ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

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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 loaded length within most EU countries is significantly higher. Therefore, for more than a decade ECG has been campaigning for an EU-wide harmonised loaded 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 loaded 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

Associated British Ports becomes ECG's member

(Source: ECG, 14th August 2014) ECG welcomes Associated British Ports (ABP) among its members! ABP is the UK's leading port operator, owning and operating 21 ports in the United Kingdom, handling 120 million tonnes of cargo per annum - nearly a quarter of total UK seaborne trade. ABP's 21 ports support 84,000 jobs and contribute £5.6bn to the economy every year. ABP has a track record of investing in automotive facilities at its ports. ABP's Port of Southampton has recently opened its fifth multi-deck car storage facility to handle the growing export trade for UK car manufacturers supplying deep sea markets. On the Humber, ABP's Port of Grimsby's position as the UK's foremost import car terminal was cemented by the opening of the £25m Grimsby River Terminal in September 2013. Together these ports handle more than 1 million vehicles a year. For more information, please visit ABP's website:
http://www.abports.co.uk/Home/

AUTOMOTIVE INDUSTRY

Recovery on track as car sales in Western Europe rise 5%

(Source: Automotive News Europe, 8th August 2014) Car sales in Western Europe grew by 5% in July to a little more than 1 million vehicles, bringing sales for the first seven months to 7.4 million units compared with 7 million in the same period last year, according to market researchers LMC Automotive. "Registrations remain on track for a solid full-year expansion for 2014, with further growth forecast in the next few years on the back of ongoing economic recovery," LMC analyst Jonathon Poskitt said in a report. Taking July's data into account, the Seasonally Adjusted Annualised Rate (SAAR), which forecasts the likely full-year sale volume, remains at 12.2 million units. Total Western European new car sales in 2013 were 11.5 million units. The German market picked up strongly last month, with sales up 7% to 270,249 units, with the selling rate calculated by LMC climbing toward 3.3 million units for the year – the strongest selling rate since February 2012. "Helped by a generally positive economic backdrop this year, the market is on course for a 3-4% improvement over 2013," Poskitt said. UK car sales also grew by 7% in July, to 172,907 units. Although the annual selling rate of 3.4 million eased slightly, the market looks to have fully recovered to pre-financial crisis levels, the analyst said. The Spanish market expanded for the 11th consecutive month, up 11% to 83,223 with sales continuing to be aided by the ongoing implementation of a scrappage incentive scheme. The selling rate indicates a full-year volume of 844,822 units, which would be an increase of 15% on last year. The Italian market was also higher, up 5% at 113,777, though the selling rate for July of 1.3 million units was weaker than for recent months. "The Italian government is considering new tax incentives to assist the car market there which, depending on the level of support, could rapidly improve the fortunes on this struggling market," Poskitt said. French registrations in July slipped back 4% to 143,777, partly because there was one fewer selling day in the month this year than last year. The annual selling rate of a bit more than 1.8 million units indicates that overall demand remains muted. Amongst smaller markets, strong monthly gains were recorded by Ireland (+62%, SAAR 101,057 units), Portugal (+31%, SAAR 146,738 units), Greece (+20%, SAAR 71,983 units), Luxembourg (+16%, SAAR 50,879 units) and Sweden (+13%, SAAR 307,498 units).

The summary of the report can be downloaded via the link below:
http://tinyurl.com/n59832o

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

Unions force VW to axe consultants in clash over cost cuts, report says

(Source: Automotive News Europe, 8th August 2014) Volkswagen's €5bn cost-savings plan hit a major setback after labour leaders forced management to axe McKinsey, the consultants working out the cuts, three sources with knowledge of the matter said. The move underlines how much relations between management and workers have soured at Europe's biggest carmaker, which is struggling to raise profits amid stagnating emerging markets and low growth at home. The cost-cutting target itself still stands, however, the sources said. Late last month, VW CEO Martin Winterkorn told employees he was looking for €5bn worth of efficiency gains at its core VW passenger-car brand by 2017, as VW seeks to close the profit gap with rivals. According to the sources, managers then commissioned McKinsey to help implement cost cuts at VW, a company at which employees enjoy multiyear job guarantees. Although plans were not yet at an advanced stage, labour representatives objected to the appointment of the management consulting firm, and demanded they be removed, sources said. VW had commissioned McKinsey without first consulting staff representatives, a step that the company's powerful works council felt ran counter to the spirit of co-determination between management and labour, said one of the sources who is familiar with the matter. "We know too well what the priorities of McKinsey are: They're preoccupied with cutting the headcount in production," the source further said. Labour leaders feared that McKinsey would oversee efficiency-boosting steps at the German plants in Kassel and Wolfsburg, the source said. Located in Lower Saxony, Wolfsburg is VW's biggest factory worldwide. It employs over 50,000 workers who assemble the Golf, Tiguan SUV and Touran MPV models. VW's works council chief Bernd Osterloh was concerned McKinsey would lead VW to unduly focus on lowering the headcount in production in Germany rather than reining in spending on research and development costs, which have surged 80% since 2010. VW labour leaders would also rather cut costs by reviewing the group's mega 310-model line-up with the goal of ceasing unprofitable models, the source said. Labour leaders have considerable clout at VW where, together with the State of Lower Saxony, they effectively control the supervisory board, or board of directors, the body which appoints members of the management board. The federal state's representatives often join forces with companies on its patch to protect local jobs. The clash forms part of a broader split between management and Osterloh, who warned that the cuts "will not be a walk in the park. It's already clear now that one or two issues will be particularly hard fought." In recent weeks Osterloh has underlined the importance of co-determination between labour and management when speaking at union gatherings held in German factories. "Contrary to most other companies, changes of major significance at VW are not simply announced. Workers at VW are not presented with a *fait accompli*, but in fact management walks up to workers and ties them in," he told workers at one recent assembly. Labour leaders have helped scupper cost cut plans in the past. Former VW Group CEO Bernd Pischetsrieder and former VW brand chief Wolfgang Bernhard – a former McKinsey consultant – were both effectively ousted after clashing with labour leaders over cost plans.

EUROPE

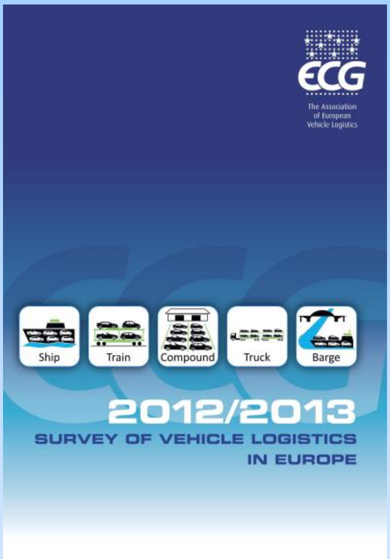
Duisport begins vehicle exports to China by rail

(Source: Automotive Logistics News, 12th August 2014) Trans Eurasia Logistics (TEL), a joint venture between **DB Schenker Rail** and Russian Railways (RZD), has started rail shipments of vehicles from the inland port of Duisburg in Germany, to Chongqing in China. German carmakers, including BMW, Mercedes-Benz and VW, are already using the service. The vehicles are being loaded into containers at Duisburg Intermodal Terminal, which is run by Duisburger Hafen, each carrying an average of 82 vehicles in 41 containers. One train loaded with

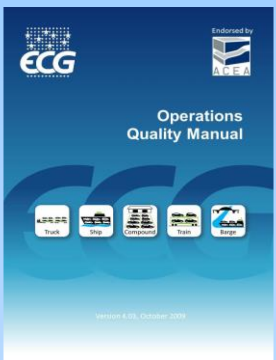
vehicles is leaving per week at the moment, though four trains run from the Duisburg terminal to China over that period carrying other freight, confirmed a spokesperson from DB Schenker. The journey time to Chongqing is expected to be around 17 days, roughly half the time it would take for ocean shipments. On the return leg the containers will be used to carry electronics and IT equipment, according to a spokesperson for Duisburger Hafen. As well as the rail service TEL is also responsible for local services at the terminal, including putting the vehicles in the containers. According to a statement from Duisburger Hafen close co-operation between Duisport and TEL have improved capacity utilisation on the outward journey to China. The commencement of the service follows a visit to Duisburg earlier in March this year by China's president Xi Jinping and the Minister for Trade, Gao Hucheng. President Xi is reported to have expressed an interest in an increase of exports between Germany and China during that visit. Back in July this year TEL started a weekly container service between Duisburg and Moscow.

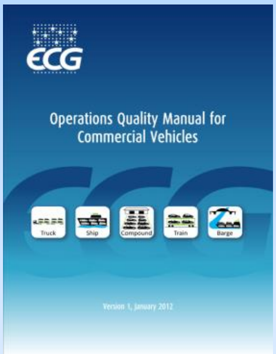
Russia to hit Ukraine auto industry with import duties

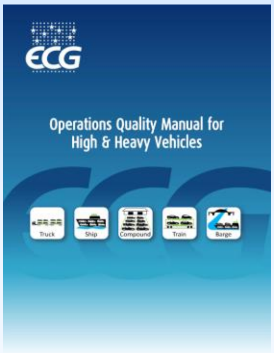
(Source: Automotive Logistics News, 8th August 2014) The Russian government has announced the implementation of customs duties on vehicles made in Ukraine, which, according to local analysts, could bring the two largest manufacturers in the country – ZAZ and Bogdan – to the brink of bankruptcy. Russian authorities have said that to protect its own carmakers it can no longer maintain duty-free trade with Ukraine, as the country has signed a free trade agreement with the European Union. The cancellation of duty-free trade applies not only to cars, but also to 130 different other products. It will be implemented against Ukraine, Moldova and Georgia. Ukrainian carmakers usually supply between 30-50% of all car exports to the Eurasian Customs Union (which includes Belarus and Kazakhstan) and the loss of the market is bad news for them. "There is no other word to describe the situation but a real catastrophe," said a source at the Bogdan Corporation who wished to remain anonymous. "In 2013, Bogdan already had to reduce exports to Russia by almost four times, and now the supplies will be stopped completely. During the first half of 2014 we faced losses of UAH 766m ($61m) – 14 times higher year on year – because we cannot sell the cars that we produce." Ukraine's Prime Minister, Arseni Yatsenyuk, has already raised concerns about the current situation and claimed that Ukrainian automakers need to quickly search for new markets. According to government estimations the losses to industry from the absence of supply to Russia will amount to $120m per year. Furthermore, industry analysts forecast that every fifth automotive company could be forced to stop operations within the next two years. "In the view of the possible import restrictions from Russia I call Ukrainian exporters to develop new markets," Yatsenyuk said at a recent meeting on the diversification of economy. "We need to diversify markets and the sources of industrial products, including in the car industry. If the restrictions are implemented, the volume of Ukraine's exports to Russia may decrease by $5bn per year, and we don't exclude the possibility of a full stop to any trade." He added that in 2013, despite the fall in exports, the volume sent to Russia amounted to 31% of all vehicle exports, equal to about $80m. "In general it is a bad news for Ukraine because the car industry will not only lose an important sales market, but it will also lose a large part of its investments," said Alexei Ostapenko, a member of the carmakers' association, Ukraine Automotive Industry. "Usually the car production facilities here target mostly the Russian market and the market of CIS, while the Ukrainian market itself is not very interesting to investors, especially taking into account the signed free trade agreement with the EU. That made imports more attractive than the localisation of production. I'm afraid most of the projects in the car industry will now be cancelled, or at least put on hold for a while".



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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Russia mulls ban on state purchase of Western cars

(Source: Automotive Purchasing, 12th August 2014) According to the Russian Legal Information Agency website, Russian car dealers have issued a response to Western sanctions by proposing a ban on state purchases of European and American car brands, even those assembled in Russia. The nationally distributed daily newspaper *Kommersant* is reporting that, by way of an alternative to Western badged vehicles, Russian public officials could use South Korean, Chinese or Russian cars. On 14th July the Government banned the state and municipal purchase of foreign equipment and machinery although the ban did not include those assembled in Russia. Many foreign car makers, including Volkswagen, Toyota, Ford and BMW, already assemble their key models in Russia. On 7th August Russia's Prime Minister Dmitry Medvedev announced that, if necessary, his country is willing to introduce protective measures in the auto industry, and in aircraft manufacturing and shipbuilding. Vladimir Popov, the boss of one of the leading Russian auto dealership holdings Favorit Motors, confirmed to *Kommersant* that companies are discussing "the best response, which could be a total ban on state purchases of vehicles from the countries that imposed sanctions against Russia," adding that the "seemingly easiest option, to ban all vehicle imports or increase tariffs, would result in the state losing a substantial amount of direct and indirect tax revenue." The restriction of state purchases, Popov believes, would reduce budget expenses and not affect the industry too much while individuals "should be allowed to buy whatever they want. The state could purchase South Korean, Chinese or Russian car brands," the dealer suggested. He estimates that "the measure would be quite efficient" because the share of Mercedes, BMW and Audis in corporate purchases is about 35%, with Toyota/Lexus not far behind the German brands.

It's time to tackle the driver shortage or face economic harm

(Source: Commercial Motor, 13th August 2014) The government must act now to combat the impending HGV driver shortage, or see the UK face significant economic consequences, according to delegates at a recent Road Haulage Association (RHA) roundtable. RHA Director of policy Jack Semple said it was imperative the government realised that UK growth could be significantly affected by a lack of new HGV drivers entering the sector "if it does not urgently move to provide targeted funding of HGV licence acquisition." With the Driver Certificate of Professional Competence (CPC) deadline (on 10th September) looming, RHA members spoke of agencies already unable to provide drivers for shifts, and smaller subcontractors having to park trucks during the summer holidays due to a lack of drivers, all of which could lead to pressure on wages. The timing of the Driver CPC deadline would also exacerbate the issue, said Robin Tate, Fleet and Facilities Manager at Yusen Logistics UK, as it comes into force as firms approach the Christmas peak. The latest Driver and Vehicle Standards Agency figures show that 44,937 category C+E and category C tests (combined) were taken in the year to March 2014. Of these, 23,905 were passed, however, as recently as in 2008/09, 86,826 tests were being taken (C+E and category C), with a combined pass rate of 39,220. Insufficient funding, poor industry image, a failure to interest young people in the industry, the length of training and the cost of licence acquisition were highlighted as the main barriers to attracting drivers into the sector. "How do we make the freight sector more attractive to young people?" asked Labour MP Rob Flello, Chairman of the All-Parliamentary Group on Freight Transport, who was taking part in the event. As funding is already available for A-level students attending college, he suggested he would call on the government to invest the same amount on students wanting to take vocational logistics training. However, Tony Mohan, Tactical Sales Manager at Bibby Distribution, said: "This suggestion is right, but it is a long-term solution. We need a two-pronged approach. How are we going to get over the issue of what happens in September? We need a solution for now." Semple added: "The government doesn't believe it should be paying simply for HGV licence

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

acquisition, even though that is clearly what the economy needs. It is time now for hauliers to make their views known to government."

REST OF THE WORLD

Audi will 'accept penalty' in China anti-monopoly probe

(Source: Automotive News Europe, 12th August 2014) An investigation by Chinese authorities found that Audi's dealer arm, FAW-Volkswagen Sales Co., had "violated national anti-monopoly laws," the automaker said in a statement. Audi will accept punishment from Chinese authorities for breaching anti-monopoly laws in the world's largest car market. The company said it and FAW-VW "closely co-operated with the investigation and will accept a penalty." The statement came after China's National Development and Reform Commission (NDRC), which polices violations of anti-monopoly law, said it had been investigating the sector – dominated by foreign companies and their joint ventures – for more than two years. It is the latest sweeping probe China has launched into alleged wrongdoings by foreign firms in multiple fields, among them pharmaceuticals, technology and baby milk. Audi parent Volkswagen Group set up the FAW-VW joint venture to manufacture Audis and other models. "Management processes in the sales and dealership structure are getting improved to prevent similar incidents in the future," according to the statement. The statement did not explicitly state that Audi acknowledged any wrongdoing. But it added: "Audi and FAW-Volkswagen attach great importance that all applicable antitrust and competition laws are adhered to." China's antitrust crackdown signals a new era of regulatory scrutiny in the country and threatens to end the days when products from Audi sedans to Starbucks lattes generate fatter profits in Beijing than in London or New York. In the past month, Chinese antitrust authorities pressured at least seven carmakers to cut prices and raided the offices of software maker Microsoft. The probes, combined with signs the government is shunning some US technology companies for security reasons, have left foreign businesses struggling to figure out the evolving laws and regulations in China. Those seeking to adapt face the challenge of interpreting vague rules in an economy that's no longer as reliant on foreign investment as in past decades. "We may be seeing a paradigm shift where the rules of the game are changing," said David Loevinger, former US Treasury Department Senior Co-ordinator for China Affairs. "Until people figure out the new rules it will create a much more uncertain business climate." Audi, BMW, Mercedes-Benz, Jaguar Land Rover, Chrysler, Toyota and Honda have announced price cuts of vehicles or spare parts since July in the wake of an investigation by the NDRC. The NDRC, China's main economic planner, takes primary responsibility for oversight of pricing and is one of three government bodies that enforce the nation's antitrust laws. An official at a global luxury-car maker in China, who asked not to be identified, said the government stepped up pressure on foreign automakers after state broadcaster China Central Television late last year criticised imported cars for being more expensive in China than in other markets. Chinese state media also pointed at how spare parts could trump the cost of a new car. For example, replacing all the parts of a Mercedes C-class sedan can cost 12 times the price of a brand new model, according to an April report by the Insurance Association of China and China Auto Maintenance & Repair Association. "There's a concerted effort on the part of multiple regulators in China to aggressively enforce the regulations," said Kent Kedl, Managing Director for Greater China and North Asia at Control Risks Group Holdings Ltd. "They are being much more aggressive now than we have ever seen." For Volkswagen, China is so profitable that its earnings there, along with those of Audi, generate all of its cash flow, according to estimates by Max Warburton, an analyst at Sanford C. Bernstein, in November.

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

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

BMW cuts spare-part prices in China amid antitrust investigation

(Source: Automotive News Europe, 8th August 2014) BMW joined Daimler's Mercedes-Benz unit and Volkswagen's Audi brand in reducing prices of spare parts in China amid an antitrust investigation into the auto industry. BMW cut prices on more than 2,000 components by an average of 20% starting 11th August, the automaker said in a statement on 7th August. The company also said its authorised dealerships will set up more outlets in large cities including Beijing and Shanghai to sell original parts to independent workshops to help provide consumers more choice. China, home to the world's largest auto market, is stepping up scrutiny over how much foreign automakers charge for vehicles and spare parts. The government began looking into possible antitrust violations in the auto industry at the end of 2011 as state media accused carmakers for inflating prices and overcharging consumers. "Recently, the National Development and Reform Commission's Price Supervision and Anti-Monopoly Bureau expressed great concerns over existing problems in the auto industry and after-sales service sector," BMW said in the statement. "BMW has been paying close attention and in response, is making the effort to bring down wholesale prices and promoting the flow of original parts." In the first seven months, BMW has cut prices on more than 3,300 pieces of original parts by an average of 15%, of which 108 products were cut by 20-50%, according to the statement. Antitrust officials in eastern Jiangsu province have begun investigations of Mercedes-Benz dealers in five cities including Suzhou and Wuxi, while Mercedes-Benz's Shanghai office was raided by local NDRC officials, NDRC spokesman Li Pumin said in a briefing in Beijing this week. The government will also soon punish Chrysler Group and Audi for engaging in monopolistic actions, he said. Daimler plans to cut spare-part prices for its Mercedes-Benz vehicles in China by an average of 15% starting next month, while Audi's Chinese joint venture said in late July that the brand would lower replacement costs of its parts by as much as 38% on 1st August. The NDRC is undertaking the investigation to protect the competitive order of the auto industry and to safeguard consumer interests, Li said at this week's briefing. The commission has completed an investigation into 12 Japanese companies and will soon announce the actions it will take, he said.

WTO rare earth ruling upheld against China

(Source: Automotive Purchasing, 8th August 2014) China has failed in its appeal at the World Trade Organisation over a ruling that its restrictions on exports of rare earths essential for automotive industry components and hi-tech electronics are unjustified. The original ruling resulted from a case brought by the USA, the EU and Japan to challenge China's export quotas for rare earth minerals or metals. China, which produces more than 90% of the world's rare earth minerals or metals, imposed strict export quotas in 2010, saying it was trying to curtail pollution and preserve resources. Prices soared by hundreds of percent, leading to the complaint to the WTO alleging that the restrictions gave Chinese companies a competitive edge in such products as hybrid car batteries, wind turbines and energy-efficient lighting. The WTO accepted the charge in March and ordered China to repeal the export limits. China appealed, but a WTO Appellate Body judgement rejected its case. As the conclusion, published on 7th August read: "China has not demonstrated that the export quotas that China applies to various forms of rare earths, tungsten and molybdenum by virtue of the series of measures at issue are justified." China's defeat at the WTO was widely expected after it lost a similar case over exports of other commodities and it will now be obliged to cancel its export quotas to abide by the WTO ruling. US Trade Representative Michael Froman said the ruling marked the "end of the line" for the dispute, while EU Trade Commissioner Karel de Gucht said he looked forward to China's swift compliance. "This ruling sends a clear signal that export restrictions cannot be used to protect or promote domestic industries at the expense of foreign competitors," de Gucht said in a statement. Demand for rare earths comes from a variety of industries, not least the automotive sector, where

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the likes of Toyota and Nissan use them for their hybrid and electric cars. Meanwhile, Blackberry and Apple need them for smartphones and tablet computers. China had argued that limits on exports of rare earths, as well as the metals tungsten and molybdenum, were needed to prevent over-mining and defended its policy as an essential part of China's sustainable development." China will carefully assess this ruling, continue to improve its management on resource-consuming products in a WTO-consistent manner, facilitate the protection of natural resources, and maintain fair competition with the objective of achieving sustainable development," China's Ministry of Commerce said in a statement.

Australian auto demise part of adapting

(Source: Automotive Purchasing, 13th August 2014) The near-wholesale collapse of Australia's motor industry is proof the nation is adapting into a 21st century economy that should be embraced, not resisted. The prophesy of doom for the Australian automotive sector was delivered by ANZ Bank chief Mike Smith, who told attendees at a Trans-Tasman business lunch in Melbourne this week that the future of Australia and the world would involve smaller and more nimble companies as we become more technologically driven. The question faced by Australia – whether to pay the price necessary to keep auto assembly plants, or let them disappear – is the same one many industrialised countries are grappling with. "You won't have these massive organisations in the way that you used to have them, they will be much more nimble and need to be more flexible," said Smith, who heads up the Australia and New Zealand Banking Group Limited (ANZ), the third largest bank by market capitalisation in Australia. The agriculture, education, medical research and even high value manufacturing - such as making racing car gearboxes - were areas in which Australia had an advantage, he said, insisting that confidence was starting to return in Australia post the mining investment boom. GM-owned Holden recently became the latest car manufacturer to announce it was going to pull out of making cars in Australia completely, joining Toyota and Ford in an exodus that has darkened the already gloomy outlook for the country's battered manufacturing sector. Tony Abbott, the country's Prime Minister, has made it clear to auto makers he is unwilling to subsidise big industrial businesses, even as he moves to cut a big tax on the mining sector. The ANZ CEO's comments come in the wake of the Business Council of Australia's recent blueprint - developed by McKinsey consultants - pushing for governments to support sectors that hold natural advantages, such as agriculture and resources. Smith's comments were criticised by the competition regulator ACCC's Chair, Rod Sims and some other industry groups for "picking winners". Smith said the document was well considered and said Australia should look to New Zealand's example in which its agricultural sector was thriving, through its free trade agreement with China. Meanwhile, the closures in the auto industry, which is estimated to employ more than 50,000 Australians, including parts manufacturers and other related businesses, will hit a part of Australia that is already battling industrial decline. The car companies are working with the government on trying to certify workers for skills used on the job before they are laid off in 2017, as well as retraining and financial advice. But David Smith of the Australian Manufacturing Workers' Union, which represents more than 100,000 people in various industries, said it won't be enough to absorb the blows, and they are lobbying the government to invest heavily into new industries that could replace it. He suggested Mr. Abbott's conservative government was guided by ideology when it played hardball with the auto makers, but had not fully contemplated what would take their place. "They just decided they didn't want an automotive industry in Australia. It's the first government in my lifetime, and I'm 56 years of age, that (would) put an ideology in front of automotive workers and their families," said Smith, who heads the union's vehicle division. "This is just a disaster waiting to happen."

PRESS RELEASES

ITF pledges support to UN High-Level Advisory Group on Sustainable Transport

(Source: International Transport Forum, 12th August 2014) The Secretary-General of the International Transport Forum (ITF) at the OECD, José Viegas, has welcomed the creation of a High-Level Advisory Group on Sustainable Transport by UN Secretary-General Ban Ki-moon and pledged to support the work of the new body.

The creation of the Advisory Group was announced by the UN on 8th August. It will consist of twelve leading representatives of the transport sector and is mandated to provide Secretary-General Ban Ki-moon with recommendations on sustainable transport actionable on global, national, local and sector levels over the next three years.

“The creation of the UN High-Level Advisory Group on Sustainable Transport constitutes an important step towards focusing on transport as a priority building block for sustainable development,” said Viegas. “More than 40 years after the first oil crisis of 1973 and more than 20 years after global warming became a household word, transport is still 97% dependent on fossil fuels and produces almost 25% of man-made carbon emissions. The time has come to end this, because it is simply unsustainable.”

Viegas added that rapid urbanisation also required action in the transport arena to ensure the dramatic growth of cities in the coming decades remains sustainable: “Where efficient urban mobility systems provide good access, growing cities can be places of opportunity and motors of economic growth. Without it, they are prone to become poverty traps and even places of squalor. The choice is ours, and we face it now.”

“The International Transport Forum, which brings together the ministers with responsibility for transport of 54 countries, is prepared to support the High-Level Advisory Group in whatever ways it can,” Viegas said. “Sustainability will be an important theme at ITF’s Annual Summit of Transport Ministers in May 2015 in Leipzig, Germany. And we are confident that our analytical work, such as the annual ITF Transport Outlook, can provide valuable substantive input for the development of the group’s recommendations.”

“The ITF is delighted that Olof Persson, CEO of Volvo Group and distinguished member of the ITF Corporate Partnership Board, has been named a Co-Chair of the High-Level Group, and that many other distinguished personalities closely associated with the ITF will serve as members. The International Transport Forum wishes the work of the High-Level Group on Sustainable Transport every success in its endeavours.”