ECG News

ECG – The Association of European Vehicle Logistics

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ECG - The Association of European Vehicle Logistics, Diamant Building, Bd. Reyers 80, 1030 Brussels

Tel: +32-2-706- 8250, info@ecgassociation.eu; www.ecgassociation.eu

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

Scandinavian Auto Logistics becomes ECG's new member

(Source: ECG, 29th August 2014) ECG welcomes Scandinavian Auto Logistics (SAL) among its members! Since its establishment in 1999, SAL has become one of the Scandinavian and Danish markets leading Logistic Service Providers. The company offers integrated logistics management, handling and distribution systems from manufacturers to their customers worldwide, not only for cars but also for high and heavy equipment. SAL operates a 70,000m^2 fully fenced and monitored car terminal, PDI and PDS facilities, where vehicles are being serviced or technically processed prior to delivery to the car dealer. For more information, please visit the company's website: http://www.autologistics.dk/

Commission clears joint venture between Constellium and Tri-Arrows in automotive supply sector

(Source: European Commission, 27th August 2014) The European Commission has approved under the EU Merger Regulation the creation of the joint venture Quiver Ventures LLC by Tri-Arrows Aluminum Holding Inc., both of the US, and Constellium N.V. of the Netherlands. Quiver Ventures, based in Kentucky (United States), will manufacture aluminium flat-rolled products for automotive body-in-white (the stage in automotive design or automobile manufacturing in which a car body's sheet metal components have been welded together but before moving parts, the motor chassis sub-assemblies, or trim have been added and before painting), supplying finished products to automotive original equipment manufacturers in Canada, the US and Mexico. Constellium manufactures rolled and extruded aluminium and related products. Tri-Arrows manufactures and sells rolled aluminium can sheets in the US. The Commission concluded that the proposed acquisition would not raise competition concerns because Quiver Ventures will have no foreseeable activities within the European Economic Area (EEA). The transaction was examined under the simplified merger review procedure.

AUTOMOTIVE INDUSTRY

Fiat clears Chrysler merger hurdle

(Source: Automotive News Europe, 29th August 2014) Fiat will spend less than the limit the carmaker set to buy shares from investors who opted to sell ahead of its merger with Chrysler Group, clearing a key hurdle before the deal can close. Based on a preliminary tally, the total will not exceed the €500m Fiat allotted, the company said on 29th August in a statement. Had the amount exceeded the company's cap, the deal would have been delayed. "I am delighted with these results," Fiat Chairman John Elkann said in the statement. "We are now looking forward to the completion of this project." Fiat-Chrysler CEO Sergio Marchionne said: "I am reassured by the fact that the vast majority of our equity holders have remained loyal and committed shareholders." He said investor support is "of crucial importance as we embark on the execution phase, which will dramatically improve the market positioning of our group." Fiat shareholders have the right under Italian law to sell their shares because Fiat is moving its registered offices away from Italy. The company said it was finishing a count of the number of shares for which cash exit rights had been validly exercised and would give final details by 4th September. Fiat said the merger is on track to close by the middle of October as planned. After shareholders approved the merger on 1st August, investors opposing the plan were allowed to the sell their stock to Fiat at €7.727 per share. Fiat is combining with Chrysler to create what the company estimates is the world's seventh-largest automaker as it seeks to better compete with heavyweights including General Motors, Volkswagen and Toyota. The new entity,

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

Fiat Chrysler Automobiles NV, will have its head office in London and its main stock listing in New York.

Russia pledges to resume car scrappage scheme

(Source: Automotive News Europe, 28th August 2014) The Russian government will earmark 10bn roubles (€207m) to fund incentives for new vehicle purchases this year, the industry minister said on 28th August, offering long-awaited relief for the crisis-hit auto market. The scheme, which will begin on 1st September and run through to the end of the year, is expected to subsidise the sale of more than 170,000 passenger and light commercial vehicles, buses and trucks, Industry Minister Denis Manturov told reporters. Under the scheme, buyers of new passenger cars will be eligible for a discount of at least 40,000 roubles (825 euros) when scrapping their old vehicles, while the discount for commercial vehicles will start at 350,000 roubles. Russia's last state-backed scrappage program in 2010 offered consumers cash incentives for trading in vehicles that were more than 10 years old. Car sales have tumbled in Russia this year as economic growth has slowed, causing people to put off large purchases. Consumer sentiment has come under further pressure because of Western sanctions over the crisis in Ukraine. The Association of European Businesses (AEB) lobby group slashed its forecast for Russian car sales and said it expected a 12% drop this year to 2.45 million vehicles, having previously forecast a decline of just 1.6%.

GM reviews timing of Russia plant expansion

(Source: Automotive News Europe, 22nd August 2014) General Motors is reviewing the timing of the expansion of its Russian plant near St. Petersburg because of a slump in the country's auto market. GM opened the $300m factory in 2008 and planned to launch the second stage in 2015. The plant currently builds Chevrolet Cruze, Opel Astra, and Chevrolet Trailblazer models. "In view of the current business situation in Russia and the lower sales volumes since the start of the year, we are taking a close look at our plans. As part of this, we are also reviewing the timing of our expansion plans at the GM Auto Plant in St. Petersburg," a GM spokesman said on 22nd August. The company has not disclosed which models the second stage of the plant would produce. In 2012, GM laid out plans to raise annual production capacity in St. Petersburg to 230,000 vehicles by next year. On 21st August, GM said it was to reduce production at the plant to four days a month in August and September, extending to eight in October. Car sales have faltered in Russia this year as economic growth has slowed, causing people to put off large purchases. Consumer sentiment has come under further pressure because of Western sanctions over the crisis in Ukraine. Seven-month car and light-vehicle sales dropped 10% to 1.41 million from a year earlier, including a 23% plunge in July. Seven-month deliveries by GM's Chevrolet brand slipped 23% to 73,749 vehicles, while sales by GM's Opel division dropped 17% to 38,440 cars, according to figures compiled by the Association of European Businesses in Russia. Besides GM, other Western automakers, which have invested in a country that's soon expected to pass Germany as Europe's biggest car market, are reducing production and lowering forecasts. Ford Motor wrote down its entire $329m investment in its Russian joint venture with Sollers in the second quarter after outlining plans in April to eliminate 950 positions at two of the partnership's plants. Renault, which shares control of AvtoVAZ, Russia's largest carmaker, said last month that the full-year contraction in the country's auto market may exceed a predicted 10% drop.

AvtoVAZ to trim Lada production

(Source: Automotive Purchasing, 26th August 2014) In the face of slumping sales deepening across the Russian automotive sector, the country's carmaker AvtoVAZ has announced its plan to cut factory output of its Lada brand cars. "Because of the decrease in sales of all cars in the Russian market, and in order

to better manage inventory levels, AvtoVAZ made a decision to reduce production of Lada cars in September, October and November for a total amount of 25,000," the company said in a statement. The rapid decline in Russian new car sales prompted the AEB trading group to forecast the market would dip up to 13% this year, after sales fell 17% in June and 23% in July. Lada sales last month took an even deeper hit, with a 25% decrease. The company's new CEO Bo Andersson, brought in by AvtoVAZ's Renault-Nissan alliance boss Carlos Ghosn to turn around the fortunes of the Lada brand, has reaffirmed his resolve to restore sales, hit hard by competition from Western brands. In July this year, Andersson, a former top purchasing manager at General Motors, responding to questions around boosting Lada's market share in Russia to 20% by 2016, said that "last year, our market share was 16%, and for the first half we are already at more than 17%. We are working on three core themes for future growth. First, we are improving the quality of our current models. Second, we will soon bring out interesting derivatives of these models, such as a crossover version of the Kalina. And we are introducing three entirely new cars starting in September 2015." The Renault-Nissan alliance says the company only built 47,100 Ladas and 12,100 Renault and Nissan cars in July. Lada, the best-selling auto brand in Russia, saw its sales going down by 16% to 220,822 units during the first seven months of 2014. Also, according to ASM-Holding, seven-month production at AvtoVAZ was of 213,700 Lada vehicles and 51,800 Renault and Nissan autos (the latter up from 20,800 units last year).

GWM's Tula plant foundation-laying ceremony held

(Source: Automotive Purchasing, 26th August 2014) Chinese private automaker Great Wall Motors (GWM) has held the foundation-laying ceremony of its new plant in Russia's Tula region. The attendees of the ceremony, held at the GWM site at the Uzlovaya Industrial Park, Tula Oblast, included Vladimir Gruzdev, Governor of Tula Oblast, and Denis V. Tikhanov, Vice-Chairman of the Government of Tula Oblast, who were joined by the partner's representatives from local enterprises. Gruzdev said that the regional government plans to purchase Chinese cars made by the GWM, adding that the localised enterprise would build China-designed cars from scratch, not merely assemble them. "This company brings in the most advanced technology. Tula regional government promises to buy these cars," *Interfax* news agency quoted Gruzdev as saying. Sources said the project is exclusively funded by GWM with a total investment of some 18bn roubles and a total area of 2.16 million m^2. The vehicle plant will be constructed in two phases, and Phase 1 has a proposed investment of 12bn roubles. The plant's planned output will reach 150,000 units a year at full capacity. This is the Chinese automaker's first vehicle plant covering four production processes in Russia as well as GWM's first overseas all-process vehicle plant. As Europe's second-largest auto market, Russia has broad development prospects with light vehicle sales of 2.78 million units in 2013. The plant enjoys superior location, convenient transportation, favourable logistics conditions and rich labour resources. According to sources, as one of GWM's earliest overseas markets as well as its important export destination, Russia has contributed exports of over 60,000 units and a market inventory of over 100,000 units to GWM in recent three years. In 2013, GWM exported over 20,000 units to Russia. Building a plant in Russia for localised production can effectively reduce GWM's production cost and enhance its product competitiveness.

EUROPE

DFDS mulls further schedule changes due to Russian embargo

(Source: Lloyd's Loading List, 27th August 2014) **DFDS** is mulling further changes to its Ro-Ro shipping schedules in light of the Russian embargo on EU and US food imports that came into effect on 7th August. In May this year, the Danish ferry

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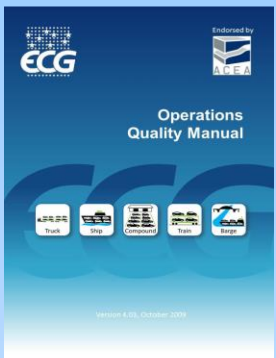

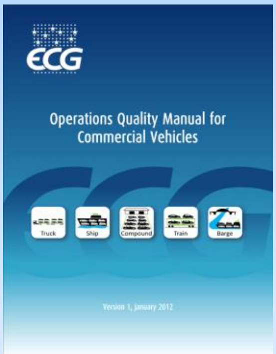

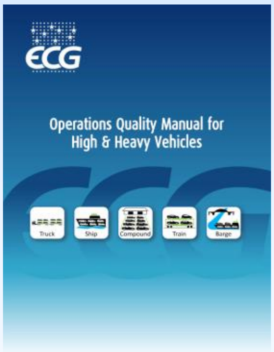

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

For comments or inquiries please contact: info@ecgassociation.eu
T: +32 2 706 82 80

operator had introduced a number of measures to re-allocate shipping capacity on its Baltic Sea routes in response to Russia's ban on meat imports at the end of January, which had triggered a reduction in Russian bound reefers. DFDS cut its Germany-Russia service from two to one-ship operation from the beginning of June 2014. It compensated by opening a new route between Travemünde, in Northern Germany and Klaipeda, in Lithuania for unaccompanied trailers and other cargo. Russia's wider ban on food imports has left DFDS "currently evaluating if further measures to adapt routes and shipping capacity to the new market situation (in the Baltic) are required". At a recent conference call on the group's Q2 results, DFDS' president and CEO Niels Smedegaard said two of the group's six Baltic Sea routes had been impacted by the meat import ban and the general Ukrainian conflict. "So far we have fairly low visibility of the impact of the latest Russian sanctions. We do have some tools to partly mitigate the impact but expect within the next two to four weeks to see how this will actually pan out," Smedegaard said.

Boris Johnson slams drivers' hours rules

(Source: Commercial Motor, 21st August 2014) Mayor of London Boris Johnson has singled out the drivers' hours rules as the type of EU law that he believes curbs small businesses and economic growth in the UK. In a speech earlier this month, which came as Johnson outlined his plans to run as an MP in the elections next year, he described the drivers' hours rules as "over-prescriptive" and read a brief summary of the law. "You can see how [drivers' hours rules] might work for big haulage firms with big HR departments and a big cost base. But how is it supposed to help a two-man start-up in Bexley that is trying to take on the big boys?" he asked. "How are we supposed to solve the construction boom in London and get small firms coming to the market when we have regulations like that?" Johnson stressed. In response, James Hookham, MD of policy at the Freight Transport Association, said: "This use of the drivers' hours rules for political purposes is disingenuous when compared with the other recent actions the mayor has taken on truck safety," he said. "This is the same mayor of London who has routinely scapegoated truck drivers over the numbers of collisions involving cyclists. The same mayor of London who only two weeks ago consulted on further regulations for Bexley builders and all their colleagues in the construction sector by proposing a Safer Lorries Scheme that requires trucks to be retro-fitted with additional equipment." He added: "The same mayor of London who went to Brussels earlier this year to campaign with cyclists in the European Parliament for the redesign of truck cabs to improve visibility." Hookham also pointed out that Johnson had used the term EU driving regulations in his speech when he actually meant drivers' hours.

Sustainable shipping is making waves

(Source: The Guardian, 1st August 2014) Shipping is by far the world's most efficient form of transport but, because more than 90% of the world's traded goods travel by sea, it still has a major environmental impact. "Shipping is a big sector. There are 100,000 ships that account for 3% of greenhouse gas emissions. In GDP terms, shipping would be the sixth largest country in the world," says Peter Boyd, Chief Operating Officer of Carbon War Room, an organisation that encourages businesses to reduce their carbon emissions. And because ship engines are powered by heavy fuel oil (HFO), the most polluting form of fuel, their contribution to global pollution is considerable. "One ship emits the equivalent of 50m cars' worth of sulphur dioxide (SO_2) emissions and just 15 ships emit the equivalent SO_2 emissions of every car in the world," Boyd says. As a result, the shipping industry is increasingly aware of the need to act. "There have been a lot of changes in the industry over the past eight to 10 years, particularly in relation to regulations," says Alastair Fischbacher, Director of the Sustainable Shipping Initiative (SSI). Most pressing, says Jim Brown, marketing development manager, marine, for AkzoNobel, which makes coatings for ship hulls, is the International Maritime Organisation's Marpol Annex VI regulation,

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 October (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

which will reduce sulphur emissions in key Emission Control Areas (ECAs): the North Sea, Baltic Sea, most of the US and Canadian coastline, and the US Caribbean. "From 1st January 2015, ships transiting ECAs will have to burn fuel oil with a sulphur content of no more that 0.1%." Ships will either have to use cleaner distillate fuels, which are at least $300 (£177) per tonne more expensive than heavy fuel oil, or install expensive scrubbers to remove the sulphur dioxide from the emissions. Brown points out: "Clearly, either of those options will have a significant financial impact. For a shipping company or cruise line that spends nearly 100% of its time in an ECA and burns 10,000 tonnes of fuel a year, switching to distillates could cost an additional $3m – $4m a year." The industry is therefore heavily focused on reducing the amount of fuel ships burn. However, says Fischbacher, "that is just part of the puzzle. People are recognising opportunities for leadership, to set new standards and live up to them." On top of this, ship owners are facing increasing pressure from charterers who are looking to make their supply chains greener. There are huge opportunities for savings, says Boyd, but there is a lack of information. The Carbon War Room is addressing this issue with an A-G energy rating scheme for ships similar to that for household appliances. There are also more specialised indices, such as the Environmental Ship Index, the World Ports Climate Initiative, and the Clean Cargo Working Group, which focuses on container vessels. Another problem is split incentives. The cargo owner, rather than the ship owner, pays about 70% of the fuel costs, cutting the incentive for owners to implement efficiency measures, Boyd adds. The Carbon War Room is addressing this by "encouraging the demand side to care", says Boyd. Companies such as Cargill, Huntsman and Chinese oil trader Unipec – some of the world's biggest charterers – have said they do not want their goods shipped on F- and G-rated ships. Moves like this encourage owners to implement technological solutions. These range from a return to the power of the wind through companies such as Skysails, to the increased use of telemetry to track ships. Other practical steps include greater communications between ship and shore, and changes in routes or speed to take account of factors such as weather patterns and queuing times at ports – there's no point steaming at full speed to a port where there is a week's wait to unload cargoes, for example. Yet since the financial crisis, the industry's traditional sources of finance have become more risk-averse and the funds to make changes have become harder to find. To accelerate the adoption of new technologies – and get over the split incentives issue – the SSI is developing a Save As You Sail initiative. Under Save As You Sail, "capital providers looking to make a return will pay to retrofit a ship, the ship owner gets a free piece of fuel-saving kit, the charterer gets lower fuel bills from day one and once the financier has got his money back, the savings are even higher," says Boyd. One of the most effective and widely used technologies is also one of the simplest: a coat of paint. Biocide-free paint, which keeps hulls free of marine organisms, can improve the hydrodynamics of the ship. The impacts are spectacular, according to Boyd. "The best paints in the world are five times as expensive as normal anti-fouling paint, but they pay back their investment in 10 months," he says. This is because they improve fuel efficiency by 9%. However, 95% of the industry still uses biocidal paints. If the tanker and bulk cargo industry switched to biocide-free paint, it could cut fuel use by 16m tons and save up to $8.8bn per year, Brown says.

REST OF THE WORLD

GM, Ford, Toyota and VW among automakers hit by antitrust penalties in India

(Source: Automotive News Europe, 26th August 2014) India's antitrust regulator fined 14 carmakers a combined 25.4bn rupees ($420m) for stifling competition in the market for spare parts. Among the companies fined were the local units of

Events in Brussels

ÖGB and AK Europa organise the panel discussion 'Who advises the European Commission?'
on **8th September**

The European Commission organises the European Mobility Week between **16th and 22nd September**
http://www.mobilityweek.eu/home/

European Voice holds an international conference on 'Vehicle connectivity', on **18th September**
http://tinyurl.com/kun5cuz

Green eMotion EU flagship project holds 'The Green eMotion electric rally:
A showcase of an interoperable e-mobility system' **on 18th September**
http://tinyurl.com/p36ljxx

EARPA holds its 2014 Conference **on 1st October**
http://tinyurl.com/lhqvtsz
ECG will attend

The 4th IRU/EU Road Transport Conference will be held on **9th October**
http://www.iru.org/en_4thirueu
ECG will attend

HIT Rail organises 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://tinyurl.com/kp8m7bd

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

General Motors, Ford Motor, Toyota, Volkswagen, Fiat, Nissan, BMW and Daimler's Mercedes-Benz. The fines were equivalent to 2% of the carmakers' three-year average revenue in India, according to a Competition Commission of India (CCI) order dated 25th August. The regulator also ordered the companies to provide spare parts and diagnostic tools to independent garages, and honour warranties on cars repaired by them after mark-ups reached as high as 4,817%. "The car companies charged arbitrary and high prices for their spare parts" through their monopolistic control, the commission said in a statement. Car companies were also found to be "distorting fair competition" by using their dominant position to protect their market for repair services, it said. The commission found that carmakers were able to charge high prices by providing spare parts only to authorised repair shops. Fiat's mark-up for components ranged from 19.9% to 4,817%, according to the commission. The restrictions have limited the full potential of the independent repair shops "at the cost of the consumers, service providers and dealers," the commission said in the statement. The carmakers' behaviour is "even more deplorable" considering they had committed to consumer-friendly practices in Europe, the regulator said. Tata Motors drew the highest fine at 13.5bn rupees, while Honda's local unit was fined 784m rupees, the most for a foreign brand. Other companies that were fined included Volkswagen Group's Skoda, Hindustan Motors, Mahindra & Mahindra and Maruti Suzuki. In a statement, Ford's India unit said it was reviewing the order and its implications, adding that the company had been working to enhance the availability of parts. A Tata Motors spokeswoman also said the company would study the CCI order before making any comment. Mahindra & Mahindra said it planned to appeal the watchdog's order. A Honda executive in India was not available for a comment, while a Maruti spokesman declined to comment. The Indian penalties come after a similar investigation by Chinese authorities. At least eight carmakers have recently lowered prices in response to a probe by China's National Development and Reform Commission. "Regulators are getting more aggressive in emerging markets, which is logically the right thing to do as the markets reach a certain threshold," said Deepesh Rathore, director at Emerging Markets Automotive Advisors in Delhi. China's NDRC last week found a dozen Japanese auto parts makers guilty of price fixing and levied the biggest antitrust fines since relevant rules went into effect six years ago.

VW joint venture under scrutiny in China

(Source: Automotive Purchasing, 26th August 2014) According to reports on 26th August, China's anti-corruption agency says it is investigating one current and one former manager at Volkswagen's main joint venture in China. China and the US conduct in-depth discussions on the issue of anti-corruption at the Senior Officials' Meeting of the Asia-Pacific Economic Co-operation (APEC), and have expressed willingness to fight corruption together under the framework of a co-operative network. The Central Commission for Discipline Inspection said it is investigating a former deputy general manager of First Auto Works-Volkswagen and a deputy manager of the venture's Audi division. The *Associated Press* says the one-sentence statement said the two, identified as Li Wu and Zhou Chun, are suspected of "serious violations" but gave no other details. FAW-Volkswagen is a joint venture between the German automaker and state-owned FAW Group Corp. Phone calls to FAW and to VW spokespeople were not answered. Speaking at a press conference at the APEC gathering, Robert Wang, US Senior Official for APEC noted: "Fighting corruption has always been high on APEC's agenda, but the amount of attention the issue has received this year surpasses every year in the past, and China has demonstrated leadership with regard to the issue." According to numbers released by China's central bank in 2011, corrupt Chinese officials who had fled the country had taken over 800bn yuan (about $120bn) overseas since the 1990s, presenting a huge challenge to the Chinese government in hunting the black sheep and retrieving the money.

ECG Office

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

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

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

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

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

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

China mulls fund to support electric cars

(Source: Automotive Purchasing, 26th August 2014) The world's biggest automotive market could be considering an investment up to 100bn yuan, or $16bn, to build more charging facilities and spur demand for electric vehicles. According to two unnamed sources cited by *Bloomberg*, the policy would be announced soon, but they would not reveal details about things like whether the chargers would be complementary with or competitors to Tesla. "Increased state funding would be a tailwind for carmakers coping with consumer concerns over the price, reliability and convenience of electric vehicles," *Bloomberg* writes. "It would also build on efforts by China, the world's biggest carbon emitter, to fight pollution and cultivate its local EV industry, which includes BYD Co and Kandi Technologies Group." Tesla recently settled a trademark dispute with a Chinese national, and CEO Elon Musk told investors that the company was aiming to open 100 Tesla stores in China by the end of next year.

PRESS RELEASES

Galileo: European Commission requests full details of launch problems from Arianespace and ESA

(Source: European Commission, 25th August 2014) Following the failure on Friday 22nd August to inject Galileo satellites 5 and 6 into the correct orbit, the European Commission has requested Arianespace and the European Space Agency (ESA) to provide full details of the incident, together with a schedule and an action plan to rectify the problem.

According to initial information from Arianespace, the problem involved the upper stage of the launcher, as a result of which the satellites were not injected into the required orbit.

The Commission is participating in the Board of Inquiry set up to identify the causes of the problem, which is expected to present preliminary results in the first half of September. This Board of Inquiry will aim to put in place corrective measures at the level of Arianespace to avoid such incidents being repeated with future launches.

ESA has informed the Commission that its Control Centre in Darmstadt (Germany) has the satellites under control, although they are not placed in their intended orbital position. The European Commission is working in close co-operation with the European Space Agency to maximise the possibilities to use the two satellites as part of the Galileo network.

The Commission has set up an internal Task Force to monitor the situation, working in close contact with ESA and Arianespace. Both ESA and Arianespace have been invited to Brussels to present the initial results of their inquiry to European Commissioner for Industry and Entrepreneurship Ferdinando Nelli Feroci in the first week of September.

Commissioner Ferdinando Nelli Feroci, commented: "The problem with the launch of the two Galileo satellites is very unfortunate. The European Commission will participate in an inquiry with ESA to understand the causes of the incident and to verify the extent to which the two satellites could be used for the Galileo programme. I remain convinced of the strategic importance of Galileo and I am confident that the deployment of the constellation of satellites will continue as planned."

Background - benefits of EU's satellite navigation systems

Galileo is the EU's programme to develop a global satellite navigation system under European civilian control. Galileo signals will allow users to know their exact position in time and space with greater precision and reliability than with the currently existing systems. Galileo will be compatible with and, for some of its services, interoperable with existing similar systems, but will be autonomous.

The improved positioning and timing information supplied by Galileo will have positive implications for many services and users in Europe. Products that people use daily, for example in-car navigation devices and mobile phones will benefit from the extra accuracy provided by Galileo. Galileo's satellite navigation data will also benefit critical services for citizens and users, for example it will make road and rail transport systems safer and improve our responses to emergency situations.

Once it has entered into its operational phase, Galileo will also allow the introduction of a wide range of innovative new products and services in other industries and generate economic growth, innovation and highly skilled jobs. In 2013 the annual global market for global navigation satellite products and services was valued at €175bn and it is expected to grow over the next years to an estimated €237bn by 2020.

The Commission aims to have the full constellation of 30 Galileo satellites (which includes six in-orbit active spares) in operation before the end of this decade.

To foster economic development and maximise the socio-economic benefits expected from the system, the Commission plans to update the EU's action plan for global navigation satellite system applications and propose new measures to promote the use of Galileo.

Since 2011, four Galileo satellites have been launched and used as part of the In-Orbit Validation phase, allowing the first autonomous position fix to be calculated based on Galileo-only signals in March 2013.

The European Geostationary Navigation Overlay Service (EGNOS) is already bringing practical benefits. EGNOS improves the accuracy and the reliability of signals from existing global navigation satellite systems by correcting signal measurement errors and by providing information about signal integrity. EGNOS is used for example by the aviation industry, to provide the positioning accuracy needed for more precise landings, fewer delays and diversions and more efficient routes in Europe.

New Secretary General at the helm of CECE

(Source: CECE, 4th July 2014) CECE, the Committee for European construction equipment industry, has hired a new Secretary General as of the first of July. It secured the commitment of Sigrid de Vries, partner in the public relations agency Quick Communications, to represent the sector towards the EU institutions and manage the association's Brussels office.

The new Secretary General succeeds Ralf Wezel who leaves, after a twelve-year tenure with CECE, in order to undertake new responsibilities within the industry association VDMA in Frankfurt.

Eric Lepine, Managing Director of Caterpillar France SAS and president of CECE, welcomed the new secretary-general to CECE: "I firmly believe Sigrid will do an excellent job. She has a strong management experience and a very solid knowledge of both our industry and Brussels' political environment. I am looking forward to working with her." Lepine thanked Wezel for his commitment, adding: "Ralf has strengthened the role and influence of CECE throughout his time with the association. We wish him all the best in his new challenge."

The appointment of the new Secretary General was taken by the CECE Steering Group and confirmed by the association's Presidents' Committee in May 2014. De Vries commented: "The construction equipment industry forms an important part of the machinery manufacturing sector in Europe, and EU legislation has a direct impact on its ability to stay competitive. I look forward to promote the interests of this industry towards the European Institutions and work together with the CECE members, partner associations and other stakeholders to achieve common goals."

Sigrid de Vries, a Dutch national, is an experienced EU governmental affairs and communications professional, who served many years as director of communications at ACEA (the European Automobile

Manufacturers Association) in Brussels and later led the institutional relations activities of CNH Industrial in Europe.

CECE represents and promotes the European construction equipment and related industries towards the European Institutions, co-ordinating the views of the national sector associations and their members, and working with other organisations worldwide to achieve a fair, competitive environment via harmonised standards and regulations. CECE is a European network of 16 member associations in 14 countries, including Russia and Turkey, and holds office in Brussels. The European construction equipment industry consists of around 1200 companies and employs 130,000 persons directly, with the same number in sales and services. The industry recorded €25bn of sales from European production in 2013.