.”

New smartphone app provides information on EU road traffic rules

(Source: European Commission, 25th June 2014) What is the speed limit on Spanish motorways? Do I need to wear a helmet when I cycle in Sweden? What safety equipment must I always have in the car when driving in Slovakia? From now on, holiday makers do not need to spend a lot of time searching for this information. They can have it at hand wherever they are with the European Commission’s new smartphone app ‘Going Abroad’.

The app is available for iPhone and iPad, Google Android and Microsoft Windows phones in 22 languages. Apart from all important road safety information for all EU countries, the app also contains a road safety quiz and a memory game to entertain passengers during long car journeys. Of course the app should never be checked while driving – drivers should let the passengers do the job or take breaks from driving to stay both rested and well-informed.

The app covers information about all topics that carry the biggest risk for accidents, including speed and alcohol limits, traffic lights, and the use of mobile phones. It also informs users about obligations to wear seat belts in cars and safety helmets on bikes and motorbikes.

Its release just before the start of the summer holidays is timely because July and August are the deadliest road traffic months with on average some 50% more road deaths than in the ‘safest’ month, February.

Road safety work in the EU has made great progress over recent years. Between 2001 and 2010, the number of fatalities on EU roads was reduced by a total of 43%. Between 2010 and 2013, it was reduced by a further 17%.

The strategic target is to halve road deaths between 2010 and 2020 and also to start focusing EU efforts on reducing serious road traffic injuries. The new road safety information app is one contribution among many other road safety initiatives at EU level.

To download the app, follow the link below:
http://ec.europa.eu/transport/road_safety/going_abroad/index_en.htm