ECG News

ECG – The Association of European Vehicle Logistics

Issue 14.28, 21st –25th July 2014

CONTENTS

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NEWS FROM BRUSSELS

Italian Council Presidency presented its priorities to the TRAN Committee

(Source: TRAN Committee, 22nd July 2014) Maurizio Lupi, the Italian Minister for Transport and Infrastructure held an exchange of views with the Transport and Tourism (TRAN) Committee of the European Parliament on 22nd July on the transport priorities of the Italian Presidency. The Presidency has decided to focus on the stimulation of economic growth and the fight against unemployment, through a more sustainable, efficient and safe development of infrastructures and transport in order to improve the functioning of the European internal market. The enhancement of Trans-European networks is also a key priority for the Presidency. On infrastructures, the Minister said he wanted to overcome the paradox of public financing, where EU money is available but can't be used due to the lack of proper resources in Member States, by allowing more flexibility when using public funds. In addition, the use of innovative funding tools should be encouraged. Regarding rail, the Presidency will make strong efforts to advance the 4th Railway Package, starting negotiations with the Parliament on the "technical pillar" and looking for a balanced approach in order to achieve a common position in Council on the "political pillar". In the field of road policy, improving safety is considered as a priority and the Presidency's goal is to complete the negotiations with Parliament on the Weights and Dimensions of road vehicles as well as to pursue work on cross-border enforcement rules. On aviation issues, the Presidency will concentrate on the SES2+ file. A progress report shall be drafted in October with the goal to achieve a common position in Council in December. With regards to maritime transport, the Presidency will seek to achieve a political agreement on the Post Services Regulations by October. In the exchange of views that followed the presentation of the Minister, MEPs asked what will be the action of the Council related to the air crash in Ukraine. MEPs also insisted that Mr. Lupi commit on a precise timing for the Railway Package, stressing that the negotiations on the "technical pillar" should start as soon as possible. They also stressed the need for significant progress to be made on the Port Services Regulation, the Single European Sky and the Road safety files. Members believed that transport policy should be placed at the heart of efforts to combat climate change.

Commissioner Kallas presented at the TRAN Committee meeting

(Source: TRAN Committee, 22nd July 2014) The Commissioner congratulated the Committee Members on their election and wished them every success. He pointed out that it is up to the next Transport Commissioner to announce the future initiatives of the Commission, and that the main purpose of his presence at the meeting was to focus on the pending priority files which would be examined by Parliament and the Council in the coming months, in particular:

- the 4th Railway Package,
- Weights and Dimensions,
- cross-border enforcement of traffic offences,
- Port Services Regulation,
- Single European Sky and
- urban mobility.

In the follow-up discussion, most of the Members' interventions focused on the Malaysia Airlines plane crash in Ukraine, where the Commissioner was asked to present his views and possible action. The Commissioner expressed his repulsion about this tragic incident and the dreadful attitude towards the victims and their belongings. He took a more cautious approach with regard to the existing evidence and the precise causes of the crash and the possibility of the EU to intervene at this stage. Members' interventions also focused on other

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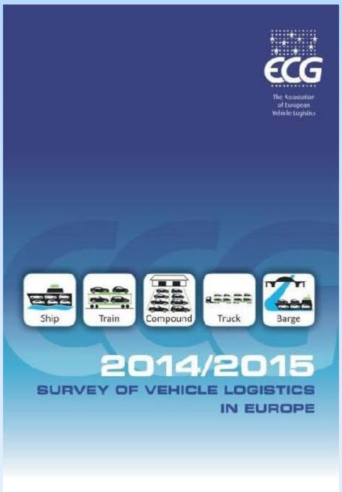
ECG has started working on the latest edition of its **Biennial Survey** on vehicle logistics for 2014-15! It is the most important publication of ECG, covering every two years and representing the reality of the industry in each country across Europe, including Russia, Ukraine and Turkey.



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transport-related issues such as the 4th Railway Package, road safety, social dubbing and road cabotage, ports, Single European Sky, the Gibraltar airport's issue, TEN-T projects, alternative fuels and sustainable transport.

Commission relaunches legislation to crack down on drivers committing traffic offences abroad

(Source: European Commission, 23rd July 2014) Following a recent judgment of the European Court of Justice, the Commission has amended the legislation to allow EU Member States to crack down on drivers committing traffic offences abroad including the four "big killers" that cause 75% of road fatalities – speeding, running traffic lights, failure to use seatbelts and drink driving. In a ruling of 6th May 2014, the Court of Justice had annulled Directive 2011/82/EU on cross-border exchange of information on road safety related traffic offences because it relied on the wrong legal basis (police co-operation). The proposal approved by the Commission on 22nd July corrects the legal basis (to transport), but there are no substantive modifications, so the scope of the new Directive remains the same as for the annulled Directive which continues to apply until 6th May 2015. By 1st July 2014, 20 Member States had transposed this Directive into national law. Siim Kallas, Vice-President of the European Commission, responsible for transport said: "This is a technical but an important change and it needs to happen as quick as possible. Every death on Europe's roads is one too many. For too long, people seemed to think that when they go abroad the rules of the road no longer apply to them. They do apply and we intend to apply them. We need strong support from the European Parliament and Council to make the necessary technical changes as quickly as possible. We cannot afford to take a step back in road safety." EU figures suggest that foreign drivers account for 5% of traffic but around 15% of speeding offences. Until recently, most were going unpunished, with countries unable to pursue drivers once they returned home.

More information in the Road Safety Newsletter:
http://ec.europa.eu/transport/road_safety/pdf/news/nl13_en.pdf

German road tax plans come under fire at home and abroad

(Source: European Voice, 24th July 2014) The German government's bid to introduce charges on motorists for road use is developing into a source of probable confrontation with the European Union and with Germany's neighbours. Alexander Dobrindt, Germany's federal Transport Minister, is struggling to match his election promises about the introduction of a road tax with the country's obligation to comply with European Union rules. Dobrindt is from Bavaria's centre-right party, the CSU, the ally of the Christian Democratic Union of Chancellor Angela Merkel. As part of its election campaign last autumn, the CSU promised to introduce taxes on foreign motorists, but pledged that locals would not pay any more. This month Dobrindt outlined plans for a road tax or vignette, saying that he wanted to charge foreign drivers because their annual 170 million car journeys through the country "do not contribute to the construction of the roads". Germans would initially have to pay an annual tax of around €150, but according to Dobrindt they would be reimbursed through a lowering of other taxes. The Minister expects income of €600m a year if the measures take effect from 1st January 2016. But even within Germany, a backlash has already begun. Peter Hintze, Chairman of the CDU's parliamentary group in the state of North Rhine-Westphalia said that Dobrindt's plans did not correspond to the coalition agreement between CDU/CSU and the centre-left Social Democratic Party of Germany (SPD). "It needs to be revised heavily," he said. Hintze's worry is that such a tax or toll would hit traffic coming from neighbouring countries, including people that cross the border for work or to shop. Centre-left and Green politicians have joined in the criticism. Winfried Kretschmann, Minister-President of Baden-Württemberg and co-ordinator of the Greens in the German parliament, said he would not support the plans if they threatened his state. He fears that such a toll would deter the Swiss from coming to Baden-Württemberg. Both Hinze and

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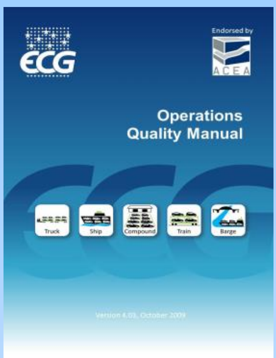

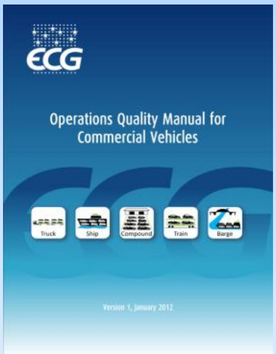

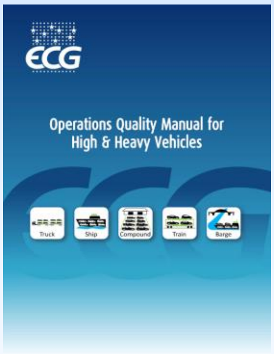

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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Kretschmann are influential regional politicians with good national connections: Hintze worked for Merkel in the 1990s, when she was starting out in national politics. Nord Rhein-Westphalia is the German state with the biggest population and has a powerful voice within the CDU/CSU group in the federal parliament. Dobrindt's plans will also face severe scrutiny from outside Germany. The governments of the Netherlands and Austria have asked Siim Kallas, the European Commissioner for Mobility and Transport, to investigate, as they believe the plans breach EU law. According to Article 18 of the Treaty of the Functioning of the European Union, the same rules should apply to residents and non-residents when tolls or vignettes are applied by Member States: "any discrimination on grounds of nationality shall be prohibited". In practice, that means that where a Member State has introduced road taxes – vignettes – they must be offered on the same terms to residents and non-residents alike. Slovenia, for example, was reprimanded because it was not offering weekly or monthly vignettes, but only a yearly pass, which was deemed discriminatory against non-residents who might be visiting the country for only a short period. Kallas had a meeting with Dobrindt in Brussels earlier this month, but the Commission finds itself in a difficult situation. In principle, it is in favour of road-charging and would very much like Germany to embrace the practice, believing such taxation offers the best route to maintaining Europe's transport infrastructure while public spending is constrained. But the Commission is also duty-bound to crack down on any attempt by Germany to discriminate against non-residents. A tax-break or refund that was designed to compensate German tax-payers for their road tax would be too blatant for the Commission to tolerate. What is not clear is how Dobrindt can introduce a road tax that complies with EU rules and yet does not – at least temporarily – impose additional costs on German motorists. Merkel said on 18th July that the road-tax plans "will not threaten the relationship with the neighbours" and said that they would be in line with current government policy if they complied with European rules. So is she secretly hoping that the CSU will be thwarted by the Commission? The Commission is hoping that her commitment to road-charging runs deeper than that.

AUTOMOTIVE INDUSTRY

Ford Otosan taps EBRD for €140m

(Source: Automotive Purchasing, 21st July 2014) Leading Turkish commercial vehicle maker Ford Otomotiv Sanayi A.Ş. (Ford Otosan) is to be provided with a €140m long-term loan from the European Bank for Reconstruction and Development (EBRD). The funds are earmarked to finance a far-reaching investment programme to develop high-tech truck engine parts and expand production capacity, while providing greater employment opportunities for women. Ford Otosan is a joint venture between Ford Motor Company and Turkish conglomerate Koç Holding, each holding a 41% equity stake. The rest of the shares are listed on the Istanbul Stock Exchange. The company will use the EBRD financing to develop – in close co-operation with Turkish universities and suppliers – a new Ecotorq engine to be used in heavy Ford Cargo trucks. Ecotorq is set to lead the way in terms of energy performance, service lifetime and maintenance cost. It will be the first Turkey-manufactured engine to comply with Euro VI emissions standards, a new norm set by the European Union to reduce emissions from heavy vehicles. The EBRD investment will also help the company develop new truck models and will increase the production capacity at its plant in Inönü, Eskişehir in north-western Turkey, to serve the needs of the domestic market and meet demand in neighbouring markets. Ford Otosan sells to 79 countries and accounts for more than half of Turkey's commercial vehicle exports. EBRD is also supporting Ford Otosan to improve corporate standards and practices enabling more women to pursue careers in a traditionally male industry while setting a strong example for other players in the market. Announcing the

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deal, General Manager of Ford Otosan, Haydar Yenigün, stated: "As the leader of the Turkish automotive industry for the last 12 years, Ford Otosan targets success in all fields including production, research and development (R&D), export and employment. As Ford's commercial vehicle production hub in Europe, vehicles manufactured in our production facilities are exported to global markets." In addition, Yenigün said how Ford Otosan's Inönü plant "operates as one of the two global production centres that manufacture global Ford Cargo trucks with Ecotorq engines. Ford Otosan, which has the largest R&D organisation in Turkey and the third-largest in Ford globally, serves as Ford's global light and heavy commercial vehicle development centre as well as the global diesel engine calibration centre."

China's Lifan looks at production near Moscow

(Source: Automotive Logistics News, 22nd July 2014) Chinese carmaker Lifan is looking at the launch of car production at a facility in Russia and has said it would be in one of five possible locations in the special economic zones (SEZs) surrounding Moscow. The announcement is stoking interest amongst Russian partners but conditions in the market may need to show signs of improvement before a final decision is made. "We are extremely interested in attracting this company," said the deputy chairman of the Moscow Oblast, Denis Butsayev, adding that Lifan is currently considering the SEZ at Dubna, 130km north of Moscow, as one of its choices. Representatives of Lifan would not comment on the plans, only commenting that Lifan had a strategic partner in Russia – Derveis – and that co-operation with the company continued. According to authorities in Moscow, Lifan intends to launch the first stage of production between 2016 and 2017, with an annual production capacity for several tens of thousands of vehicles and a view on increasing this to more than 100,000 cars by 2020. The company plans to invest around $200m and requires around 50 hectares of land. According to a representative of the Lipetsk SEZ, 440km south of the Moscow and another potential site for the plant, Lifan is expected to finalise its choice by the end of the summer this year. A representative of the Russian division of Lifan confirmed that the company would only build the plant in one of Russia's SEZs. "Among the standard benefits of SEZs are tax holidays for several years and the free customs zone, which are interesting for us," said a representative for Lifan in Russia. "We don't have an agreement on industrial assembly so it is also important for us that SEZ residents can import materials and components for production free of duty. Also, considering exports, it is also important that residents of SEZs can export finished products with the lower export duties." However, the representative also cautioned that there remained factors that could force the company to reconsider its plans for expansion in Russia. The first of these was continued poor sales in the country, which has already hit Lifan in the first months of 2014. According to official statistics from Derveis, which sold 20,350 Lifan cars in 2013, while for the first five months of 2014 it was still below 6,000 vehicles. According to statistics from the Association of European Businesses, in 2013 Lifan sold a total of 27,467 cars, 34% more than in 2012. However, in the first half of 2014 sales dropped to 10,150 cars, 12% lower year-on-year. "Production in Russia will help Lifan to reduce costs and increase sales, and the capacity of 100,000 cars per year will be the optimal size," said Vladimir Bespalov, analyst at Russian exports agency VTB Capital. "However, it will be hard to sell all these cars in the country [as] the Russian car market is falling. This year, according to forecasts of the Association of European Businesses, it will drop 12% to 2.45m cars. Meanwhile, the capacities of the existing car plants are growing." Lifan also needs to be ready to face increasing competition from other Chinese brands. Great Wall Motor wants to build a plant in the Tula region with capacity for 150,000 vehicles a year. Meanwhile, Geely is also considering plans to increase capacity of its assembly plant in Belarus to boost supplies to Russia.

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

Official start to Mini production at VDL Nedcar plant

(Source: Automotive Logistics News, 22nd July 2014) VDL Nedcar will start making the Mini Hatch under contract this summer following last week's official reopening of the company's plant in Born, Netherlands by Dutch King Willem-Alexander. VDL Groep bought the Nedcar plant from Mitsubishi at the end of 2012 following the Japanese carmaker's decision to end production of Colt and Outlander vehicles there. A start was made on converting the car plant for the production of Minis under contract to BMW from the beginning of 2013. Mini is the only carmaker that has series production vehicles built through contract production in the Netherlands. The vehicles will be distributed to global markets. Production will be supplied by the same tier companies as at the Oxford plant in the UK and the same inbound transport providers will be serving both plants. More than 6,000 different parts are supplied for the production of each Mini. "Mini is going to grow substantially and therefore we have been looking for external production capacity beyond Oxford's maximum production capacity," said a spokesperson for the company. "BMW Group has agreed with VDL Nedcar to establish contract manufacturing as a satellite production close to its UK operations." The Nedcar plant will be building the vehicles from the ground up as the plant is fully equipped with press, body and paint shops, as well as full assembly equipment. The carmaker said the move to the Nedcar plant will bring benefits in terms of logistics and its proximity to the UK Mini production sites – namely the Oxford plant, the subassembly plant in Swindon and the engine plant at Hams Hall. According to the German carmaker, it needs extra capacity for Mini production, which stands at about 260,000 units per year. The Nedcar factory has a total capacity for production of around 200,000 cars per year. The move to split production will also give BMW greater flexibility for other models across the 29 production sites that it operates. "Contract production is a vital flexibility tool for us, and our experience gathered over the past ten years has been nothing but positive," said Dr Andreas Wendt, Director of the BMW Group's Regensburg plant. "Splitting production of the new Mini Hatch between Oxford and Born will give our global production network additional leeway." VDL Groep consists of 84 operating companies focused on the development, production and sale of semi-finished and finished vehicles, as well as the assembly of cars.

EUROPE

Acumen moves to larger operating centre in UK

(Source: Automotive Logistics News, 23rd July 2014) UK-based transport and logistics provider **Acumen Automotive Logistics** has leased a new, larger operating centre near Coventry and moved its finished vehicle operations there to accommodate business growth driven by new contracts. According to the company, the increased capacity will accommodate Acumen's expanding fleet of finished vehicle tractors and trailers purchased for new contracts won with Jaguar Land Rover (JLR), as well as the recently acquired enclosed transporter fleet from Enable. Acumen recently invested £3.6m in 20 new truck and trailer units to support an extended contract with Jaguar Land Rover in the UK. The contract will see vehicles picked up from the carmaker's plants in the UK Midlands to dealers in the south of the UK, as well as for delivery to ports of export. The contracts will mean the annual movement of 100,000 vehicles. The new facility is located in Baginton, in the UK Midlands, between the MI and M40 motorways and next to Coventry airport. "The move to the new operating centre offers a tremendous opportunity enabling us to further grow and expand our customer base," said Acumen Automotive Logistics' Director, Peter Raybould. "Business is improving and we have a number of new opportunities in the pipeline. Just as exciting is the improved capability the new site gives us to ensure we continue delivering the high levels of service our customers demand."

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

New WWL service from Asia to the Port of Tyne

(Source: Transport Intelligence, 18th July 2014) **Wallenius Wilhelmsen Logistics** (WWL) announced that it has launched a service from Asia to the Port of Tyne in the UK. Steven Harrison, Port of Tyne Chief Operating officer said, "This has been introduced to meet the demands of plant and heavy equipment manufacturers who wish to move their cargo via the Port and brings added connectivity to the Port of Tyne with a new Ro-Ro service to our portfolio. In addition, it shows future possibilities of WWL providing flexibility & solutions for companies wishing to trade directly from the North East to various overseas markets." Paul Reeves, Managing Director Wallenius Wilhelmsen Logistics UK said, "WWL's regular Ro-Ro service from Asia to Europe via the Suez and Panama canals is now enhanced by the possibility of a direct vessel calling to the Port of Tyne that is connected to solid inland distribution services to the entire UK market and Ireland thanks to the strong presence and service capabilities of WWL ALS, responsible for the WWL UK inland network services." This call by WWL to Port of Tyne was arranged due to necessary WWL customer demand. Port of Tyne is not a regular port of call for WWL, though may be added to the existing WWL Asia to Europe service, should continuing demand be realised.

Haulier outcry over French truck law

(Source: Lloyd's Loading List, 22nd July 2014) International road freight operators and union representatives have hit out against a "protectionist" new law in France preventing truck drivers sleeping in their cabs during rest times, claiming it was not thought through and has security, cost, and competition implications. In a bid to improve compliance with labour legislation in the road haulage sector, particularly non-compliance or "dumping" regarding working-hours restrictions, France has introduced a law prohibiting drivers from sleeping in their vehicles during designated weekly rest periods, something that had been allowed under EU Regulation 561/2006. Failure to comply could lead to a year's imprisonment and a fine of €30,000. Earlier this summer, Belgium also modified its legislation by imposing penalties on drivers for the same infringement, although the maximum fine is much lower at €1,800. The International Road Transport Union (IRU) has described the moves as "worrying national protectionist measures" and called on the EU and Member States to act. IRU general delegate to the EU, Michael Nielsen, said: "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." That the 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," he added. One road haulage firm who requested anonymity told *Lloyd's Loading List.com* that France had adopted a protectionist stance, with this change in the law reflecting French suspicions that it is mainly foreign drivers working hours that are well beyond the legal limit. "The people who drew up this law did not spend a second thinking about how it might affect foreign truck drivers," the source commented. Observers said that while some French drivers may well sleep in the cab while in France, for example at weekends, the vast majority of domestic hauliers will return their vehicle to a company depot at weekends - whereas foreign drivers do not have this option. Another said that the lawmakers in question "had no idea of how the road haulage sector worked" in having to cope with daily uncertainties such as customers premises which are not open to take deliveries when a truck pulls up, traffic jams and road diversions. "On top of that, separating a driver from his truck raises a fundamental security issue. For want of dedicated parking facilities for trucks at hotels, a driver might have to walk some distance to find accommodation, returning the next morning to the vehicle [to find] no freight nor diesel."

For the entire IRU press release on this matter, please read ECG News 14.27.

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Antwerp moves towards permanent LNG station

(Source: Port Strategy, 21st July 2014) Antwerp Port Authority is continuing its focus on LNG with the aim of setting up a permanent bunkering station at the port by the beginning of 2016. Truck-to-ship bunkering is already possible at the port – a truck collects LNG from the import terminal in Zeebrugge which is then delivered to the barges on the quayside. Building a permanent bunkering station means that LNG will be available at the port at all times. The port said it's a way of breaking out of the "chicken and egg" situation, or in other words, a way to help persuade the barge industry to make the necessary investments to switch to LNG as a fuel. Antwerp Port Authority has also issued a European call for tenders for the design and build of the new station allowing for the possibility that a private company may take up the tender. Construction of the bunkering station will partly be subsidised by the LNG Master Plan for the Rhine-Main-Danube, a project that forms part of the European Commission's TEN-T programme. The aim of this Master Plan is to promote the use of LNG as a fuel and its carriage as a cargo by European barges. To assure continuity and achieve the maximum impact in the Rhine corridor, Antwerp Port Authority is collaborating closely with its counterparts in Basel, Mannheim, Rotterdam and Strasbourg. Over the last few years, the port authority has taken a number of steps to move forward with its bid to install permanent LNG infrastructure at the port. Back in March, Antwerp published its own specific procedures for LNG bunkering to enable the process to be carried out as safely as possible.

Hungarian tyre market to pass $600m by 2014

(Source: Automotive Supply Chain, 23rd July 2014) The availability of cheap and skilled workforce, strategic geopolitical location and sophisticated logistics network continues to position Hungary as a preferred destination for automotive OEMs and investors. Within a recently published report by TechSci Research, "Hungary Tyre Market Forecast & Opportunities, 2019", the tyre market in Hungary is forecast to surpass $600m by the year 2014. Hungary, a Central European automotive manufacturing hub, houses several major global automotive companies such as Daimler, Audi, GM, Suzuki, Hankook, Bridgestone and Continental. Hungary is an export driven OEM market and is largely benefited by its trade dynamics with CEE nations. Furthermore, the country is one of the top five exporters of automotive components to Russia and other CEE nations. Germany, Russia, Romania, Slovakia and the United Kingdom are some of the key export destinations for Hungary's automotive products. FDI inflow by OEMs and easy availability of comparatively cheap and skilled workforce strengthens Hungary's position as a vital destination for automotive production. In 2013, passenger car tyres accounted for the largest share in the Hungarian tyre market, followed by the commercial vehicle tyre segment. Two wheelers constitute the lowest market share, as they are not manufactured but only imported into the country. Leading OEMs such as Mercedes, DAF, Volvo, Knorr-Bremse, Volkswagen, Renault, Ford and MAN are driving growth in Hungary's commercial vehicles market. Among Hungary's 19 counties, Budapest, Fejér and Komárom-Esztergom are the major hubs in terms of automotive manufacturing and tyre production. Budapest is a key centre for hosting international auto shows, festivals and exhibitions every year. "Since 2007, key tyre manufacturers have undertaken special interest in Hungary's growing automotive export market and are expected to continue expanding their tyre production capacities significantly over the next five years in order to address growing tyre demand." said Mr. Karan Chechi, Research Director with TechSci Research, a research based global management consulting firm. The report has evaluated the growth potential of the Hungarian tyre market and provides statistics and information on market structure, exports and future growth of the market. The report is intended to provide cutting-edge market intelligence and help decision makers to take sound investment evaluation. It also identifies and analyses the emerging trends along with essential drivers, challenges and opportunities available in Hungary's tyre market.

REST OF THE WORLD

PSA to start Nigeria production this year

(Source: Automotive News Europe, 18th July 2014) PSA Peugeot-Citroën will start producing cars in Nigeria this year through a local manufacturing partner. The announcement comes about three months after rival Renault-Nissan has started vehicle output in Africa's largest economy. PSA said in a statement it will begin building its Peugeot 301 sedan in small volumes at a plant operated by PAN Nigeria Ltd. in the central state of Kaduna. PSA will ship semi knockdown kits to Kaduna from its plant in Vigo, Spain. Additional models, such as the Peugeot 308 compact and 508, may follow later, the company said in the statement. PSA's Operations Director for Africa Middle East, Jean-Christophe Quemard, said the move "will enable the group to take full advantage of growth opportunities in the market." Last October Renault-Nissan announced plans to start production in Nigeria with a local partner. The first Nissan Patrol SUV rolled off the line at a plant in Lagos in April. Renault-Nissan, which is working together with West African conglomerate Stallion Group, has since added production of the Almera sedan and NP300 pickup, a Nissan spokesman told *Automotive News Europe*. He said initial volumes are modest but Nissan expects to accelerate production starting next month. Renault-Nissan CEO Carlos Ghosn says Nissan wants to make Nigeria a significant manufacturing hub in Africa and that "as the first-mover in Nigeria, we are positioned for the long-term growth of this market and across the broader continent." Takashi Hata, Nissan Senior Vice-President and Chairman for the Africa, Middle East and India, said in a statement that Africa is a strategic growth driver for the automaker. The PSA and Renault-Nissan agreements are aligned with the Nigerian government's new automotive industry development policy.

PRESS RELEASES

ICS Calls for Harmonised Port State Control with Respect to Sulphur Emission Control Areas

(Source: International Chamber of Shipping, 21st July 2014) The International Chamber of Shipping (ICS) is encouraging the Paris Memorandum of Understanding on Port State Control (PSC) to ensure that a harmonised approach to PSC inspections has been developed in advance of the 1st January 2015 deadline with respect to the implementation of the 0.1% Sulphur Emission Control Areas (ECAs), established in accordance with MARPOL Annex VI.

ICS has underlined the shipping industry's commitment to full compliance with the IMO sulphur ECA requirements from January 2015. However, ICS is concerned that information collected by its member national ship owners' associations suggests that many governments are not yet prepared to implement the requirements in a uniform manner, in order to ensure the prevention of a potentially serious market distortion.

ICS Secretary General, Peter Hinchliffe explained: "The shipping industry is investing billions of dollars in order to ensure compliance with this major regulatory change, and the huge costs involved could have a profound impact on the future structure of the entire shipping industry. We therefore think it is vital that governments get the details of any PSC intervention right as we enter a new world in which fuel costs for many ships will increase overnight by 50% or more."

He added: "There is only six months to go and it is vital that the Paris MoU and its Member States – in co-ordination, as may be appropriate, with the United States and the European Commission – clarify all of the details of ECA implementation with respect to PSC inspection as soon as possible. ICS believes it is important for the maintenance of fair competition that implementation occurs throughout the Paris MoU region in a consistent and harmonised manner."

ICS has just written to the Paris MoU in order to draw attention to the global shipping industry's serious concern with respect to the sulphur ECA implementation. With the exception of the United States, all of those coastal nations that are located within the IMO sulphur ECAs (in North America, the North Sea and the Baltic) are party to the Paris MoU.

ICS has raised a number of PSC inspection issues with respect to MARPOL Annex VI on which ICS believes it is vital that a harmonized approach is developed and agreed by the Paris MoU in advance of the implementation date. These issues include:

- Whether – as ICS believes should be the case – the principal method of inspection will only involve looking at the bunker delivery note (BDN), with further sampling/analysis of fuel only normally taking place when examination of the BDN suggests clear grounds to suspect non-compliance, or when there is a previous history of non-compliance with MARPOL Annex VI;

- The procedures to be followed, with reference to applicable IMO Guidelines, in the event that sampling or analysis is undertaken during PSC inspections;

- The procedures that might be followed with respect to ships that transit an ECA without calling at a Port State located within an ECA;

- The extent to which a consistent approach will be shown with respect to any discretion for minor technical violations (e.g. those that might arise from fuel switching when a vessel enters an ECA) as opposed to deliberate use of the wrong grade of fuel, or with respect to any discretion that might be applied for a limited period after January 2015;

- And the criteria to be applied during PSC inspections with respect to alternative compliance measures such as Exhaust Gas Cleaning Systems ('scrubbers') or LNG.

Issues with respect to scrubbers that ICS believes require a harmonised approach include the acceptability of 'closed loop' and 'open loop' systems, and the extent to which overboard discharges will be subject to inspection by reference to the relevant IMO Guidelines.

It is hoped that the Paris MoU will give serious consideration to the issues raised by ICS at the next meeting of its Management Advisory Board, in order to provide clarity.

Council adopts updated rules for marine equipment

(Source: Council of the EU, 19th July 2014) The Council adopted a directive to regulate marine equipment to be placed on board EU ships.

The final adoption of the legislative act by the Council follows an agreement reached at first reading with the European Parliament earlier this year.

The regulation will enter into force 20 days after its publication in the EU Official Journal, which is expected to take place within the next few days. Member States will have two years from the directive's entry into force to adopt national provisions to comply with the directive.

What is the maritime equipment directive about?
While marine equipment is installed on board ships at the time of their construction or repair all over the world, EU countries must ensure that the equipment placed on board vessels flying their flag complies with international and European requirements. As proof of compliance a particular logo, the wheel mark, is affixed to the equipment. This is the maritime equivalent of the CE marking on, for example, household appliances.

Purpose of the update
EU marine equipment rules basically serve two objectives:

- to improve safety at sea and prevent maritime pollution through the uniform application of the requirements set by the International Maritime Organisation (IMO)
- to ensure the free movement of marine equipment within the EU.

The new directive - which replaces the old one from 1996 - enhances the implementation and enforcement of these rules. It aligns them with the new legislative framework for the marketing of goods within the EU. In addition, it clarifies and speeds up the enactment of changing international standards in European and national law. It reinforces market surveillance, conformity checking and the periodic updating of EU rules.

Can new rail operators survive in a monopolistic environment?

(Source: European Rail Freight Association, 18th July 2014) New entrant rail operators, represented by ERFA, are worried about the remonopolisation tendency in the railway market. The 4th Railway Package, proposed by the European Commission, intends to establish a level playing-field. Politics must bring forward this much needed rail reform in order to enable smaller and independent operators to contribute to rail growth. ERFA members, who represent 70 railway undertakings and 15,000 jobs, are increasingly facing discrimination due to unfair market conditions.

Today, the development of a sustainable railway system is held back by monopolistic rail operators, intent on maintaining their own dominant position. The barriers and discriminatory practices faced by ERFA members across Europe kill off much-needed dynamism, innovation and creativity in the rail sector. The barriers also undermine the wider interest of boosting growth and jobs across Europe.

The smaller rail transport operators need adequate conditions where they are not squeezed out and hindered by the incumbent rail operators. ERFA refuses to believe that domination by a handful of very powerful railway operators will benefit customers, passengers or the environment.

The 4th Railway Package establishes fair market conditions
The Governance Pillar of the 4th Railway Package removes the many discriminatory practices faced by the smaller players on the rail market and that are undermining their ability to invest in rail and grow.

ERFA supports the European Commission proposals of so-called Chinese walls guaranteeing transparent financial flows within holding structures, whereby the infrastructure owner and incumbent railway undertakings are under the same ownership. As long as a financial stake exists between the infrastructure manager and the incumbent railway undertaking, the infrastructure manager will continue to have an interest in awarding privileged treatment to the incumbent railway undertakings to the detriment of the other rail users and the whole rail system.

ERFA believes that the entity responsible for the management of the tracks should not have an interest in undermining or blocking other rail users, with which it has no direct financial ties. This type of treatment is unjustified and is sadly experienced by ERFA members across Europe, jeopardising the very existence of new entrants, deterring investment and going against all serious attempts to promote rail growth.

New entrants bring innovation and dynamism into the market
New entrants on the rail market, who by definition are not the big incumbent rail operators, drive forward the competitiveness of rail vis-à-vis the other modes. They offer new and innovative services for customers, invest in the rail network, and generate jobs across Europe.

Customers are rightly expecting to get the best services possible from all rail operators and the members of ERFA are keen to develop them. A healthy competition between incumbents and new entrants offers freedom of choice for customers and contribute to make the railway market more attractive for all.

Fair and reliable framework conditions are a prerequisite for investments in the sector. Allowing dominant players on the rail market to block smaller operators, thereby preventing the creation of new services, simply works against the wider interest of revitalizing rail in Europe.

Are EU politicians turning their backs on rail growth?
Despite the political rhetoric for more goods and people to be transported by rail, EU politicians are sitting back while the smaller and independent players on the rail market, who bring much needed growth, investment and innovation, are being squeezed out.

ERFA urges the European Parliament’s Transport Committee to maintain the pressure on the EU Member States to make progress on the political pillar of the 4th Railway Package. It is only via important reforms to the political pillar that open, democratic and transparent framework conditions for all players on the rail market can be secured.

ERFA reminds politicians that holding back rail’s potential is a gift to the more polluting modes of transport. ERFA calls on the EU Member States and the MEPs to seize the opportunity to secure a bright future for rail in Europe, which also serves the wider jobs, growth and sustainability agenda.

A sound balance between new emission standards and technical and economic feasibility is vital for inland navigation

(Source: European Barge Union, 22nd July 2014) In September 2013 the European Commission launched the renewed inland navigation support programme "NAIADES II". Part of this programme is the greening of the fleet for which currently a revision of Directive 97/68 on non-road mobile machinery (NRMM) is in preparation.

Inland waterway transport (IWT) is the most environmentally friendly mode of transport today. The sector is contributing to the European Strategy 2020 and climate targets.

The inland navigation industry, represented by EBU (European Barge Union) and ESO (European Skippers Organisation) encourages the greening of the fleet by installing new engines with the newest available technologies. However a sound balance between environmental protection and technical and economic feasibility must be kept in mind as the current NRMM revision is likely to be of highest economic importance for the sector in the next decades.

Current revision plans of Directive 97/68 on NRMM endanger IWT in EU

The sector is committed to achieve a much lower emission standard regarding NO_x and PM. A new emission regulation however needs to be based on realistic possibilities and guarantee a level playing field compared to other modalities covered by NRMM. EBU and ESO are concerned that overly ambitious emission limits could be detrimental to the viability of inland shipping. To set ambitious, but viable emission standards, the sector demands the alignment of large market engine standards e.g. with US EPA and IMO (similar standards as for the rail industry) rather than introducing isolated standards for inland vessels in Europe.

Applying global standard to new inland vessel engines will lead to

- a remarkable reduction of air pollutants compared to the actual situation (equalling 80% reduction of EURO VI in road transport, keeping the climate, accident and congestion advantages of IWT at the same time)
- the availability of engines for the industry at affordable prices.

EBU and ESO strongly oppose the introduction of a EURO VI standard for inland vessel engines due to the technical impossibility of the proposal which in fact would throw the inland shipping industry years back. It would be counterproductive and against the European Commission's aim to boost IWT and increase its share in the overall transport volume as proposed under NAIADES II.

The introduction of new standards and their support will largely depend on the availability of engines and the willingness of the engine manufacturers to invest in R&D and in a very limited market. The IWT sector is depending on the introduction of new engines and standardized after treatment solutions.

Conclusion

- IWT already has the lowest emission of CO2 compared to other modes of transport. Nevertheless the industry is committed to improve its environmental records regarding air pollutants.

- EBU and ESO therefore are committed to keep pace with new technologies and encourage the greening of the fleet by introducing truly international standards for new engines under the conditions as referred to.

- Given the high benefit of greening measures of the fleet for society all parties are expected to contribute to this development. Therefore the sector counts on the European Commission and the Member States to guarantee funding of engine renewal and after treatments systems.