ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 14.44, 10th –14th November 2014

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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

ECG President meets EU Council President

(Source: ECG, 13th November 2014) ECG President Costantino Baldissara met this week with the Italian Prime Minister and President of the Council of the European Union, Matteo Renzi. Italy currently holds the EU presidency (1st July - 31st December 2014) and in this capacity, is in charge of preparing, co-ordinating and chairing the work of the Council. As such it plays a key role in the legislative process of issues with a strong impact on the finished vehicle logistics sector, like the ongoing discussions on Weights and Dimensions for certain road vehicles in national and international traffic. Trialogue negotiations on the revision of the Weights and Dimensions Directive (Directive 96/53/EC), between the Commission, Parliament and Council of Transport Ministers, commenced on 22nd October and are currently ongoing with the most recent high-level meeting held on 3rd November, while meetings at expert level continue throughout. ECG Board Members are scheduled to meet with transport attachés of Member State Permanent Representations to the EU on 19th and 20th November to further discuss ECG's position on this issue.

2nd ECG Academy Alumni Meeting in Munich

(Source: ECG, 11th November 2014) Close to 40 alumni and guests gathered in the late afternoon of Friday 7th November in Munich, where the 2nd ECG Academy Alumni Meeting took place in a hotel close to the city centre.

This annual reunion originated in 2013 under the impetus of the ECG Academy Advisory Group (EAAG). This year's meeting started with the election of the EAAG for 2014/2015. By show of hands, the following alumni where unanimously (re-)elected: Tom Antonissen (ECG); Dominik Holzinger (**Lagermax**); Tanja Mattheis (**BLG**); Djana Rigbers (**Glovis**); Filippo Rizzi (**Grimaldi Group**) and Jan Vollmer (**STVA Group**). More information about the EAAG and its activities can be found here: www.ecgassociation.eu/en-gb/ecgacademy/eaag.aspx.

The meeting itself continued with an inspiring and engaging presentation by Prof. Josef Decker (one of the ECG Academy professors) on "simplifying complexity". By means of several group experiments, the participants learned how complex business situations can be better dealt with. As part of the annual format, the meeting ended with an informal dinner. On Saturday a social programme was foreseen as well, so those who were able to stay longer attended a guided visit of BMW World and the BMW Museum which was definitely a fitting end for a group of enthusiasts about the automobile sector in general!

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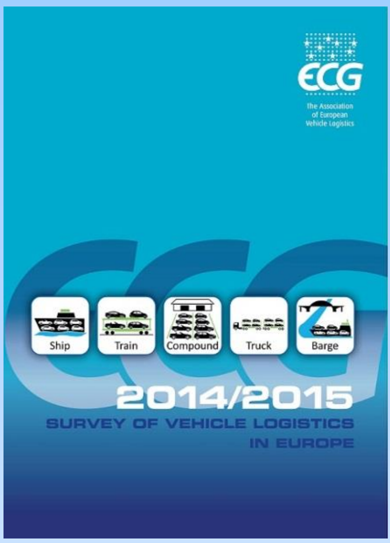

- Combines global and European data and information on the automotive industry in general, and the finished vehicle logistics sector in particular
- The only publication for the European Vehicle Logistics sector, also covering Russia, Turkey and Ukraine

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http://www.ecgassociation.eu/publicationsreports/ecgbiennialsurvey.aspx

Update on investments in large TEN-T projects

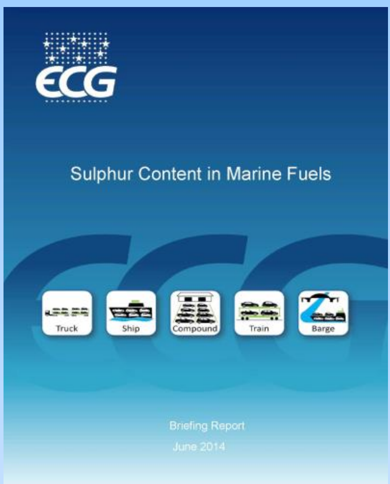
(Source: European Parliament, 13th November 2014) The European Parliament's Transport and Tourism (TRAN) Committee discussed investments in large TEN-T projects at its meeting on 4th November. Following the presentation of this update, the debate indicated that:

- Out of the 12 case-studies analysed by the authors, the Lyon-Turin connection was the most controversial, notably because of its estimated €26bn cost. The profitability of the project (which stakeholders evaluated at about 5%) was questioned by several MEPs, as was the continuation of EU funding. The authors underlined that the cost of the project and aspects of its environmental impact were currently being reassessed;
- Early and transparent public participation was essential for the support and success of the projects. However, consultation procedures vary considerably between Member States and were not always optimal;
- The authors emphasised the importance of early planning to avoid poor project definitions and vague impact estimates leading to unnecessary financial and environmental costs. MEPs insisted on the need to allocate public funding optimally, as well as Member States' obligation to ensure the consistency of the TEN-T network by selecting suitable projects. On this last point, the Commission stressed that the planning phase had been improved through the new TEN-T guidelines;
- Major TEN-T projects shall be connected to local and regional transport networks. In this regard, the Commission emphasised that the 'core network' should absorb 'only' 20% of EU funding for TEN-T;
- The Commission confirmed that although the Adriatic-Ionic Link is not part of the TENT, it will be included in the extension of the core network corridors to the Western Balkans.

Commission proposes €1.2m from Globalisation Fund for former workers of Fiat in Poland

(Source: European Commission, 12th November 2014) The European Commission has proposed to provide Poland with €1.2m from the European Globalisation Adjustment Fund (EGF) to help 777 workers made redundant by the carmaker Fiat Auto Poland to find new jobs by providing them with vocational and entrepreneurial training, training scholarships, hiring incentives, contributions to business start-up and the relevant allowances. The redundancies mainly concern the Slaskian province. Marianne Thyssen, EU Commissioner for Employment, Social Affairs, Skills and Labour Mobility, commented: "Many sectors and industries in Europe are going through major structural changes, as a consequence of globalisation. The European Globalisation Fund is a concrete expression of European solidarity. It will continue to help Member States to re-integrate people who have lost their job into the labour market and support them to adapt their skills. Through this fund, we are accompanying workers who experience hardship in the difficult transition to new jobs and I have the intention to maximise its performance during the coming years." Poland applied for support from the EGF following the dismissal of 1,079 workers in Fiat Auto Poland S.A. and 21 of its suppliers. These job losses were the result of a rapid decline of the EU's market share in the production of passenger cars at worldwide level. The total estimated cost of the package is €2.5m of which the EGF would provide half. The proposal now goes to the European Parliament and the EU's Council of Ministers for approval.

Briefing paper on the sulphur content in marine fuels updated



With the Regulation on sulphur content in marine fuels coming into force on 1st January 2015, ECG has updated its Briefing paper to better inform our readers.

The new rules will affect companies that operate routes in the Sulphur Emission Control Areas (SECAs), i.e. the North Sea with the English Channel and the Baltic Sea. In these zones the sulphur content of the fuel can't surpass 0.1% which is a great technical and financial challenge for these operators.

The Briefing paper contains IMO and EU regulatory background and analysis of the latest developments, as well as a glossary of terms.

Download your copy from the ECG website!

http://www.ecgassociation.eu/publicationsreports/ecgpositionandbriefingpapers.aspx

AUTOMOTIVE INDUSTRY

Carmakers plan to re-launch deliveries in Crimea despite legal threat

(Source: Automotive Logistics News, 10th November 2014) Russian automotive dealers have agreed with a number of carmakers to resume the supply of cars to Crimea despite promises from Ukraine authorities that any company or person conducting work with the annexed Russian region would be breaking the law. According to the CEO of local automotive dealer Autodel, Michael Smolyanov, the Russian divisions of Renault-Nissan, Peugeot and BMW are planning to re-launch deliveries of vehicles to the region. “So far we have successfully overcome [Ukraine’s] countermeasures with the four brands [and have] signed a contract with Nissan, Renault, Peugeot and BMW,” said Michael Smolyanov, adding that it expected other companies to join the list in the coming weeks, including Honda and Mitsubishi. “They will launch direct supplies and take on all logistics expenditure,” he said. Last week Ukraine began preparing a lawsuit against several cruise liners and Turkish trade ships, which have continued to use the ports of Crimea. In the opinion of Ukrainian officials such cases are designed to act as an example to other companies interacting with a regime they see as in contravention of international law. However, this is no longer dissuading certain carmakers according to Smolyanov. “These companies are not afraid of sanctions,” he said. “Clearly, they’ve taken this step due to the large presence of their brands [on the Peninsula]. Therefore, it was very profitable for them to agree.” Smolyanov went on to say that the delivery of cars to Crimea would be made through Russian importers and deliveries would be made by short-sea services from the Krasnodar Oblast. “Up to March, shipments were carried out from producer countries, but they were through Ukrainian partners; now all shipments through Ukrainian partners have been terminated,” he added. Representatives of Renault-Nissan, Peugeot and BMW have refused to comment on the situation but anonymous sources from other carmakers previously active in the market have said that the prospect of launching supplies to Crimea in recent months has been ‘very attractive’. It is the less attractive prospect of sanctions that has curtailed them in their decision, according to one source. “The Ukrainian authorities previously promised to take every company found to be conducting business with the Russian Crimea to court, or to implement trade sanctions against such companies, so the risk of establishing such supplies is quite high,” said a spokesperson from the Russian division of one foreign carmaker, who requested anonymity. “At the same time, the development of the situation now depends on the reaction of the Ukrainian authorities. If there are no steps taken against carmakers that decide to return to the Peninsula, then we expect most other brands to establish supply of cars there by the end of the year.” According to Roman Nikolaev, an expert at the Crimean-based analytical agency Sobytya, two other brands, Citroën and Geely, have already launched supplies to Crimea but have not announced it in media. Autodel forecasts that in coming years the annual volume of cars supplied to Crimea could jump from 9,000 cars in 2013 to between 22,000 and 25,000 units by 2018. At the same time, a number of companies have stated that they will not re-establish volume supplies of vehicles to Crimea regardless of the move by their competitors. Representatives of the Russian divisions of Scania and Volvo, for example, have said that they have no plans to look for dealers in the Peninsula or carry out supplies to the local market.

Weak rouble, scrappage scheme slow decline in Russian auto sales

(Source: Automotive News Europe, 12th November 2014) A slump in the Russian rouble and a state scheme to support local car sales slowed falls in vehicle sales in October to 10% year-on-year from 20% a month earlier, the Moscow-based Association of European Businesses (AEB) said. The AEB said sales of new cars and light commercial vehicles reached 211,365 in October as people delayed

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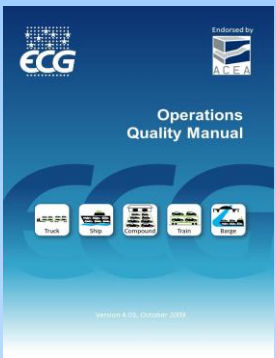

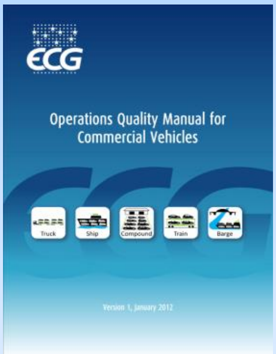

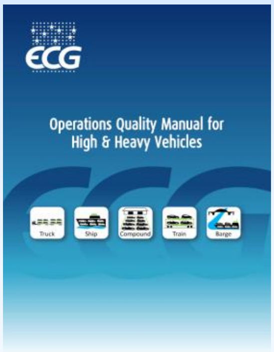

- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded from: http://www.ecgassociation.eu/PublicationsReports/ECGOperationsQualityManuals.aspx

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large purchases because of a weaker economy dragged lower by Western sanctions over Ukraine. “Market performance in October was anything but great, however [it is] a step forward compared to the very weak results in recent months,” Joerg Schreiber, AEB Committee Chairman, said in a statement. “The reason behind the relative improvement is the combined effect of the scrappage incentive supporting the sales of domestic models, and the sharp decline of the rouble,” Schreiber added. Car sales have become one of the biggest losers in an economic downturn in Russia, worsened by sanctions and a drop in the oil price. The Russian rouble has fallen almost 30% against the dollar since the start of the year. To try to curtail the slide and boost domestic industry, the government introduced a scheme under which the state provides cash incentives for Russians to buy new cars if they sell old ones for scrap. Under the terms of the scheme, buyers of new passenger cars are eligible for a discount of at least 40,000 roubles (€752) when scrapping or trading in their old vehicles. AEB said the impact of the two factors would be temporary, but for now could drive a further improvement in the market sales statistics for November. In the first ten months, new-car and LCV sales were down 13% at 1.99 million. The AEB has said it expects full-year volume to be down 12% in 2014 to 2.45 million as the scheme helps slow down the rate of decline.

EUROPE

Acumen Logistics Group celebrates 10th anniversary

(Source: Materials Handling World Magazine, 12th November 2014) It is celebrations all the way for Northampton based **Acumen Logistics Group**, which this year commemorates its 10th anniversary. From small beginnings, the company has grown to become one of the UK’s top 100 logistics companies with a turnover in excess of £20m and employing around 200 people. Owner and Chairman, John Hodges, purchased the company in 2004 from Autologic, which had decided to sell one of its vehicle parts distribution subsidiaries, Acumen. Believing that Acumen had a great deal of potential if it was restructured and managed correctly, he secured the company and merged it with his existing transport business, VAS. Following the implementation of a strategic business plan to rationalise and streamline the operation and eliminate unnecessary expenditure, a new, much smaller corporate structure was established under a new management team. Equipped with the necessary hands-on experience of vehicle logistics to run it effectively and efficiently on a day-to-day basis, the company quickly grew. The company’s primary business remains inbound European freight logistics for a range of tier one and tier two automotive clients. Acumen’s other main business division is finished vehicles. Although the company entered the industry at a time when others were failing, its investment in modern, purpose built transporters has enabled it to provide customers with a service, fully tailored to their needs. It has also developed dynamic solutions for customers’ logistics requirements by using ground breaking vehicle operational and management systems and has extended its services to encompass new vehicle delivery to dealers and ports for export vehicles as well as enclosed transporter vehicle movements for fleets, trades shows, exhibitions and other events. Acumen’s third area of business is its recycling division. Commenting on the 10 year anniversary, John Hodges says: “Acumen has brought a new way of thinking to this traditional industry and is constantly challenging the old ways. This, combined with our optimised transport planning tools, allows us to deliver competitively priced, right first time, quality-driven solutions tailored to our local and European clients. In addition, our planning tools help to minimise our environmental impact and maximise productivity.”

ECG AGENDA

►**ECG Board Meeting, on 19th November**, in Brussels, Belgium

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

►**ECG Academy Module II, on 25-29th November**, in Bremen, Germany

►**ECG Quality Working Group Meeting, in December (TBC)**, in Brussels

►**ECG Land Transport Meeting, on 2nd December**, in Frankfurt

►**ECG office closed, between 25th December and 1st January**

►**ECG Board Meeting, on 27th January**, in Munich, Germany

EU to support sustainable development of the Port of Civitavecchia

(Source: INEA, 14th November 2014) The EU's TEN-T Programme will co-fund two sustainable development initiatives totalling over €1m in the **Port of Civitavecchia** in Italy: an innovative pilot energy production plant using sea waves, as well as a separate study on the development of rail and maritime transport connections to the port. The projects are expected to help reduce the port's energy dependency and pollution, as well as ease transport flows. The first project is part of a larger action aiming to reduce the emissions produced by the services and the terminal activities of the port. The Port Authority is planning to install renewable energy systems expected to satisfy at least 55% of the port's total energy needs by 2020 and implement new systems for the mobility inside the port, such as electric cars, busses and forklifts. The project features a feasibility study and a pilot test to convert wave energy into electricity through a wave energy absorbers system expected to reduce the port's dependency on conventional energy. The second project will carry out a feasibility study, cost-benefit analysis and preliminary design for the new rail access to the port, as well as a market study for maritime and rail transport flow forecasts. It will also identify new destinations from and to the port. More specifically, the studies will address the upgrade of the port's railway yard, including its link to the national rail network, which in turn will lead to better port services and connections with the hinterland. The project will also support the port's sustainable development through the analysis of the maritime and rail transport services market and current and future transport flows to and from the port. The projects were selected for EU funding with the assistance of external experts under the TEN-T Annual Call 2013, priorities 'Decarbonisation (oil substitution or environmental cost reduction)' and 'Maritime transport'. Their implementation will be monitored by INEA, the European Commission's Innovation and Networks Executive Agency.
The projects are to be completed by December 2015.

Cameron announces £15bn for roads improvement

(Source: Supply Management, 11th November 2014) UK Prime Minister David Cameron has announced £15bn of funding over the next five years to improve the UK's road network. Speaking at the CBI Annual Conference, Cameron said the country's first Road Investment Strategy would be unveiled as the part of the upcoming Autumn Statement on 3rd December, including "over 100 improvements to our major roads". "This will be nothing less than a roads revolution – one which will lead to quicker journey times, more jobs, and businesses boosted right across the country," he said. The planned improvements include the A303 in the south west, the A1 north of Newcastle, the A47 in the east of England and the A27 on the south coast. Downing Street also said reform of the Highways Agency would make it a "world class infrastructure company" and there would be "the funding certainty needed to give the supply chain real confidence". The move follows criticism of "political barriers" to infrastructure investment highlighted in the survey 'Taking The Long View: A New Approach to Infrastructure', prepared by the CBI and URS. The report showed 96% of firms see political uncertainty as "discouraging investment" and 93% believe political rhetoric is "damaging confidence in markets". More than half of companies reported motorways had deteriorated in the last five years while 80% remained concerned about where investment for new roads is coming from. The survey of 443 UK businesses also found concern over energy supplies and costs, with four-fifths of firms saying fears about future energy security are being factored into current investment decisions. Almost half of all firms were dissatisfied with current digital networks, rising to 71% in the IT sector, while 46% of firms in London said indecision over new airport capacity was impacting investment decisions. The CBI is calling for an independent body to be established to determine infrastructure needs and how they should be met. Meanwhile, Deputy Prime Minister Nick Clegg has announced an action plan to give a "multi-billion pound lift" to UK manufacturing supply chains will be put in place from January. Clegg said the aim of the plan

Events in Brussels

CLEPA holds the 'Driving the future of E-Mobility' event on **18th November**
http://www.clepa.eu/events/driving-the-future-of-e-mobility/

The 'Intelligent Mobility for Smart Cities' event is held on **18th November**
http://www.imobilitychallenge.eu/roadshow/view/id/15

The Centre organises the event 'All change for the Single European Railway' on **19th November**
http://www.edelman.be/events/change-single-european-railway/

The European Commission, UNIFE, and CER organise the European Rail Freight Days 2014 on **27-28th November**
http://www.cer.be/events/upcoming-events/european-rail-freight-days/2014/11/27/

CER organises the event 'Can rail help deliver a brighter future for Europe?' on **4th December**
http://tinyurl.com/lox9q37
ECG will attend

UIRR organizes the 'Intermodal /Combined Transport in Europe' event on **4th December**
http://extranet.uirr.com/invitation

CER and UNIFE hold the European Railway Award 2015 on **21st January 2015**
http://www.europeanrailwayaward.eu/
ECG will attend.

ECSA organizes the European Shipping Week between **2nd and 6th March 2015** in Brussels
https://www.europeanshippingweek.com/
ECG will attend.

was to encourage firms to use UK suppliers as "over half the supplies used in British manufacturing come from overseas".

The CBI survey the article is referring to can be downloaded here:
http://www.cbi.org.uk/media/3590298/cbi_urs_infrastructure_survey.pdf

EU backs roll-out of natural gas stations for trucks in Belgium

(Source: INEA, 12th November 2014) The EU's TEN-T Programme will support with €520,000 the construction of a liquefied natural gas (LNG) refuelling station for trucks in Veurne (Belgium).The publicly accessible station, situated near a major motorway linking six European countries, is expected to help reduce the carbon emissions of freight transport in Europe. Trucks carrying goods between the UK, France, Belgium, the Netherlands, Luxembourg and Germany often have to make a detour on their way to find the closest natural gas refuelling station. Expanding the network of LNG stations would reduce the length of their travel and encourage more transport companies to switch to environmentally friendlier LNG use, thus cutting down on carbon emissions. This project aims to construct a pilot public refuelling station in Veurne and to use the lessons learnt for the future construction of two other stations in Belgium and France. The project will also address safety and security standards for LNG, which will serve as reference for developing national standards and safety legislation. The project findings will be widely shared with the public authorities, transport companies, fuel station and fuel card operators and fire brigades. The project was selected for EU funding with the assistance of external experts under the TEN-T Annual Call 2013, priority 'Measures to promote innovation and new technologies for transport infrastructure'. Its implementation will be monitored by INEA, the European Commission's Innovation and Networks Executive Agency. The project is to be completed by December 2015.

Extended freight rail between southern Europe and Germany gets EU support

(Source: INEA, 13th November 2014) The EU's TEN-T Programme will back with over €1m studies on improving and extending the freight rail network linking Portugal, Spain, France and Germany. The studies will contribute to increasing freight traffic on the railway line and boosting its overall competitiveness. The project will carry out market and technical studies on the management and operation of the freight railway line, as well as prepare its extension to Germany. It will focus on the Atlantic Corridor between Portugal (Sines-Leixões), Spain (Algeciras-Madrid-Valladolid-Bilbao-Irun), France (Hendaye-Bordeaux-Paris-Le Havre-Metz-Strasbourg) and Germany (Saarbrücken-Mannheim). In particular, the studies will identify strategic, management and operation measures for the rail development, assess the infrastructure constraints and analyse the impact on international rail traffic. The project was selected for EU funding with the assistance of external experts under the TEN-T Annual Call 2013, priority 'Rail transport'. Its implementation will be monitored by INEA, the European Commission's Innovation and Networks Executive Agency. The project is to be completed by 31 December 2015.

Appeal court reduces SNCF rail freight fine

(Source: Lloyd's Loading List, 11th November 2014) A Paris appeal court has reduced an SNCF rail freight fine for alleged anti-competitive practices from €60.9m to €48.2m, the French state railway has confirmed to *Lloyd's Loading List.com*, although it remains unclear whether it will make an ultimate plea before France's supreme court of appeal. France's competition regulator, *Autorité de la Concurrence*, handed out the fine to SNCF in December 2012 as punishment for a number of commercial practices which it concluded were designed to hinder and delay the arrival of new market entrants into France's rail freight sector. SNCF lodged its appeal in February last year. The regulator had begun an

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investigation in 2008 that was followed by Europe Cargo Rail (ECR), the French subsidiary of Deutsche Bahn, filing a complaint against Fret SNCF at the end of 2009. A French newspaper report claimed that the Paris appeal court had upheld the majority of the charges against SNCF - such as the deliberate over-booking of train slots or of specialised rolling stock in order to deprive competitors' access, and the use of commercial information gleaned from railway staff responsible for network maintenance. However, the court concluded that Fret SNCF was not guilty of the practice of offering freight rates that were below cost price. The regulator has not ruled out appealing against the Paris court's judgement, the report adds.

Maersk joins 'Trident Alliance'

(Source: Port Technology, 10th November 2014) The 'Trident Alliance' consisting of 10 container carriers has recently welcomed Maersk Line as a new member in order to test enforcement of new low-sulphur fuel regulations. These new regulations will be implemented in emissions control areas in Northern Europe and North America. The alliance will work together with the governments of the Baltic Sea nations to monitor compliance by shipping lines, with the International Maritime Organisation (IMO) making efforts to broadcast a reduction in sulphur content to 0.1% from the current 1%. Maersk Group CEO Nils Smedegaard Andersen said: "The most natural thing is to talk about what's close to home, and that is the Baltics. We hope, of course, that the governments in the area will survey very closely what our competition is doing as well, so we don't give people a free ride." In order to prevent this free ride, Maersk Line has already announced low-sulphur surcharges of up to $160 per TEU in the North Atlantic. Smedegaard Anderson said: "We have no choice but to pass those costs along. Of course, pricing is always a matter of negotiation, but the intention is that the customer will have to pay." Andersen commented on Maersk's commitment to environmental sustainability, saying: "The first month I was CEO of the group (in 2007) we went off-site for four days to ask what the most important priorities are from a group perspective. One was to improve group communications, and another was to improve our environmental footprint."

REST OF THE WORLD

Renault opens Algerian SKD assembly plant

(Source: Automotive Logistics News, 10th November 2014) Renault has inaugurated a new €50m plant near Oran in Algeria, Africa's second-largest automotive market. It is the company's first assembly plant in the country. The facility will make the new Renault Symbol for the local market and will begin with a production capacity of 25,000 vehicles a year, with the potential to increase this output to 75,000. The plant, which is at Oued Tlelat, 27km outside Oran, is assembling the Symbol units from semi-knockdown (SKD) kits sent from Renault's plant and logistics centre in Pitesti, Romania. The carmaker has not confirmed with which transport and logistics companies it is working for the delivery of the kits to Algeria. More than 220 containers of SKDs per week will be exported from Pitesti via the Romanian port of Constanta, on the western coast of the Black Sea and delivered via the port of Oran. According to Renault, following an order it takes eight weeks to receive the parts and use them in assembly at the Oran plant. Renault said that the local sourcing for the vehicles would be built up gradually. Local supply contracts have already begun, with plastic injection parts being supplied by Joktal and seats being supplied by Martal. Other agreements are under review according to Renault. The facility is part of a site covering more than 150 hectares, with 20 hectares reserved for subcontracting. Oued Tlelat was chosen for its access to the road network, which is the densest in Africa, and other infrastructural benefits, including proximity to the port of Oran. The site was also chosen because of the qualified workforce in the region. In 2002 Renault

established a wholly owned subsidiary in Algeria. Between its Renault and Dacia brands it reported a 25.5% share of the market as of the end of September this year. Construction began on the Algerian plant in September 2013. It is owned by Renault Algérie Production, a company founded by Renault and local partners in January last year. Renault Group owns 49% of the plant, while SNVI (Algeria's national society of vehicle makers) owns 34%. The remaining percentage is owned by FNI, the Algerian national investment fund.

Enforcing law in China could affect vehicle carriers

(Source: Automotive Logistics News, 12th November 2014) After years of routinely using trucks and trailers that exceed the official width and length requirements, the Chinese vehicle logistics industry could face a rude awakening after the central government toughens its enforcement of road safety rules, according to Zheng Yuqian, Vice-General Manager at one of the country's largest logistics providers, Anda Group. Since the Chinese government brought in stricter rules on truck dimensions and road safety in 2005, a large number of vehicle carriers have operated in open violation of the length and overhang rules. At 16.5m, China's official length for trucks is relatively short compared to other countries, and has a lower load factor than trucks that were technically allowed before 2005. Or rather, it would be a lower load factor if companies actually followed the rules. "In this industry it is surprising to use the normal size," said Zheng, speaking at the 10th annual conference at the China Automotive Logistics Association (CALA) in Wuhan on 12th November. "It is practically a miracle when companies survive that way." To get around rules some vehicle logistics companies issue drivers with papers to prove to (or fool) the police that their equipment was built before 2005, and therefore not subject to the current rules. But a large number of carriers simply flout the rules and factor the fines into their rates and charges to customers. "The cost of breaking the law is low and you get more by breaking the law than by being fined," said Zheng. The use of oversized carriers has been well cited and frequently reported. Logistics executives call these trucks "aircraft carriers", referring to tractors that pull two trailers at lengths of 30m and carry 25-30 cars in some instances. A normal car carrier would likely carry no more than 8-10 cars. According to Zheng, the Chinese government has repeatedly issued regulations and grace periods to encourage companies into compliance with the law, at the same time that the industry, together with CALA, has lobbied the government for a longer, more flexible standard. However, Zheng accused the automotive logistics industry in China of resisting change, enjoying huge profits in the meanwhile. China's fleet of around 40,000 car carrier trucks – many of which are owned or controlled by logistics companies that belong to state-owned carmakers – have actually increased their average truck lengths over the past decade. "We lack self-discipline. The situation is chaos," he said. At the same time, corruption within the government has led to poor enforcement, too often subject to bribes and graft. "The law enforcement capacity is not very good. Some government agencies break the law even though they are the enforcers," added Zheng. However, the status quo may soon be coming to an end. While CALA still remains in discussions with the Transport Ministry about a new standard, Zheng pointed to macro-policy messages that came out of the recent fourth plenum of the 18th Communist Party Conference, in which China's president Xi Jinping restated that the country must be governed by "the rule of law", suggesting that law enforcement policies will become much stricter. "This will have a far reaching impact on China's auto logistics industry," said Zheng. "Our industry was controlled by some special interest parties. This time the implementation of the law will be harsh and strict, and officials won't be willing to take the risk to lose their titles. We will see many bribes disappear." In the meantime, Zheng called on the government to work closely with CALA and the vehicle logistics industry to establish an equitable standard that could help companies have effective load factors without compromising quality. Without such a standard, however, the industry will continue to see thousands of oversized trucks, while the enforcement of stricter rules could lead many companies to go out of business. "Without a standard, we are like a prisoner constantly waiting for a trial but stuck in perpetual jail custody. We can't act and it is embarrassing," added Zheng. "I appeal to the government and the authorities: please give us a standard, we cannot wait any longer."

PRESS RELEASES

The European Co-ordinator for the Motorways of the Sea visits the Port of Barcelona

(From left to right): Lluis Paris, Commercial Manager of the Port of Barcelona; Jose Alberto Carbonell, General Director of the Port of Barcelona; Brian Simpson, European Co-ordinator for Motorways of the Sea; Jose Anselmo, DG-MOVE; Eduard Rodés, Director of the Escola Europea de Short Sea Shipping; and Jordi Vila, the Environmental Manager of the Port of Barcelona

(Source: Escola Europea de Short Sea Shipping, 10th November 2014) On 4th November Brian Simpson, the European Co-ordinator for the Motorways of the Sea from the European Commission along with Captain José Laranjeira Anselmo, the Principal Administrator for TEN-T Policy, Trans-European Network, DG-MOVE met with representatives of the **Port of Barcelona**.

During the meeting the infrastructures of the Port of Barcelona were also reviewed, and the short sea shipping (SSS) services offered by the Port were summarized. The active European projects that the port is involved in were then presented, including the TEN-T INEA projects CLYMA and B2MoS, in which the Escola Europea de Short Sea Shipping takes an active role (as project office and communication office respectively).

Future co-operation and work on the European Motorways of the Sea was then discussed. Mr. Jose Anselmo Laranjeira explained the steps that will need to be taken to participate in projects co-funded by the newly founded CEF (Connecting Europe Facility), and stressed the importance of Barcelona as a key point in the Motorways of the Sea in Southern Europe, praising the existing SSS services and encouraging further growth.

GEFCO, a key speaker in the "Strategic Partnership 1520" Forum in Shenzhen

*(Source: **GEFCO**, 12th November 2014)* During the China Shenzhen International Logistics and Transportation Fair, held from 14th to 16th October 2014, Luc Nadal, Chairman of the GEFCO Group Management Board, spoke at the "Strategic Partnership 1520" Forum in the plenary conference dedicated to transhipment logistics between Asia and Europe.

Drawing upon the Group's proven expertise in the Asian market and its in-depth knowledge of problems in the logistics market in the 1520 zone, Mr. Nadal commented on how to meet the major challenges of Eurasian rail logistics successfully. These notably included inadequate infrastructure, non-standardised border formalities, or gaps in communication technologies. "To ensure the seamless integration of the various modes of transport in Eurasia, it is necessary to take strategic measures such as setting up efficient transport corridors, modernising port terminals, establishing a network of hubs dedicated to transhipment for facilitating rail access to ports, or using advanced data processing technologies", stressed Mr. Nadal.

***Note**: "1520" zone: Russia, Ukraine, Baltic states, Kazakhstan. The term "1520" refers to the width, in millimetres, of railway tracks in Russia and the countries in the CIS (Commonwealth of Independent States).*

Freight Forwarders Forum 2014 debates the Future of Logistics

(Source: CLECAT, 10th November 2014) CLECAT, policy makers and industry stakeholders identified challenges and opportunities for logistics at Freight Forwarders Forum which took place on 6th November at the Headquarters of the World Customs Organisation (WCO) in Brussels.

The first part of the Forum debated how the European Commission can provide the right framework conditions to support logistic service providers and enable them to further grow and safeguard the EU competitive position in the global market.

Mr. Sandro Santamato, Head of Unit for Maritime Transport and Logistics at the European Commission, told attendees that “the political priorities of the new European Commission President, Jean-Claude Juncker, are very relevant to the logistics sector. If Europe wants a strong manufacturing industry, it needs to be well integrated into the global economy with access to consumer and import markets. The logistics sector is central to this.”

MEP Ms Gesine Meissner supported this and expressed her commitment to give logistics the much needed visibility in the European parliament; accounting for more than 10% of Europe's GDP, the logistics sector is a key driver for the European economy.

Jeroen Eijsink, CEO of DHL Freight Germany, highlighted that the completion of the Single Market and connectivity with the rest of the world will boost logistics. “A successful logistics sector would, in turn, bring greater connectivity and greater prosperity to Europe,” Mr Eijsink added.

The holistic approach announced by the European Commission was welcomed by Marc Huybrechts, President of CLECAT, who stressed that “a more holistic debate has great value, as the logistics sector covers all modes. Therefore we need a more integrated longer-term strategy for logistics, based on realistic scenarios for the 2015-2030 period.” In agreement on the challenge to freight forwarders, both SMEs and large LSPs, to become highly connected at all levels, he also thought that this industry is and will remain a people’s business.

The second panel on “digitalisation and supply chain visibility to improve efficiencies in the supply chain” discussed the benefits and challenges in moving from paper to electronic notification and documentation and how this would facilitate trade. Panellists agreed that digitalisation will allow transport and logistics stakeholders to integrate their operations more cost-effectively, manage the complexities of their supply chains more efficiently, and improve asset utilisation and facilitate reporting to customs and other agencies.

Innovation and vision from freight forwarders and customs was demonstrated by David Hesketh, Senior Business Manager at HM Revenue and Customs, UK and Tom Fernihough from Metro Shipping LTD. In the UK data pipeline solutions are growingly successful, they are commercially sustainable and both industry and customs are very excited about them.

Nicolette van der Jagt, Director General of CLECAT, concluded: “The role of freight forwarders is moving increasingly in the direction of that of data and compliance integrators. New technologies driven by higher data volumes will clearly affect operations in the future and require change from all involved in the supply chain. More efficient logistics will not come without considerable research and innovation efforts. CLECAT will continue to support the new research and innovation fund – Horizon 2020, which will equally have an important role to play.”

Congestion surcharges unacceptable

(Source: European Shippers’ Council, 10th November 2014) It is unacceptable to hit European businesses with the new so-called congestion surcharges. The European Shippers’ Council (ESC), seeing no reason to impose these congestion surcharges, urges ship owners to minimise surcharges and bring all costs into a single negotiable freight rate wherever possible.

Since a few weeks, businesses have been faced with the introduction of congestion surcharges in several parts of the world, among them Oman, the Philippines, India, the United States, Hong Kong and the Netherlands.

According to operators this mechanism is ‘necessary’ due to the new organisation of the ship-owner through alliances, VSA, slot exchanges and other means of rationalisation. According to the ESC, representing the freight transport interests (by all modes of transport) of business in Europe, these new forms of organisation have been presented (including to competition authorities) to improve the service quality offered to customers, not to increase revenues by creating new surcharges.

The ESC wants ship owners to limit the impact of these new organisation models by solving problems rather to impose surcharges to shippers. Moreover, operators should minimise surcharges and bring all costs into a single negotiable freight rate wherever possible. This would provide more transparency and predictability to the partnership with the customer. Additional surcharge tends to be ‘fixed’ and not to fluctuate on a large scale over time.