ECG News

ECG – The Association of European Vehicle Logistics

Issue 14.27, 14th –18th July 2014

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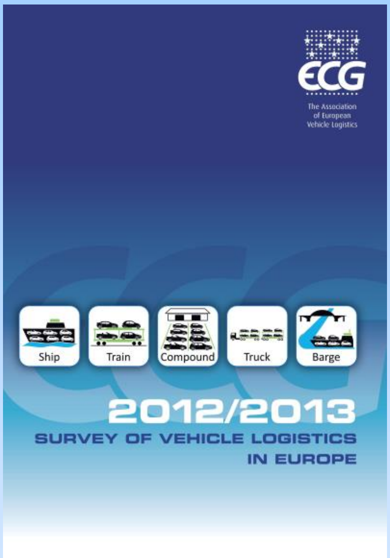

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NEWS FROM BRUSSELS

Ford and Fiat-Chrysler call for EU reform

(Source: Financial Times, 10th July 2014) European carmakers have called for reform of the EU as a new leadership takes shape in Brussels, demanding a radical rethink of the EU's approach to business. Ford and Fiat-Chrysler, two of Europe's biggest car manufacturers, have separately appealed for "genuine" and "drastic" reform in Brussels to support the continent's businesses, ahead of a week that will see Member States jockey for the most powerful roles in the next five-year Commission. Reform of the European Commission has become a political lightning rod in recent months as part of a row over the appointment of Jean-Claude Juncker as the body's incoming President, with less federalist members such as the UK agitating for a greater say in EU decisions. Sergio Marchionne, Chief Executive of Fiat-Chrysler, warned that a continuation of business as usual under Mr Juncker's leadership would further stoke discontent across the continent at the way in which Brussels is run. "I think that across Europe, there is an incredibly strong resistance, across a variety of fronts, to a continuation of a German-led, German-influenced Brussels structure," Mr Marchionne said at a recent meeting. "We have internalised the Commission's right to rule," Mr Marchionne said. "[Mr] Juncker is a continuation of Brussels as-is. You are not going to see drastic changes in Brussels, and people are fed up of Brussels." The Italian-Canadian executive said he understood British Prime Minister David Cameron's ultimately unsuccessful attempt to prevent Mr Juncker's accession to the top job. "I have a lot of time for [Mr Cameron's] view that something has to change… The Commission has to go through severe change," he said. The comments reflect growing concern among European businesses that the EU is losing the competitiveness battle globally whether because of cheap energy prices in the US or the rise of new competitors in China and other rapidly growing markets. Mr Marchionne's comments come as Stephen Odell, Chief Executive of Ford's European operations, called for a "genuinely new course for Europe" in an open letter to Mr Juncker and leaders of EU countries. Mr Odell's timely letter, addressed to "political decision makers across the EU and in the new Commission", demanded a rethink in Brussels on how legislation, trade agreements and regulations are drawn up in order for European industry to prosper. "There needs to be a new approach to EU law-making – one that truly embraces the principles of smart regulation," Mr Odell, a Briton, wrote. "That mind-set must be driven from the top by the new leadership in the European Commission and Parliament, and fully supported by all Member States." Fears over EU competitiveness are driving transatlantic trade talks in which carmakers have been heavily involved. The goal of those talks is to strengthen economic links across the Atlantic and to give businesses a bigger platform from which to compete against new emerging markets competitors. But the negotiations are also aimed at reducing the regulatory barriers to trade and the associated costs of doing business across the Atlantic. In those talks the US and business groups have also been pressing for the EU to change the way it generates rules and regulations to improve transparency and give more opportunities for input from companies and other stakeholders.

To read the open letter from Stephen Odell follow the below link:
http://tinyurl.com/qzk7r44

Commission's statement on German car tolls

(Source: European Commission, 7th July 2014) The European Commission supports Germany's reflections on introducing the user pays principle for infrastructure financing (car tolls). For Germany, as for many other EU Member States, this is a logical way to fill the "investment gap", and pay for important and necessary investments in German infrastructure. The Commission has for months now made it very clear that it is open and willing to work with Germany to make

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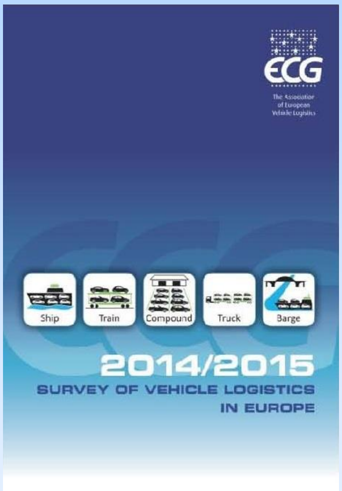
ECG has started working on the latest edition of its **Biennial Survey** on vehicle logistics for 2014-15! It is the most important publication of ECG, covering every two years and representing the reality of the industry in each country across Europe, including Russia, Ukraine and Turkey.



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sure the new road charging system is EU-compatible. We very much welcomed the discussions with Minister Dobrindt last week in this regard. We see many positive elements in the concepts outlined by the Minister on 7th July, but until all the details are known and discussed there can be no green or red light from Brussels. Now it's time to sit down and hammer out the details. Changes to Germany's existing car taxation scheme are German responsibility. If undertaken in the wider context of introducing road charging to secure infrastructure financing, they should not be directly aimed at discriminating against foreign drivers. Everybody should pay a fair share for using and maintaining roads. The Minister appears to try to take this into account, but we would need to see the details. We are ready and open to continue to work with Germany to ensure that this new system is fully in line with EU law and in particular the principle of non-discrimination. We trust that Germany will do everything necessary to meet both the spirit and letter of EU law.

AUTOMOTIVE INDUSTRY

Opel and Audi boost output in Hungary as demand rises

(Source: Wall Street Journal, 16th July 2014) German car makers Opel and Audi are boosting output in Hungary on rising demand, in turn fuelling Hungary's economic growth. Opel, part of General Motors's vehicle manufacturer Adam Opel GmbH, announced plans on 16th July to beef up production at its plant in Western Hungary's Szentgotthárd, a day after Audi AG said it would add a third shift at its Győr plant, also in Western Hungary. Car and car-parts manufacturing is the key driver of Hungary's export-dependent growth. In addition to Audi and Opel, the country hosts plants of Daimler's premium German car maker Mercedes-Benz and Suzuki Motor Corp. The government is hoping that higher output will boost the number of workplaces at the factories' subcontractors. However, state incentives used earlier to attract production sites to be set up in Hungary caught the attention of the European Commission. It announced last week that it had launched a probe into state subsidy granted to Audi in Hungary to see whether it was in line with EU competition law. Audi will add the third shift at its plant mid-August to meet rising demand for its premium models, the Audi TT Coupe and Roadster sports cars, and A3 Limousine and Cabriolet models. Opel started manufacturing its so-called Flex engines on 16th July and it now makes 1.4-litre, 1.6-litre and 1.8-litre engines. Takarékbank economist analyst Gergely Suppan earlier said Hungary's industrial output will likely expand by 2%-2.4% this year and could rise by 6%-6.5% next year due to new capacity opening on production lines at these carmakers' Hungarian plants. The Hungarian Central Bank expects this year's economic growth at 2.9% and forecasts next year's at 2.5%, after 1.1% growth in 2013. Audi invested over €900m into expanding its Hungarian plant to cover the entire spectrum of production in a project that was completed last year. Opel built its new engine-making unit for €700m.

For details of the Commission's investigation into the state aid to Audi, please read ECG News 14.26.

Porsche will consolidate sports car output in Zuffenhausen

(Source: Automotive News Europe, 15th July 2014) Porsche plans to consolidate production of its Boxster and Cayman sports cars at its main plant in Zuffenhausen, near Stuttgart. The move follows Porsche's decision to use parent Volkswagen Group's factory in Osnabrück, northern Germany, as an overflow facility for production of the Cayenne SUV. Osnabrück will build 20,000 Cayennes annually starting next summer to relieve pressure on Porsche's Leipzig factory, the main production plant for the Cayenne. Currently, the Osnabrück plant builds some Boxster models when the Zuffenhausen factory is overloaded. Porsche said it will invest more than €400m in Zuffenhausen for additional Boxster and

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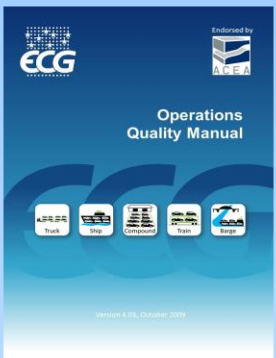

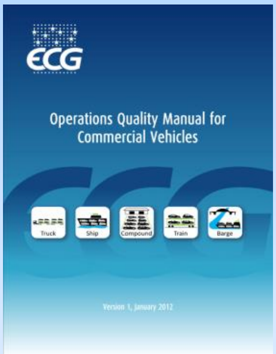

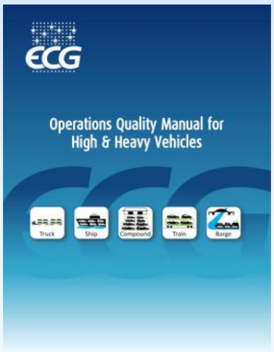

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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Cayman production. "All two-door Porsche models will come from Zuffenhausen in the future," Uwe Hück, the Head of Porsche's works council, said in a statement on 15th July. Porsche said three quarters of the investment would be used for a new facility in Zuffenhausen to build car bodies. Overflow production for the Boxster and Cayman will continue at Osnabrück until 2016, Porsche said.

Volkswagen interested in buying Fiat, report says

(Source: Automotive News Europe, 17th July 2014) Volkswagen Group has held talks with owners of Fiat Chrysler Automobiles about purchasing the Italian-American automaker, the German *Manager Magazin* reported on 17th July, citing unnamed company sources. Fiat's owners, the Agnelli family want to shift their focus to the Ferrari brand and quit the volume automotive business, the publication said, without being more specific. The Chrysler division could help VW in the United States, where the automaker has struggled to keep its sales momentum. VW Chairman Ferdinand Piech, who is a member of the Porsche family that controls VW, has held various talks with associates and members of the Agnelli family, which controls Fiat. However, there are a number of obstacles to any deal, including finances and divergent strategies pursued by both Fiat and Volkswagen, the article noted. Fiat is in the midst of finalizing its merger with Chrysler in the United States, which would involve a listing on the New York Stock Exchange. Jürgen Pieper, an analyst with Bankhaus Metzler in Frankfurt, said: "Volkswagen has an urge to become the No. 1 global automaker, and an acquisition of that size would bring them to their target immediately." But real interest in Fiat as a whole is "rather unrealistic" and would entail many problems, including Fiat's struggles in Europe and potential antitrust issues in South America, according to the analyst. The report sent Fiat shares up as much as 5.1% to €7.99, the stock's biggest intraday gain since 2nd January. VW shares fell as much as 2.4% to €184.65.

EUROPE

Esso to produce low sulphur fuel at refinery following tests with WWL

(Source: Automotive Logistics News, 16th July 2014) Esso Belgium, an affiliate of petrochemical giant ExxonMobil, has announced it will be converting higher sulphur residual oils into fuel for transport, including for commercial shipping, at its refinery in Antwerp. The move follows tests on a new ultra-low sulphur fuel in conjunction with logistics provider **Wallenius Wilhelmsen Logistics** (WWL) and comes ahead of next year's regulation on sulphur emissions in waters around northern Europe. "WWL has long experience working with low sulphur fuels, starting with our voluntary low sulphur fuels policy over a decade ago," said a spokesperson for the company. "As part of our four-stream approach to compliance with new and coming sulphur regulations, WWL has been advocating the development of ultra-low sulphur fuel for the past few years." Along with bunker oil with a 0.5% sulphur content provided by the refineries, that four-stream approach includes alternative energy sources, such as liquefied natural gas (LNG), biodiesel and solar power, as well as the use of exhaust cleaning systems (scrubbers) and distillates such as marine gas oil. "We were very happy to be able to support Exxon with the testing of their product," continued the spokesperson. "The fuel was tested first in the auxiliary engines of our vessel, and when those tests were successful, in the main engines of the MV Tønseberg. Everything ran as intended there." According to ExxonMobil, it is investing more than $1bn to install a delayed coker unit at the Antwerp refinery to meet energy needs throughout northwest Europe. It brings investment in the refinery to $2bn in less than a decade. Though not specified by ExxonMobil, northwest Europe is the region affected by new sulphur emissions regulations that are being enforced from January next year. Sulphur emissions will be limited by an EU Regulation to

0.1% in the Baltic Sea, North Sea and English Channel. “In addition to enhancing ExxonMobil’s strongly performing Antwerp facility, the new delayed coker unit will further strengthen ExxonMobil’s integrated downstream and chemical portfolio in northwest Europe to better compete in the challenging global industry environment,” said Stephen Hart, Regional Director of ExxonMobil Refining & Supply Company. “This investment will add to our product slate at the Antwerp refinery and deliver much needed cleaner diesel to our European customers.” A maritime news source reports that the Antwerp refinery will be making an ultra-low sulphur HDME 50 marine bunker fuel. The fuel would share some of the best properties of both distillate fuel and heavy fuel oil. WWL has previously indicated the need for refineries to get involved with finding solutions to the demand for reduced sulphur emissions in ocean transport. At the Automotive Logistics Russia conference held in Moscow in June this year Erik Noeklebye, recently appointed head of Commercial for the company’s Atlantic East business region, said that the company was pursuing global discussions with politicians designed to get ‘upstream’ solutions, including those that involved the refineries. Those points echoed similar ones made two years ago by WWL’s previous CEO, Arild Iversen, who said the best solution to the forthcoming sulphur emission control areas would be desulphurised heavy fuel oil. After company research, Iversen said the best route would be to remove the problem at its source, at the refineries producing the fuel.

Going to Belgium? Don’t take a long rest

(Source: Commercial Motor, 10th July 2014) The Road Haulage Association (RHA) is warning hauliers that the Belgian authorities look set to take a stricter approach regarding drivers taking their normal 45-hour weekend rest in their cabs, with France set to follow suit shortly. From 21st June, any driver taking a normal weekend rest in a truck on Belgian soil has been open to a fine of up to €1,800 (£1,440). The Belgian government can enforce this prohibition through Article 8 of the Regulation 561/2006 on the harmonisation of certain social legislation relating to road transport, which has previously been subject to a light-touch approach. The RHA said France is also looking at a similar measure, although with higher fines than Belgium. An announcement by the French government was pending as *CommercialMotor* went to press. The RHA believes some hauliers may be adversely affected by this action, especially if they are using subcontractors. It advises operators to review any contracts they are about to make, or review those in place, where a weekend rest is expected to take place. Kevin Hopper, Managing Director of Brian Yeardley Continental, which has operated on the continent for more than 30 years, suggested that the move was an attempt by the authorities in Belgium and France to deter hauliers - primarily from Eastern Europe - staying in those countries for months at a time, pulling trailers from port to port and taking business from local operators.

See the International Road Transport Union’s press release on this matter below in the ‘Press releases’ section.

Russia imposes ban on state buying foreign-made vehicles

(Source: Automotive Purchasing, 14th July 2014) According to reports, in order to support local producers, Prime Minister Dmitry Medvedev has ordered a ban on Russian state and municipal purchases of foreign-manufactured cars and machinery. The ban will include cars for high-ranking officials, public transportation, emergency-service vehicles, as well as agricultural and construction machinery, according to a statement from Medvedev’s meeting with Deputy Prime Ministers posted on the Russian government’s website. The former soviet nation is struggling with the slowest economic growth since a 2009 recession. Sales of new cars in Russia plunged by the most in more than four years in June as a weaker rouble curbed demand. OAO AvtoVAZ, Russia’s biggest carmaker, plans to cut 19% of its jobs this year, the company part owned by Renault SA said last month. “The state buys a lot; the budget allocates

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ECG AGENDA

►**ECG Board Meeting on 10th September,** in Turin, Italy

►**ECG Eastern Regional Meeting on 25th September,** in Sofia, Bulgaria

►**ECG Maritime & Ports Meeting,** in Le Havre, France **on 29-30th September**

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

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

►**ECG Academy Alumni Meeting on 7th November**, in Munich, Germany

►**ECG UK & Ireland Regional Meeting on 12th November**, in London, UK

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

►**ECG Board Meeting, on 20th November,** in Brussels, Belgium

►**ECG Maritime & Ports Meeting, on 20-21st November,** in Zeebrugge, Belgium

enormous resources for the purchase of goods and services," Medvedev said. "It's better if these resources go to local companies rather than foreign producers in cases when local companies are able to compete with foreign producers based on quality and price." The ban applies only to vehicles made outside of Russia, not to foreign brands produced in Russia that meet localization requirements, *RIA Novosti* reported, quoting Deputy Prime Minister Arkady Dvorkovich.

REST OF THE WORLD

WWL wins Baltimore deal

(Source: World Cargo News, 15th July 2014) **Wallenius Wilhelmsen Logistics** has been selected as vehicle processor for BMW of North America in Baltimore. At its newly retrofitted technical services building, WWL will perform accessory installation, body shop repairs, pre-delivery inspections, quality inspections and finishing work in preparation for transport to dealers in the Eastern and Midwestern United States. WWL also serves as a global ocean carrier for the BMW Group, as well as a lead logistics provider. "WWL is excited to become a leading auto processor for BMW imports to the US," said John Felitto, President and CEO of WWL Vehicle Services Americas. "Our facility in Baltimore has proudly earned recognition by top car manufacturers for its strong customer focus, quality processes and excellent delivery to dealers both in the US and internationally." "This is great news for the Port of Baltimore's auto business and especially for our good-paying port jobs," remarked Maryland Port Administration Executive Director James J. White. "Baltimore is the top-ranked port in the nation for autos and it is very happy to keep BMW here to partner with one of the world's best auto processors."

NUMSA strike hits car production across South Africa

(Source: Automotive Logistics News, 16th July 2014) Ongoing strike action by more than 220,000 workers affiliated with the National Union of Metalworkers of South Africa (NUMSA) has caused Ford, Nissan and Toyota to shut down production this week. The action is affecting the supply of components to the majority of carmakers in the region with GM having already lost eight days of production. The strike is estimated to be costing the industry 300m rand ($28m) a day, according to the Steel and Engineering Industries Federation of Southern Africa (Seifsa). NUMSA-affiliated workers are locked in a wage dispute with Seifsa, which has a number of critical component manufacturers as members. The strike is now in its third week. Numsa rejected a final offer by Seifsa on 14th July. "We have now done everything that we could possibly have done to end the strike and we deeply regret the fact that all our efforts have been in vain," said Kaizer Nyatsumba, CEO of Seifsa. "It is very unfortunate that a strike which has already caused much damage to our economy appears set to continue indefinitely." With component supply used up, Ford has been forced to suspend production at its Silverton assembly plant, which makes the Ranger, and at its Struandale engine plant. The carmaker refused to provide further comment on what contingencies it was working on to mitigate the impact of the shutdown. GM South Africa said that it built up sufficient inventory of vehicles in anticipation of the strike to ensure ongoing supply of vehicles to customers in the short to the medium term. "Our parts and accessories operations are running as normal, ensuring full aftersales service and support to our customers," added a spokesperson. Nissan closed its plant at Rosslyn on 14th July for a full week. Toyota, meanwhile, has had to suspend assembly on both lines at the Prospecton facility in Durban but, like Ford, did not provide further comment. For its part BMW said it had to reduce output to two shifts. "The current NUMSA strike impacts nine of Plant Rosslyn's more than 200 suppliers," said the company in a statement. "However, some of these components are critical for production to take place. That being said, this strike was foreseen and some contingencies

Events in Brussels

European Voice organizes an international conference on 'Vehicle connectivity', on **18th September**
http://www.development-institute.com/en/sitededie/41/connected_vehicles/event?origine=5562

HIT Rail will hold the 'Interoperability in Practice' workshop for the railway industry on **9th October**
http://interoperability.hitrail.com/

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

were put in place to lower the risk to the plant. This includes production in only two shifts instead of three for the time being. However, we hope for a speedy resolution to the strike in order to not put Plant Rosslyn's production volume at further risk." Carmakers across South Africa were affected by similar strike action taken by NUMSA in autumn last year, which also affected component suppliers. According to the African Manufacturers' Employer Organisation (AMEO), that strike action lasted a month and cost the industry up to 600m rand ($60m) a day. The repeated and prolonged action has once again raised the question of South Africa's image as a manufacturing base. "The ongoing labour disruptions are harming the South African economy and are affecting the country's image around the globe," said GM in a statement this week. "The government, business and labour need to work together in a constructive manner to implement solutions which are in the best interests of the country as a whole."

Iran begins vehicle exports to Russia

(Source: Automotive Logistics, 16th July 2014) Iran's largest domestic carmaker, Iran Khodro (IKCO), has restarted exports of vehicles to Russia and plans to send 10,000 vehicles there by 2015. The first shipment, sent from the carmaker's plant in Tehran, included the Samand and Runna sedans. "We can manage the balance between our export and import, should we sell one third of our cars in global markets," said Hashem Yekehzare, IKCO CEO and president, adding that high quality and adherence to international standards were a priority consideration over volume in the interests of gaining a foothold in foreign markets. Iran Khodro had to stop exports to Russia when the country increased the standard permitted to run on its roads to Euro-4 standard. Yekehzare also said that a suitable aftersales service in target markets was essential, beginning with Russia. IKCO's production has tripled compared to last year according to the company and it intends to introduce 10 new models in the next three years. The company reported production of just over 120,000 vehicles between May and June this year, up 178% on the same period last year. On 24th November last year Iran signed an accord with six countries that involved the lifting of certain restrictions on the trade of vehicles and automotive parts. The deal involved the US, Russia, China, France, Germany and the UK. Part of it concerned the suspension of sanctions imposed on trade in the automotive and aviation sectors, as well as on petrochemical exports, gold and precious metals. Iran's economy was crippled by the sanctions imposed on the country over its nuclear programme. The cost to Iran in lost revenue since the sanctions were imposed in 2010 is estimated to be $120bn, according to US Treasury. Before the sanctions Iran produced more than 1 million cars per year.

Nicaragua Canal given green-light

(Source: Port Technology, 9th July & BBC, 8th July 2014) A deal has been struck between the HKND (Hong Kong Nicaragua Canal Development Investment Company) Group and the Nicaraguan government to build a massive canal that could rival the Panama Canal. However, Nicaraguan officials say their waterway would "complement" the Panama Canal rather than be in direct rivalry to it. The proposed project would stretch a staggering 278km across Nicaragua, from Punta Gorda on the Atlantic coast through to Brito on the Pacific, passing on the way through Lake Nicaragua in the middle of the country. Construction of the $40bn project could begin as early as 2014, with the canal projected to be 230m-520m wide and 27.6m deep. Exactly one hundred years ago it took the US a decade to construct the Panama Canal (77km long), which is less than a third of the length of the proposed Nicaraguan Canal and which is why the proposals have faced detractors. However Nicaragua is confident that engineering and construction practices have greatly advanced. To quell environmental concerns, it has also chosen the prospective route to avoid areas of biodiversity, indigenous lands and environmentally protected areas. Nicaraguan officials say a bigger canal is essential to allow for increased global trade and ever larger tankers, many of which are too large for the Panama Canal, even after its current expansion. Paul

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Oquist, a close adviser to President Daniel Ortega said that the projects surrounding the canal, such as the creation of two free-trade zones, two ports linked by a railway and an international airport would create “a formative change in job creation”.

Volkswagen plans $250m investment in India

(Source: Automotive News Europe, 15^{th} July 2014) Volkswagen Group plans to invest 15bn rupees ($250m) in India over the next five to six years, Mahesh Kodumudi, President and Managing Director of Volkswagen India said on 15^{th} July. He also noted that the company could increase output in India to 200,000 cars a year from the current 130,000. Volkswagen builds Audi, Skoda and VW models at two plants in Aurangabad and Pune. As part of an expansion, the automaker is evaluating manufacturing engines in India, Kodumudi said. VW agreed in April on a basic concept and design for a budget car aimed at emerging markets, which could help the automaker grow sales in India. VW lacks a strong presence in markets such as India and Southeast Asia which are dominated by no-frills models, and without a successful budget car, analysts have questioned whether the group will be able to meet its goal of becoming the world’s biggest carmaker by 2018. Volkswagen’s market share in India fell to 2.1% for the fiscal year ended 31^{st} March from 2.4% a year ago.

BMW will raise China capacity to 400,000 vehicles

(Source: Automotive News Europe, 16^{th} July 2014) BMW Group said it will raise capacity at its two Chinese plants by a third to 400,000 cars over the next two years. Less than a month after extending its joint venture with Brilliance China Automotive Holdings until 2028, BMW said it would also double the range of locally-made cars to six. “We are strengthening our focus on meeting the needs and aspirations of our Chinese customers,” Finance Chief Friedrich Eichiner said in Beijing on 16^{th} July. BMW will add a new entry model below the 3 series, a “high-functionality car” designed for Chinese families and a variant of the X3 SUV, Eichiner said. BMW, which has been working with Brilliance since 2003, currently builds cars at the plants in Dadong and Tiexi. The carmaker is expanding its China operations because it wants to cut its dependency on the sluggish European market, which last year accounted for 44% of group sales.

PRESS RELEASES

Neptune Lines announces appointments

*(Source: **Neptune Lines**, 14^{th} July 2014)* It is with great pleasure that we announce two key senior appointments to the position of Director at Neptune Lines.

Mr Nikos Paterakis, presently Financial Director at Neptune Lines, is appointed as the new Operations Director of Neptune Lines, effective immediately.

Nikos Paterakis holds a Master of Science in Shipping, Trade and Finance (City University – London, UK) and has served Neptune Lines for eight consecutive years. Mr Paterakis has significantly contributed to the company’s successful growth holding the position of Financial Director. His working experience which includes ABN AMRO, MINOAN LINES and PROCTER & GAMBLE, will bring a wealth of knowledge to his new role and we are confident that he will continue his commitment with excellence.

Mr Nikos Gkezepis is appointed as the new Financial Director of Neptune Lines.

Nikos Gkezepis has a working experience of six years in JEFFERIES LLC, New York, in the Maritime Investment Banking Division culminating with his term as

Vice-President. Mr Gkezepis previously served PriceWaterhouseCoopers in Athens and holds a Master of Business Administration (Kellogg School of Management, Northwestern University – USA). We look forward to welcoming Mr Gkezepis to our team and we are confident he will be a great asset to our company.

Mr Paterakis will provide his support to the Finance Department until Mr Gkezepis' arrival on 1st September.

IRU calls on EC, Member States and Enforcement community to deal with worrying national protectionist measures on EU road transport market

(Source: IRU, 16th July 2014) The International Road Transport Union (IRU) is calling on the European Commission, Member States and the Enforcement community to discuss and urgently deal with worrying national protectionist measures that are creating barriers in the single European road transport market, after news that numerous EU Member States are adopting a more stringent interpretation of Regulation 561/2006, prohibiting commercial truck drivers from spending regular weekly rest time in the vehicle cabin.

On 11th July France adopted a law imposing a company fine of €30,000 and one year imprisonment for truck drivers who take the regular weekly rest in the cabins. Earlier this summer, Belgium already modified its legislation by imposing penalties on drivers of up to €1,800 for the same infringement. These developments coincide with an increasing number of reports received by the IRU of unjustified penalties imposed on trucks not registered in the Member State where the control takes place.

The IRU views this as an indication that Member States are increasingly using enforcement to protect their national markets – practices which completely go against every principle of EU law.

IRU General Delegate to the EU, Michael Nielsen, commented, "As EU legislation is unclear on weekly rest time in vehicle cabins and the fact that the EU does not consider it to be a serious infringement, these announced penalties are completely unacceptable. Member States need clear EU legislation and should enforce this in an efficient, non-discriminatory way through penalties that are proportionate to the level of infringement committed."

Indeed, the IRU considers the announced sanctions as highly disproportionate and is concerned about the lack of practical guidance to implement these new laws, which make it impossible for road hauliers to know what is acceptable or not. Moreover, the implications resulting from the possible enforcement of these provisions would not only affect road hauliers and drivers, but would also put at risk the billions of Euros worth of freight transported by trucks every day to support EU trade.

"These new laws are passed without taking due considerations on how EU trade can continue without imposing security risks. Topping this up with the fact that enforcers themselves do not even know the exact conditions related to the enforcement of these new laws, simply means that legal uncertainty in the EU has once again prevailed," concluded Mr Nielsen.

ECSA looks forward to fruitful EU-US trade negotiations

(Source: ECSA, 16th July 2014) EU and US negotiators are meeting this week in the context of the sixth Trans-Atlantic Trade and Investment Partnership (TTIP) negotiations round. Negotiators from both sides are debating an ambitious agenda that should, in the event of an agreement, not only remove trade barriers in a wide range of economic sectors, but also tackle non-customs related trade barriers, such as differences in technical regulations, standards and approval procedures. Furthermore, the TTIP negotiations look at opening markets for services, investment, and public procurement.

ECSA welcomes the TTIP talks and hopes for an ambitious agreement in which maritime transport and its specificities will be duly taken into account. EU shipowners support the liberalisation and promotion of EU-US trade, both in services and in goods, as the harmonisation of the EU and US markets will play a key role in fostering trans-Atlantic trade. This will in turn stimulate maritime transport, which will effectively underpin the increased exchanges and act as a vector for the ensuing commercial activity between the two trade partners.

However, restrictions on domestic cargoes, so-called cabotage rules, still firmly exist in the United States. This results from the Merchant Marine Act of 1920, better known as the Jones Act.

Commenting on the Jones Act, Patrick Verhoeven, ECSA Secretary-General, remarked during a TTIP stakeholder event in Brussels on 16th July: "Whilst it is true that restrictions on pure domestic cargoes may not constitute a prime barrier to international maritime trade, the Jones Act does have implications for the delivery of international cargo. Today's reality is that very often international cargo must be transhipped from one vessel to another, often smaller vessel, in order to reach its end destination. Under the Jones Act, this 'feedering' of international cargo is currently restricted. We would therefore welcome ways to grant full access for international carriers to engage in such operations as they do not constitute purely domestic operations." Mr Verhoeven continued by alluding to the need for more frequent individual and industry waivers to the Jones Act as well as more flexible and clearer procedures to obtain them.

EU shipowners also advocate greater market access for dredging and offshore services as well as more flexibility as regards transport of empty containers.

Finally, the maritime chapter of TTIP should not just focus on market access restrictions. There are several other fields where progress can be made, for instance in the field of administrative procedures, performance of standard work on board vessels and security procedures.

"A trade agreement without commitments on maritime transport would fall short of the feedback loop between maritime transport and trade, in essence a virtuous circle from which both sides of the Atlantic stand to profit," and added: "The TTIP negotiations should set the scene for further international trade liberalisation," concluded Mr Verhoeven.

SHIFT²RAIL officially launched alongside other Horizon2020 JTIs at the European Commission's launch event in Brussels

(Source: UNIFE, 9th July 2014) European Commission President José Manuel Barroso greeted CEOs and leadership of seven public private partnerships set up under the EU's new research and innovation programme, Horizon 2020. The seven Joint Technology Initiatives (JTIs) are Bio-based Industries, Clean Sky 2, Electronic Components and Systems, Fuel Cells and Hydrogen 2, Innovative Medicines Initiative 2, SESAR, and SHIFT²RAIL, exhibited their programmes to President Barroso, Research Commissioner Geoghegan-Quinn and the event's attendees. Following the exhibition, President Barroso gave the keynote speech during a two hour conference where research programme leaders answered questions and gave an overview of their research projects.

SHIFT²RAIL, which recently had final approval of the EU Council of Ministers on 16th June, was represented by CEO of Siemens' Rail Systems Division, Dr. Jochen Eickholt. Dr. Eickholt participated in the roundtable discussion with CEOs from the other research initiatives, where he highlighted the great added value of the initiative for the rail sector and for the competitiveness of the EU economy. Dr. Eickholt commented: "The SHIFT²RAIL Joint Undertaking is an unprecedented collaborative R&D effort made by the European rail industry and represents the culture of innovation that the rail sector needs. It has been designed not only to increase our industrial competitiveness worldwide but specifically to provide EU passengers and freight customers a quality paradigm shift for their transportation needs."

The European Commission is currently working together with the other founders of SHIFT²RAIL to set up the Joint Undertaking which will invest €920m over 6 years into rail research.

While addressing the seven research programmes launched under the Horizon2020 framework, José Manuel Barroso, President of the European Commission, commented: "Only if the best brains from academia, industry, SMEs, research institutes and other organisations come together can we successfully tackle the huge challenges that we are facing. This is what public-private partnerships are about, the joining of forces to make the lives of Europeans better, create jobs and boost our competitiveness. We are committed to prioritising the impact of the European budget on the recovery, and these partnerships are doing just that, with first calls for proposals for €1.1bn to be matched by industry, within a package representing an overall €22bn boost to growth and jobs creation over seven years. They will continue delivering results that no single country, company or even the European Union as such would achieve alone."

UNIFE thanks the Commission and especially President Barroso, Vice-President Kallas, and Commisioner Geoghegan-Quinn for their hard work and support of this initiative. The rail industry hopes for a swift start of operations of the Joint Undertaking and looks forward to the technology SHIFT²RAIL will develop for the sector over the next six years.

Further information on the initiative can also be found on the initiative's website www.shift2rail.org