ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

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CONTENTS

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ECG's campaign on harmonising loaded truck lengths – You can help us!

As the readers of ECG News will know, Directive 96/53/EC on Weights and Dimensions of Heavy Goods Vehicles is currently being reviewed by the European institutions.

Today most trucks are restricted to 18.75m in length when crossing borders between EU Member States, even if for specialised vehicle transporters the limit of allowed <u>loaded</u> length within most EU countries is significantly higher. Therefore, for more than a decade ECG has been campaigning for an EU-wide harmonised <u>loaded</u> length of at least 20.75m.

Finally, in April 2014 the European Parliament (EP) adopted amendments that would allow vehicle transporters to cross all internal borders with up to 20.75m <u>loaded</u> length, which could end the current patchwork of national regulations. It would also mean that new EU legislation could clearly differentiate between loaded and unloaded length (for vehicle transporters only), which is not the case today.

Discussions will continue as of September 2014, since the Council of Transport Ministers still needs to agree to the EP's amendments before any proposed changes can become law.

If you are able to speak for your company and willing to help by supporting the ECG campaign towards your national transport ministry, please contact Tom Antonissen, EU Affairs Adviser at ECG to discuss.

NEWS FROM BRUSSELS

The Bristol Port Company becomes ECG's member

(Source: ECG, 8th August 2014) ECG welcomes The Bristol Port Company among its members! Bristol Port is the UK's leading motor vehicle import facility handling up to 700,000 motor vehicles a year. One of the UK's major ports, Bristol is Britain's most centrally located deep sea port. Bristol Port occupies a unique position with direct, uncongested motorway access and a dedicated motor rail terminal making it the ideal location for cost-effective distribution throughout the UK. Land is available at the Port for storage compounds, PDI and finishing facilities.

Besides motor vehicles, the port handles containers, fresh produce, forest products and other goods. Bristol Port's motor vehicle trade has been awarded the International Quality Standard ISO 9002 and today the Company enjoys full certification to ISO 9001:2000. For more information, please visit the company's website http://www.bristolport.co.uk/ or contact Motor Vehicles Manager Tony Dent on +44 (0)117 982 0000 Tony.Dent@bristolport.co.uk

A future EU transport policy: ACEA priorities

(Source: ACEA, 4th August 2014) Efficient transport is the backbone of the EU's growth and competitiveness, and acts as the link between all other sectors. The European automobile industry is a global leader in supporting the transport of goods and the mobility of people through ongoing investments and innovation. Trucks and vans transport over 75% of freight transported over land (or about 90% of the value of all goods), and cars are responsible for 80% of passenger travel. The solutions the industry provides contribute to quality of life and economic growth. The industry is committed to continuing to shape future transport policy in a sustainable manner.

To read ACEA's publication on transport policy priorities, follow this link: *http://www.acea.be/publications/article/a-future-eu-transport-policy-acea-priorities*

AUTOMOTIVE INDUSTRY

Peugeot demonstrates that logistics is life and death in the car industry

(Source: Logistics Briefing, 5th August 2014) If any proof were needed the recent experience of PSA Peugeot Citroën is evidence that logistics is fundamental to profitability in the car industry. The French car manufacturer has staged a recovery from a near-death experience in 2012-13, recording a profit in the first half of this year. A big part of this revival has been an increase in the number of cars sold, however one of the other key drivers behind PSA's recovery has been a tighter grip on logistics. In particular, the company has taken hold of its stock of finished vehicles. This had reached disastrous proportions with, in 2012, the company having a stock of 225,000 vehicles unsold, excluding the 243,000 cars held at its dealerships. The impact of this on cash-flow alone was enormous, draining the company of liquidity and driving-up finance costs. Yet by June of this year finished vehicle stock had been cut to 170,000 vehicles although dealerships

still hold 236,000 cars. This resulted in an improvement in cash flow of €346m, a large part of an over €1bn improvement in the cash balance of the company. In addition, factory utilisation rates have increased from 72% in 2013 to 84% in 2014 hugely reducing the costs-per-car manufactured. PSA Peugeot Citroën also appears to be flexing its supply chain with a big shift in terms of ‘receivables and payables’ which is also having a highly beneficial effect on its cash-flow. This has been complemented by a focus on reducing in-bound inventory and ‘work-in-progress’. It is quite remarkable that PSA Peugeot Citroën had allowed itself to get into such a poor condition, but that it did is a reminder that not all vehicle manufacturers have the quality of operations that they might have. For almost two decades the car industry has been trying to manage finished vehicle inventory, yet despite its power to threaten the finances of even the largest companies some still seem incapable of imposing the basic discipline to not make cars they cannot sell.

Fiat shareholders approve Chrysler merger

(Source: Automotive News Europe, 1st August 2014) Fiat shareholders on 1st August approved the automaker’s merger with Chrysler in a move that seals the end of Fiat as an Italian company. Fiat, Italy’s largest manufacturer and a symbol of the country’s struggle to adapt to globalisation, is leaving home after 115 years. The new company arising from the merger, Fiat Chrysler Automobiles NV, will be incorporated under Dutch law, based in the UK and listed on the New York Stock Exchange. The merger will create the world’s seventh-largest automaker. “With (today’s) meeting begins the future of our company,” Chairman John Elkann, the grandson of late Fiat patriarch Gianni Agnelli, said at the start of the last shareholder meeting likely to be held in Italy. Fiat won the two thirds majority it needed for the merger. Around 8% of all Fiat shareholders voted against the move. Should all of them exercise their exit rights, the move could still fail, according to a condition set out as part of the merger. CEO Sergio Marchionne said after the vote that he is confident that the merger will get final approval despite resistance from some shareholders. Investors will receive one FCA share for each Fiat share they hold. Most will also be eligible for special voting shares, which will not be listed or traded. Investors who voted against the merger are entitled to cash exit rights of €7,727 per share. Should the total sum that needs to be paid for those rights to shareholders and creditors exceed €500m, the merger will fail, Fiat has said. Marchionne said he would try again to merge the two carmakers if that occurred, but the process would be much delayed. The creation of FCA will not lead to significant operational cost savings or synergies, Fiat has said, and failure to get the final OK for the tie-up would have little operational impact. Elkann told shareholders that the Agnelli family will remain committed to the carmaker. “I want to confirm my own and my family’s commitment to continue to support Fiat Chrysler Automobiles, even more so now that there are big opportunities on the horizon,” Elkann said, dismissing talk that the family wanted to sell down its stake. Earlier this year, Elkann had said that the birth of FCA will end the precarious life of Fiat. “For the first time we have a different perspective: we don’t need to play a game of survival,” he said. Industry watchers had expected Fiat to win a majority vote because its biggest shareholder, Exor, the holding company of Fiat’s founding family, owns an influential 30.04% stake. Elkann said that the People’s Bank of China owns 2% of Fiat Chrysler, making the Chinese central bank one of the group’s key investors. Fiat Chrysler Automobile’s cosmopolitan structure reflects an industry shift away from national champions like Fiat, which for decades prided itself on an Italian and Turin heritage. By combining resources with the US carmaker, the company formerly known as Fabbrica Italiana di Automobili Torino can better compete with heavyweights like General Motors, Volkswagen Group and Toyota Motor, Marchionne says. A brush with bankruptcy a decade ago proved the Italian focus was unsustainable. While Italy won’t be completely abandoned, it will become less central. The headquarters will move from a villa adjacent to Fiat’s iconic former Lingotto factory, which features an oval track on its roof and now houses

ECG Academy

Course 9 will commence in October 2014

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

Benefits:

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

For more information please contact info@ecgassociation.eu shops, a hotel and a theatre, in a sign that Italy can move on. The new location will be in Slough, England, until Fiat opens a London office by the end of the year. Milan will be relegated to a secondary listing for FCA's shares. To take the sting out of the shift, Marchionne plans to keep administration and information-technology functions in Turin. He's also vowed to keep all of Fiat's Italian factories open and rehire about 30,000 line workers, who are largely on furlough. To do that, he plans to build the compact Jeep Renegade as well as other models from the Chrysler brand in Italy. Fiat also intends to expand the upscale Alfa Romeo and Maserati nameplates to compete worldwide with the likes of BMW, Audi and Porsche. Still, the deal isn't a cure-all. FCA lacks a sizable presence in China and its Latin American operations are struggling.

Renault will build Fiat Scudo successor

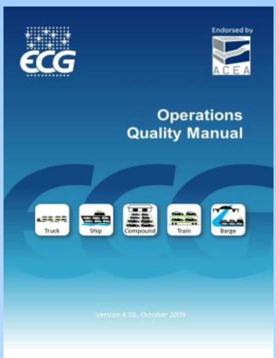
(Source: Automotive News Europe, 1st August 2014) Renault will build Fiat's replacement for its Scudo commercial van starting in 2016, taking over production of the model from PSA Peugeot-Citroën. The Fiat van will be produced in Sandouville, France, a Renault spokesman said. Renault has invested €230m to convert the Sandouville plant from a passenger car production facility into a van production centre. Sandouville currently builds Renault's Laguna mid-sized car and Espace minivan. Production of these models is being transferred to Douai, France. Renault is seeking to fully utilise Sandouville's capacity by producing vans in the plant, which builds the latest Renault Trafic van and the high-roof version of the Opel/Vauxhall Vivaro. Production of Nissan's Primastar/ NV300 van is being transferred from Nissan's factory in Barcelona to Sandouville to free capacity for a new Nissan compact hatchback. The Scudo successor will be based on the Trafic. "The agreement will help both companies save manufacturing costs and demonstrates how French plants remain competitive," the Renault spokesman told *Automotive News Europe*. PSA currently produces the Scudo for Fiat at its plant in Sevelnord, France. PSA opted not to continue its joint venture with Fiat in 2011 and entered into an alliance with Toyota instead for the production of Toyota ProAce, Citroën Jumpy and Peugeot Expert vans. Paris-based analysts Inovev forecasts that Renault will allocate 80,000 units of Sandouville's 150,000-unit annual production capacity for the Trafic and 9,000 units for the Nissan NV300. Renault will produce 30,000 units of the Scudo during its first full year of production. Vivaro output will account for less than 10% of the plant's production. Jamel Taganza, an analyst for Inovev, said only a few elements of the Scudo replacement, such as the front end or rear lights, could have a Fiat signature.

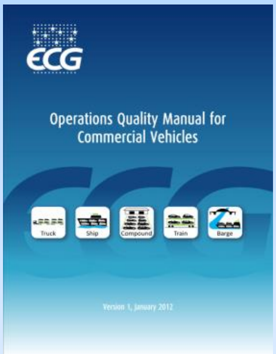
EUROPE

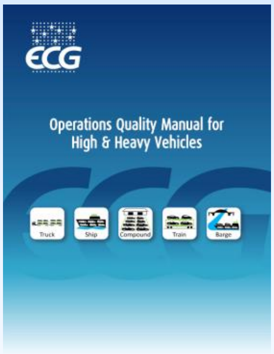
Vehicle numbers at Spanish ports return to pre-crisis levels

(Source: Automotive Logistics News, 5th August 2014) Automotive traffic at Spanish ports, which has been particularly badly hit by the country's economic difficulties in recent years, is finally beginning to show signs of exceeding previous growth. The **Port of Barcelona** and Santander have both reported healthy figures for the first five months of 2014. At the Mediterranean port of Barcelona, port authority president Mr Sixte Cambra noted that for the first five months of this year automotive traffic grew by 5% compared to 2013, with imports up 10% and exports up 14%. This latter figure is significant, given that Barcelona is now handling more outbound finished vehicles than it did before the start of the crisis. Forecasts for 2014 suggest that 750,000 finished vehicles will pass through the port, compared to 700,000 in 2013. To reflect the growing need to provide additional space for vehicles, the port authority has made available a further 200,000m^2 area on Princep d'Espanya Quay. The land, which was formally a container terminal operated by Tercat, is equipped with three berths. Significantly, this new operating area is close to the Darsena Sur area of the port, where

The ECG Operations Quality Manuals for PCs and LCVs, CVs and H&H are available on-line!







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

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finished vehicles are currently handled either by **Autoterminal** or **Setram**. The Tercat container terminal has since been moved to a new area at El Prat, freeing up this zone in the inner port. Barcelona now offers six berths capable of accommodating finished vehicles, of which four allow operations with deep-sea vessels. According to the port authority, this expansion of capacity will allow car carriers to be handled as part of the normal working day, which should help avoid additional costs. The northern Spanish port of Santander also finds itself with an affluence of finished vehicle traffic. Figures for the first five months of 2014 suggest that the port is on course to beat its all-time record – 325,164 units – established in 2005. In January-May 2005, for example, a total of 132,894 vehicles were handled, compared to the 155,127 units reported for the same period this year. Comparing the two periods, 2014 is showing growth of just below 26%. Indeed, the number of units already having passed through the port this year is already a record. In 2007, Santander had its second best ever year, handling 315,148 units. Traffic in 2011 was similar at 315,047 units, while 2013 generated 309,111 units.

Ukraine crisis slows Daimler's Russian growth

(Source: Automotive News Europe, 3rd August 2014) Daimler has seen booming growth in the Russian auto market weaken due to the Ukraine crisis, CEO Dieter Zetsche told *Bild am Sonntag* German newspaper. “The Russian economy was already in a difficult phase before the crisis and now it has been further impaired,” Zetsche was quoted as saying. “That has an effect on the Russian passenger vehicle market and also on Daimler.” Zetsche noted that “in the first half-year we made an increase of 20% in the Russian business and now the momentum is headed downward.” Sales of Daimler's Mercedes-Benz cars grew by 11% in June, according to the latest Russian car sales figures issued by the Moscow-based Association of European Businesses (AEB). Zetsche said the European Union's diplomatic efforts in Ukraine, including the sanctions, deserved support, even if they burden the economy. “The primacy of politics is very clear and the economy needs to orient itself to conditions set by the government, regardless of the direct consequences.” Germany, the EU's largest economy, has extensive trade ties with Russia but Chancellor Angela Merkel became a firm advocate of the tougher measures against Moscow after the downing of an airliner and the death of all 298 people on board last month in an area of eastern Ukraine controlled by the rebels. The International Monetary Fund (IMF) sees Russia's economy growing by a meagre 0.2% this year and has warned that Western sanctions could have a “chilling effect” on investment in the country, pushing it into economic isolation.

London-wide ban on HGVs without cycle-safe equipment comes a step closer

(Source: Commercial Motor, 29th July 2014) Transport for London (TfL) and London Councils have put their Safer Lorries Scheme out to consultation on 29th July, a move that could see HGVs without cyclist friendly equipment banned from the capital from early next year. The proposed ban would operate 24 hours a day, seven days a week, covering the same area as the London Low Emission Zone. To begin with, the scheme would be enforced by trained police or Driver and Vehicle Standards Agency (DVSA) officers - most probably via targeted checks around construction sites by the Industrial HGV Task Force, according to TfL. Offenders would be issued a £50 fixed penalty notice, which is a non-endorsable offence. However, if approved by the Department for Transport and London Boroughs, the scheme could be policed via a civil enforcement scheme within 18 months, with traffic wardens and CCTV cameras catching non-compliant vehicles. This method would see operators receiving a £130 penalty charge notice, reduced to £65 if paid within 14 days. Following a feasibility study published in January, the Safer Lorries Scheme (previously Safer Lorry Scheme) would require every vehicle over 3.5-tonnnes to be fitted with Class V and VI close-proximity mirrors, as well as side guards to protect cyclists being dragged under

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

the wheels. TfL estimates that vehicles can be retrofitted with side guards for around £500, with extended view mirrors costing £300 each. However, the Freight Transport Association (FTA) expressed concern earlier this year that a blanket ban on vehicles over 3.5 tonnes could see some larger vans and small lorries fall foul of other legislation if forced to fit additional mirrors, as their cabs are too low and would pose risks to pedestrians and cyclists. The Road Haulage Association (RHA) said it had also been in discussions about TfL's "insistence" that the requirements start at 3.5 tonnes rather than 7.5 tonnes. Ray Engley, RHA Head of technical services, added: "The industry has moved on since the original Construction and Use exemption for tipping vehicles, especially in London. Our primary concern is to ensure that the mirror and side guard requirements are practical and meet existing EU legislation. "£500 may be a bit optimistic for many side guards. £1,000 is more in the ball-park for many vehicles." However, in mitigation TfL's consultation document states that any vehicle whereby mirrors cannot be fitted at least 2m from the ground will be exempt, with a list of examples including Iveco Dailys, Mercedes-Benz Sprinters and VW Crafters. In addition, a small number of vehicles will remain exempt from requiring side guards according to Individual Vehicle Approval guidelines.

Bulgaria prepares transport infrastructure to meet increasing transport demands

(Source: Railway Pro, 28th July 2014) Transport and communications generate over 11% of Bulgaria's gross added value, the development of the sector being a key factor in the consolidation of international trade. Although there is still no stable trend of change in the freight and passenger railway transport, long-term prospects envisage an increase of freight transport following the improvement of economic and social conditions. Domestic cargo transport demand is relatively stable with a freight volume of 82 million tonnes/year representing 74% of the total transport demand ensured by roads and railways, shows the transport development strategy by 2020. The railway market becomes more and more competitive due to the foreign operators which are already operating in Bulgaria, leading to the improvement of the quality of services, cost cuts and creating the premises for shifting traffic from roads to railways. Also, the introduction of EU measures on road traffic (limiting travel time and freight volumes) will increase the attractiveness of railway transport. According to the estimates of the Transport Ministry, freight traffic performance (t-km) will increase by 0.05% per year and traffic is expected to increase by 2015 due to the complete liberalisation of the railway market in conformity with EU regulations. Intermodal transport development is a priority that provides new opportunities for creating a full logistics scheme. The ports of Varna, Burgas, Lom, Vidin and Oryahovo require modernisation works. At present, there are development opportunities for the Ro-Ro intermodal services (Danube ports Ruse-Iztok, Vidin and Silistra) and Black Sea ports (Varna and Burgas) and Ro-La services. The placing in service of the second bridge across the Danube and of the Bosporus Tunnel will significantly increase the volumes of combined transport. Transit freight traffic will be attracted from Asian countries such as Kazakhstan, Turkmenistan, South Caucasus and Russia through the ports of Varna and Burgas, as stated in the Partnership Agreement for 2014-2020. In order to meet the requirements, Bulgaria has launched terminal construction projects. A tender will be initiated in 2015 for the terminal in Ruse. Investments are estimated at €26m and the implementation will take two years. Regarding Plovdiv intermodal terminal, total costs are estimated at over €8m. The terminal will be put in service at the end of 2015. In May, the authorities signed the contract on the construction and supervision of the project which "connects different modes of transport which will help increase the efficiency of freight transit through Bulgaria. Road and railway infrastructure projects have to be correlated to determine Bulgaria's development. The geographical position of the new terminal has strategic importance due to the two European corridors which cross the region", declared Deputy Minister of Transport Petar Kirov upon signing the contract. Another intermodal terminal to

Events in Brussels

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

Green eMotion EU flagship project holds 'The Green eMotion electric rally:
A showcase of an interoperable e-mobility system' **on 18th September**
http://www.eurelectric.org/events/2014/green-emotion-electric-rally-to-brussels/

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

INEA holds the 2014 CEF Transport Info Day, on **9-10th October**
http://inea.ec.europa.eu/en/news__events/events/2014_cef_transport_info_day.htm

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

be built in 2015 is in Varna, located in the industrial area in the south of the city. It will provide sea, railway and road transport services, the project being approved for implementation within the investment programme "Sustainable development of regions" with an initial investment budget of €15m. A new approach will be considered for 2014-2020 in order to get European funds and a new scheme for the financing of freight transport services within TEN-T and the Connecting Europe Facility (CEF) will be presented. According to estimates, by 2020 railway traffic will concentrate on the routes of Dragoman-Burgas, Karnobat-Sindel, Dragoman-Svilengrad, Ruse-Varna, Vidin-Kulata, Sofia-Varna and Ruse-Stara Zagora railways, as railway transport is expected to become the carriers' mode of choice, especially on Sofia-Varna and Sofia-Burgas routes as road infrastructure is extremely busy and fuel costs are increasing. Railway infrastructure optimisation over the next years will stimulate the increase of railway freight volumes, as well as the number of passengers, on both internal and international routes.

ECG Note*: The next* ***ECG Eastern Regional Meeting*** *is set to take place in Sofia, upon the kind invitation of Bulgarian ECG-member* ***SPED S****, on Thursday 25th September. The ECG members and guests who regularly attend such meetings will soon receive a direct mailing with additional information and instructions on how to register. Should you be interested in attending this meeting in Sofia, or desire any additional information on the ECG Eastern Regional Meetings please contact tom.antonissen@ecgassociation.eu.*

REST OF THE WORLD

China says it will punish Audi and Chrysler for monopolistic behaviour

(Source: Automotive News Europe, 6th August 2014) China said it will punish Audi and Chrysler as well as some Japanese spare-parts makers for violating the country's anti-monopoly law. The National Development and Reform Commission (NDRC), responsible for enforcing rules against anti-competitive pricing, said on 6th August that it had found Chrysler in Shanghai and Audi in Hubei to be engaging in monopolistic behaviour. The government has also completed investigations into 12 Japanese auto-parts makers and will mete out punishment to those found to be breaking the anti-monopoly law, Li Pumin, spokesman of the NDRC, said at a press conference in Beijing. The NDRC did not identify the spare-part makers and did not say how many of them would be punished. China is intensifying efforts to bring companies into compliance with an anti-monopoly law enacted in 2008, having in recent years taken aim at industries as varied as milk powder and jewellery. A number of multinational companies including Mead Johnson Nutrition and Danone have been slapped with substantial fines following similar investigations in the past. In the latest anti-trust blitz, foreign companies that have been targeted include US chipmaker Qualcomm which last month Chinese officials labelled as monopolistic and therefore it is widely expected to get a heavy fine. Last week, investigators stormed Microsoft offices in four Chinese cities as part of an ongoing probe. The NDRC said this week that it is also conducting an investigation into Daimler's Mercedes-Benz.

Daimler starts shipping Fuso trucks from India to Indonesia

(Source: Automotive Logistics News, 5th August 2014) Daimler India Commercial Vehicles (DICV) and Mitsubishi Fuso Truck and Bus Corporation (MFTBC), both subsidiaries of parent company Daimler, have started shipping Fuso trucks to Indonesia from the DICV plant in Chennai. The company said it wanted to add momentum in a market where Fuso had already become the leading commercial vehicle brand with the introduction of new models that include the Canter series. In the five-year period from 2008 to 2012, MFTBC delivered a total of 263,000

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units in Indonesia marking Fuso as the number one CV brand in the market. The new models are based on the same technical Daimler Trucks product platform as the BharatBenz marque. This enables the production of both truck brands under one roof. The trucks are distributed in Indonesia by P.T. Krama Yudha Tiga Berlian Motors (KTB), in which MFTBC holds an 18% share. They are being moved from India to Indonesia by Nissan Motor Car Carriers. Fuso has a 45.4% share of Indonesia's commercial vehicle market and has sold more than 280,000 units in the country across the light-medium and heavy-duty segments. In the light-duty truck segment, which is served by the Colt Diesel, the company attained a market share of 53% in 2013. The new Fuso trucks are already distributed to Kenya, Sri Lanka, Zambia, Tanzania, Zimbabwe, Bangladesh, and Brunei. Plans to expand this distribution for 2014 include Thailand, Malaysia, Malawi, Mozambique, Mauritius and the Seychelles. The company said it is combining the strengths of MFTBC and DICV under the umbrella organisation of Daimler Trucks Asia. Through the Daimler Trucks Asia division the company plans to invest €300m in international sales and production structures between 2014 and 2018. It added that by 2020 around 290,000 units of the Fuso and BharatBenz brands would be sold worldwide.

Alabama port to develop finished vehicle terminal

(Source: Automotive Logistics News, 30th July 2014) The director of the Alabama State Port Authority, Jimmy Lyons, has revealed plans for the development of a $54m finished vehicle terminal at the Port of Mobile. The authority has secured the property already and is in talks with carmakers and vehicle processors. The initial project will see the development of a single berth facility with 40 hectares of land, with further plans for a second berth and an additional 80 hectares of land to be developed subject to demand. The first stage of the development is expected to be complete in approximately three years. "We are working on the financing of the project and so the plan is to start the construction process in between 12 and 24 months, with an approximate construction time of about 14 months," Lyons told *Automotive Logistics*. As well as exports from the carmakers with manufacturing locations in Alabama – mainly Mercedes-Benz as Honda, Hyundai and Toyota mainly cater for the domestic market – the development of a finished vehicle terminal at the port would provide another point of entry to the US for vehicles produced in Mexico and South America. Mexico was a big factor in the decision to build a vehicle terminal according to Lyons, who said the plan has been under consideration for some time. The move is expected to provide competition for the nearby ports of Brunswick and Jacksonville, as well as the land border with Mexico. The Port of Mobile does not have currently any vehicle shipments, mainly handling commodities and containers instead, but automotive production in Alabama is growing as are imports from Mexico. Lyons said the port had been investing an average of $65m to $70m each year in expanding the port's capabilities. It has paid $300m in the development of container handling and is currently building a pure intermodal container facility that will provide a rail link for onward transport trailers and containers, served by CSX. Lyons added that the port will be developing that rail infrastructure as well.

Report reveals challenges for freight forwarding

(Source: Port Technology, 1st August 2014) A new report from Transport Intelligence entitled 'Global Freight Forwarding 2014' revealed that a declining freight-forwarding market is facing major challenges as it battles to stay viable in a changing global environment. The report cited troubling capacity concerns in the sea- and air-freight markets, as well as manufacturers tending to focus on regional as opposed to global markets which in combination have resulted in changes to freight forwarding strategies and product solutions. The key dynamics cited for driving change in the freight forwarding sector are China no longer being the automatic choice in Asia for goods manufacture, given other emerging markets such as Africa, the Middle East, South America and southeast Asia; and the rise of near-sourcing markets such as Mexico and Turkey benefitting from

their proximity to the US and Europe respectively. The report also cited evidence of 're-shoring' of manufacturing to developed countries due to the changing balance of transport and labour costs. As a result of these trends, new trade lane opportunities are opening and are already evident among the top EU and US trade lanes by tonnage, which include the likes of Brazil, Algeria and Turkey. Along with the trade lane opportunities, new product solutions are also on the increase. These include multi-modal transport as an alternative to air and/or sea freight movement as well as industry-specific solutions particularly for those commodities requiring temperature-control management such as pharmaceuticals, foods and some high-tech goods. More worrying is that many freight forwarders are said to be struggling to cope with the changing dynamics. The more efficient are said to have adopted strategies which include a focus on emerging markets and specific industries. However, from a financial perspective, many are faltering because of fluctuating rates and capacity within the air and sea freight markets.

PRESS RELEASES

The Port of Barcelona consolidates traffic of VW-Seat-Audi

*(Source: **Port of Barcelona**, 7th August 2014)* The Port of Barcelona consolidates traffic of VW-Seat-Audi with an extension of the contract between **Flota Suardíaz** and VW Logistics for the units bound to the UK.

After several months of negotiations with Seat and Volkswagen Logistics, and thanks to improvements offered by Suardíaz, the committee of Volkswagen Group confirmed late last week the extension of the agreement. The contract, expiring by the end of the year, covers the transport of Seat and Audi units produced in the Martorell factory from the port of Barcelona to the British market.

Toyota entrusts to Groupe CAT 100% of its parts distribution in the French market

*(Source: **Groupe CAT**, 6th August 2014)* From 1st August 2014, Groupe CAT's Cargo Logistics Division (CAT LC) will manage the spare parts distribution for Toyota for the South of France. With this new contract completing previous ones, CAT now distributes 100% of the car maker's spare parts throughout France.

Starting 1st August 2014, CAT LC France takes charge of distributing Toyota spare parts for the South of France. This new contract represents an estimated annual volume of 350,000 additional packages that will be processed in the CAT network, for an expected annual revenue of several million euros.

CAT will take charge of Toyota flows from the logistics warehouse at Pouzin in the Ardèche, organising lines to the southern centres at Bordeaux, Cavaillon, Clermont Ferrand, Dijon, Lyon, Toulouse and Tours. The packages will then be routed to the 153 Toyota and Lexus dealerships, delivered on an overnight basis.

CAT has already been distributing Toyota spares for the North of France since January 2012, which represents 320,000 packages annually and several million euros in revenue. Since 2013, CAT has also been collecting inbound flows from Toyota suppliers for the whole of France.

It is CAT's strong performance and service quality in distribution that has convinced the car maker to entrust its distribution to the Group in the South of France. This means that CAT LC France will now be distributing all Toyota spare parts in France.

This new contract won by CAT LC France strengthens its activity and its positioning in the South of France. For CAT LC, the trust shown by a player emblematic of lean manufacturing, among the leaders in the automotive industry and the originator of most of the revolutionary "best practices" in the automotive world, confirms Groupe CAT's ability to meet the most demanding requirements

Groupe CAT "Cargo Logistics" division wins a major multi-year contract and opens a new logistics hub in north Paris

*(Source: **Groupe CAT**, 6th August 2014)* The French subsidiary of Groupe CAT's Cargo Logistics division has just won a major contract to distribute parts for one of the world's biggest car makers. This multi-year contract worth nearly €40m will come into effect on 20th October this year.

CAT will be providing cross-dock operations for its customer, including collection, dock transfer and customs administration for the entire north European region which includes 14 départements in northern France, as well as Belgium and the United Kingdom. These operations will be run from CAT LC France's brand new logistics hub which opens its doors in August, in the commune of Montsoult. This is a strategic logistics site as it is located along the main Paris orbital highway but far enough from Paris to ensure free-flowing traffic, with excellent access to strategic lines of communication for northern Europe.

The opening of this new hub represents an investment of over €1m for Groupe CAT. Some 30 people will be working at these new facilities including employees reassigned after the closure of old sites.

"This very important contract for LC France is the culmination of long preparatory work. It is a major step in the French subsidiary's business development, as automotive parts are an economically important market," explains Gaxan Castanos, Cargo Logistics Division Director at Groupe CAT. "It is a positive sign rewarding all the restructuring work done by all LC France teams."

Global shipping bodies issue Ebola virus advice

(Source: ICS, 4th August 2014) Three global shipping organisations issued guidance to their members on the risks posed to ships' crews calling in countries affected by the Ebola virus.

The ICS (International Chamber of Shipping), IMEC (International Maritime Employers' Council), and the ITF (International Transport Workers' Federation) urgently advise that on all such vessels:

1. The Master should ensure that the crew are aware of the risks, how the virus can be spread and how to reduce the risk.

2. The ISPS requirements on ensuring that unauthorised personnel do not board the vessel should be strictly enforced throughout the duration of the vessel being in port.

3. The Master should give careful consideration to granting any shore leave whilst in impacted ports.

4. The shipowner/operator should avoid making crew changes in the ports of an affected country.

5. After departure the crew should be aware of the symptoms and report any occurring symptoms immediately to the person in charge of medical care.

The advice is supplemented with information from the World Health Organization on the virus (available here www.who.int/mediacentre/factsheets/fs103/en).

A spokesperson for the three organisations commented: "Everyone is deeply concerned for those suffering from the Ebola epidemic and supportive of a co-ordinated world response to help them. We particularly applaud all those medical staff who are risking their lives to help. In the meantime we want to make sure that those in the world shipping industry play our part in ensuring the safety of crews visiting the affected countries, and minimising the risk of the virus spreading further."