ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 14.48, 8th – 12h December 2014

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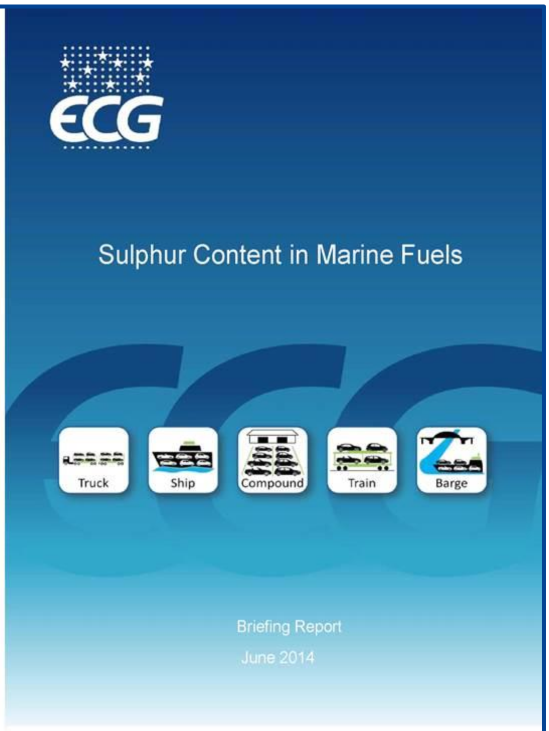
The Sulphur Briefing paper has recently been updated.

Don't forget to download your copy from the ECG website!

2 weeks to go till the new sulphur requirements enter into force!



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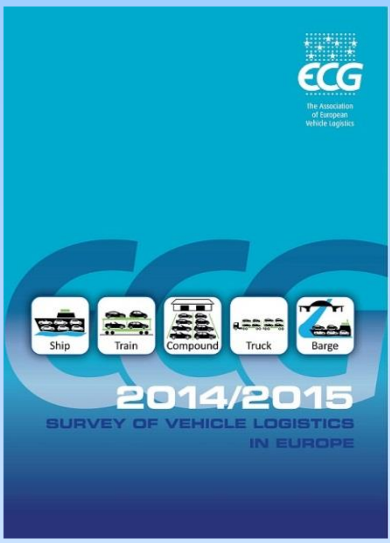
The new ECG Survey of Vehicle Logistics 2014-2015



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NEWS FROM BRUSSELS

Frits Mehrtens Consultancy joins ECG

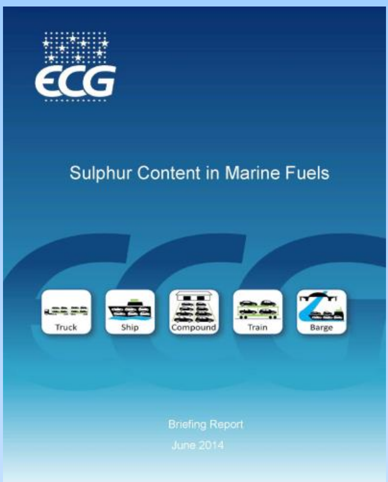
(Source: ECG, 10th December 2014) ECG is pleased to welcome Frits Mehrtens Consultancy as a member this week. Frits has been involved with ECG for some 18 years, serving as Vice-President and President in that time. Most recently he has, as 'Past President', fulfilled the role of adviser to the President and Board. He stands down from this at a time when his independent consultancy based in the Netherlands is taking off and we welcome his new business as the latest member of the association. To know more about the Frits Mehrtens Consultancy, please visit its website: http://www.fritsmehrtens.com/

MEPs accept delay to new truck designs

(Source: European Voice, 11th December 2014) Trucks designed to new specifications intended to improve safety and fuel-efficiency will be barred from Europe's roads until around 2022 as part of a last-minute deal struck between the European Parliament and Member States on 10th December. MEPs had wanted manufacturers to be allowed to use the new designs from 2017. But Member States wanted the new designs delayed until 2025, when they would be obligatory. Talks broke down last week over the issue, but a compromise was found last night in an extra negotiating session. Under the compromise, the new design rules will be adopted in around 2019, but there will be a three-year moratorium on their use. Current length restrictions force lorry manufacturers to design short, box-like cab fronts that can have blind-spots and blunt cabin fronts, increasing the risk of collisions with pedestrians and cyclists. The new rules will allow manufacturers to use more rounded designs, if they choose to do so. Environment and road safety campaigners have been pushing for the EU to allow manufacturers to use the safer lorry designs for some time. They accused Member States of acting at the behest of certain auto manufacturers. The moratorium was added to the Council position at the request of France and Sweden. Environmental campaigners have accused the two countries of responding to pressure from Swedish firm Volvo, which owns a stake in French manufacturer Renault Trucks. Volvo has lorries coming up for type-approval and is concerned that it would be at a competitive disadvantage against manufacturers that start using the new designs after 2015. Volvo maintains that having a period in which manufacturers are using two different design specifications would be disruptive, and that their position is "consistent with the rest of the automotive industry". William Todts, a campaigner for green transport group T&E, welcomed the deal but expressed frustration with the moratorium. "Few other industries would do what the lorry industry has done here: lobby hard to keep a ban on a better product for as long as possible," he said. "This is the same industry the Commission recently started investigating for price fixing. Clearly the Commission needs to do much more to inject real competition in this sector. Setting ambitious fuel efficiency standards for trucks, like the US has done, would be a good start." The legislation has been delayed because of the contentious issue of 'megalorries'. The Commission's proposal contained a provision that would allow trials of these extra-large lorries to cross Member State borders, formalising a legal interpretation that has been in place since 2012. However, both MEPs and Member States have rejected this position, so it is certain to be absent from the final law. MEPs are concerned about the environmental impact of a shift of freight from rail to road, and many Member States are concerned that the change would put pressure on them to start trials of the megalorries, which many countries think would be unsafe.

ECG Note: *This potentially signals the end of the review of the current Weights and Dimensions Directive, which ECG and its members have been following closely. ACEA has reacted to these latest developments, please find its press release in the last section of this ECG News. For additional background*

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

information please see as well the EurActiv article here: *http://www.euractiv.com/sections/transport/eu-truck-safety-and-efficiency-law-faces-delay-until-2019-310740*

Bulc eyeing investment fund for transport

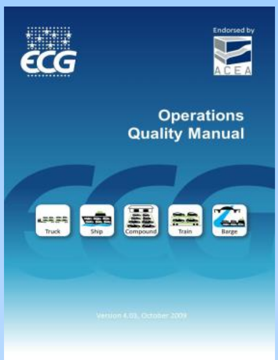
(Source: EurActiv, 3rd December 2014) Commissioner for Transport Violeta Bulc defended Jean-Claude Juncker's €315bn investment plan despite criticism among members of the European Parliament's Transport Committee on 2nd December. The new Commissioner hopes to use the proposed fund to boost the EU transport sector's competitiveness and reduce emissions. Speaking in front of MEPs, Bulc said the European transport agenda is missing out on major investments. The new plan, unveiled only 2 weeks ago, will encourage the private sector to invest in transport projects that the EU was unable to finance under existing loans. "There is too much money to be invested from the private side. We haven't found a better mechanism [than the investment plan] to help [the EU] grow, innovate, and contribute to the global economy," said Commissioner Bulc. "Transport is a growth enabler," she added. "It has potential to create jobs, connect regions, and contribute to an energy efficient economy." Bulc praised President Juncker for having the "courage" to channel private capital into EU initiatives. Commissioner Bulc told MEPs that the transport sector will be a major beneficiary of the Juncker plan. The capital will flow into projects dedicated to building cleaner and safer transport infrastructures. But not all initiatives will be entitled to money, she said. Only projects that create long-term job opportunities, have a clear EU added value, and that are ready to start within the next three years, will be sponsored. These include equipping vehicles with intelligent transport systems, or developing a new European air traffic control network (SESAR), for example. According to Commissioner Bulc, Member States also sent a list with suggested projects. Developing the ports of Dublin and Valetta, building missing connecting roads in Eastern Europe, or upgrading a channel, are just a few of the initiatives waiting to receive funding. Asked by legislators about the role of the European Parliament in this process, Commissioner Bulc said she wants to build trust among the two institutions in order "to push the Council to complete the necessary legislative processes." Commissioner Bulc announced that she intends to make irregular visits to different Member States to check the concrete impact of the institution's work. She also invited the Parliament to join her in these visits. As far as future legislative proposals, Bulc said that the Commission will present its working programme on 15th December. Consumer and business needs will be at the core of any new EU law, but she warned that sometimes "more legislation does not mean better practice." Ms. Bulc also announced that the Commission could put forward a new law for a Europe-wide car toll. A number of Member States and stakeholder groups have been encouraging the Commission to take steps in this direction, she said.

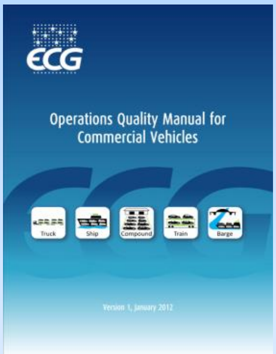
AUTOMOTIVE INDUSTRY

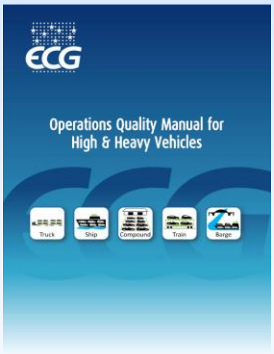
Daimler seeks to open a car plant in Russia

(Source: Automotive News Europe, 4th December 2014) Daimler has applied to the Russian city of St. Petersburg to set up a factory there, Interfax news agency reported, citing local officials. St. Petersburg Vice-Governor Mikhail Mokretsov has assigned a municipal investment committee to handle Daimler's bid, Interfax noted adding that the authorities had already proposed a possible site in the Russian city's southern belt. "There are no decisions at this point about the start of local production of Mercedes-Benz passenger cars in Russia," a Daimler spokeswoman said. But Daimler keeps monitoring all markets, including Russia, with a view to setting up potential local capacities, she said, declining to elaborate. Daimler is also negotiating with officials in Moscow about setting up a passenger-car factory, Interfax said, citing Russian Industry and Trade Minister

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

For comments or inquiries please contact: info@ecgassociation.eu
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Denis Manturov. The German group presently builds trucks with Russian partner Kamaz and partners with van maker GAZ to produce Mercedes-Benz vans. Daimler's Mercedes-Benz is Russia's top-selling premium brand. Mercedes sales in the market increased by 12% through October to 40,673 units, according to data from the Moscow-based Association of European Businesses. BMW sales fell 15% to 28,777, while Audi sales were down 6% to 28,348.

PSA signs deal to boost production in Kazakhstan

(Source: Automotive News Europe, 5th December 2014) PSA Peugeot Citroën and AllurGroup have signed an agreement to start complete knockdown production of the Peugeot 301 in Kazakhstan starting in 2016. The Kazakh auto market has experienced strong growth in the past few years. The market is expected to reach 200,000 units next year, more than tripling from 45,000 units in 2011 to 166,000 units in 2013, PSA said. Increasing production will help PSA to improve long-term profitability in Kazakhstan and the entire CIS region of former Soviet states, Christophe Bergerand, PSA's Eurasia Head, said in a statement on 5th December. PSA will build cars from complete knockdown kits in Kostanay at the SaryarkaAvtoProm plant owned by AllurGroup. The first model to roll of the line in September 2016 will be a Peugeot 301, the brand's best-selling car in Kazakhstan. Starting in 2017, average production volume will be about 12,000 vehicles a year with a possibility to extend to up to 17,000. PSA and AllurGroup began co-operating in 2013 to produce and distribute Peugeot cars in Kazakhstan. In September 2013, AllurGroup subsidiary Argomash Holding began semi-knockdown kit (SKD) production of four Peugeot models - the 301, 3008, 508 and Partner - in Kostanay.

PSA will invest €150m in French plant

(Source: Automotive News Europe, 11th December 2014) PSA Peugeot Citroën will invest €150m over the next three years in the production of new models at its factory in Poissy, near Paris, unions said on 11th December. The move will safeguard the plant's future for at least 10 years in return for cutbacks agreed with workers' representatives, unions said. PSA briefed unions on plans to upgrade Poissy as part of an earlier €1.5bn investment pledge to increase French production in return for job cuts and productivity gains. Poissy, which builds the Citroen C3, Peugeot 208 and DS3 subcompacts, will start producing a compact vehicle in 2018, Jean-Francois Kondratiuk, an FO union official who sits on the PSA board, said. That commitment effectively guarantees that the plant's continued activity "at least until 2025," Kondratiuk added. Production in Poissy will be reduced to a single line early next year as the company concentrates assembly of the C3 in Slovakia.

Ford Otosan joins hands with Avtotor

(Source: Automotive Purchasing, 9th December 2014) The Turkish carmaker aims to produce trucks and cabs in Russia in the future. American carmaker Ford's Turkish subsidiary, Ford Otosan, announced that it has signed a deal with Kaliningrad-based Avtotor Holding for the production of trucks and cabs in Russia. According to a statement made by Ford Otosan to the Istanbul Stock Exchange, the terms of the contract include that the vehicles produced in Avtotor would be sold in the Russian market with first production set to start at the end of December. Ford Otosan is a partnership between Ford Motor Company and Turkey's Koç Holding. Ford Otosan's net profit rose to 122.2m Turkish lira ($55.5m) in the third quarter. The profit figure rose sharply in comparison to last year's 80.6m Turkish lira. Turkey has Europe's fifth-largest auto industry. Total production is expected to hit a record 1.25 million units this year, the Automotive Manufacturers' Association said in July. The country's geographical position between Asia and Europe and the relatively cheap labour costs have encouraged global carmakers to move some of their production to Turkey.

ECG & other industry events

►**ECG office closed**, **between 25th December and 2nd January**

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

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

►**ECG Russia Regional Meeting, in February (TBC)**

►**ECG Maritime & Ports Meeting**, **on 11-12th February**, in Barcelona, Spain

►**ECG UK & Ireland Regional Meeting**, **on 18th February**, in Birmingham, UK

►**ECG Land Transport Meeting**, **on 10th March**, in Bonn, Germany

►**Automotive Logistics Conference**, **on 11-12th March**, in Bonn, Germany

►**ECG Dinner Debate**, **on 24th March**, in Brussels, Belgium

►**ECG Board Meeting**, **on 25th March**, in Brussels, Belgium

►**ECG Maritime & Ports Meeting**, **on 22nd April**, in Koper, Slovenia

►**ECG Eastern Regional Meeting**, **on 23rd April**, in Koper, Slovenia

►**ECG Board Meeting and Spring Congress&General Assembly**, **on 28-29th May**, in Cascais, Portugal

►**Automotive Supply Chain Congress**, **on 10-11th June 2015**, in Liverpool, UK

►**Automotive Supply Chain Global Awards**, **on 12th November 2015**, in London, the UK

AvtoVAZ to launch volume export of cars to Sweden in 2015

(Source: Automotive Logistics News, 2nd December 2014) From the beginning of 2015, Russian vehicle maker AvtoVAZ will begin exporting vehicles to Sweden in a bid to gain a foothold in the Scandinavian market over the next couple of years. The plans were announced at the Russian-Swedish Investment Forum, ‘Future projects: the path to innovation’, which was held recently in Stockholm. The vehicles will be moved to Sweden by distributor, Lada Scandinavia. A spokesperson for the company admitted that vehicle exports there have only ever been made in small test volumes of 30 vehicles per year, despite the company having been established more than three decades ago. However, market research conducted by AvtoVaz in recent months has revealed that the signs were positive enough to launch full-scale exports, though the details of those results were not made available. “We conducted a marketing [study], and we know that there is certainly a niche for these cars on the local market,” said the spokesperson. “The potential buyers and sellers are already waiting for us. Lada Kalina will probably be the cheapest car in the Swedish market. Also we plan to supply the local market with Lada Granta and maybe Largus.” Representatives from AvtoVAZ are reportedly convinced that now is good time for increasing exports to Sweden because of the drop in the exchange rate of the Russian rouble against the euro. According to official statistics, AvtoVAZ is currently experiencing poor sales in European Union markets: for the first nine months of 2014, compared to the same period last year, AvtoVAZ’s sales in Europe fell by 45.7% to 2,232 vehicles. However, according to Bo Andersson, Head of AvtoVAZ, who is rumoured to be behind the initiative, there is good reason for targeting Sweden. “According to the opinion polls, the people [in Sweden] either love us or do not like us at all,” said Andersson. “It’s a wonderful position: no one remains indifferent. People joke about some models, but we are confident about the future [on the local market].” Analysts have speculated that if AvtoVAZ gains a foothold in the Swedish market, within two to three years it will look to expand sales into Denmark, Norway and possibly Finland. The new strategy is rumoured to be Andersson’s personal initiative. The CEO is a Swedish national, and is confident in the prospects of the Swedish market for the Russian OEM. A figure on proposed export volumes has not been revealed, though insiders at the company have said that in 2015, numbers could amount to 4,000-5,000 units, with further supplies depending on the sales in the first year. The vehicles will be exported by ocean from the port of St. Petersburg, presumably directly to Stockholm, which is the shortest and most economical route.

EUROPE

Ports benefit from increase in Spanish exports

(Source: Automotive Logistics News, 8th December 2014) According to statistics released by the National Association of Automotive and Truck Manufacturers (ANFAC), Spanish vehicle exports were up in October, reaching more than 201,400 vehicles and equivalent to growth of almost 11%. The picture overall – from January to October – shows that more than 1.7 million units were exported, up 7.6%. Moreover, ANFAC sees further possibilities for growth, particularly to countries such as the US, Algeria, Turkey and Mexico, as well as in an expanded domestic market. For the first nine months, ANFAC figures show that vehicles and components worth €29.3m were exported, with finished vehicles alone accounting for revenue of €214m, up 13%. The Port of Santander saw its handling of finished vehicles for the first ten months of the year up almost 18% compared to the same period over the previous year, reaching just under 300,000. In October 2014 alone, Santander recorded the movement of 34,576 vehicles, up 1.6%. The Santander port authority is in the process of improving the Ro-Ro terminal there and a tender has been issued for resurfacing work. The

Events in Brussels

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.

work, which will take place over a three-month period, has an estimated cost of €1.05m. Meanwhile, at the **Port of Barcelona**'s two car terminals more than 609,000 units were moved in the first ten months, which is growth of 3% compared to the same period last year. Of this, exports accounted for 357,500 units, up almost 12%. The Port of Valencia has seen a marginal drop to the end of October of 0.08%. It handled almost 390,500 car units. The decrease was put down to a downturn in transhipped vehicles according to the port authority. Total new vehicle production for the first 10 months amounted to more than 2 million units, up more than 11.2%, with a forecast of 2.4 million units to be built in Spain in 2014. In the month of October, production rose 14.5% to 241,600 units. This puts the country on course to produce 2.6 million units next year, rising to a projected 3 million as of 2017.

New UK Euro-hub for DB Schenker

(Source: Automotive Purchasing, 8th December 2014) **DB Schenker Rail** UK has revealed their decision to develop a multimodal Euro-hub for the import and export of finished vehicles. The facility will be the only rail linked facility of its type in the country, and will be connected to HS1. Located in Barking, East London, the company has taken the 34 acre site for a 20 year lease, and aims to initially construct a rail connected facility to accommodate the unloading, storage, preparation and distribution of imported and exported finished vehicles. It will be ideally situated at the most westerly point of connection to the European rail network, providing a pivotal link between the UK and Europe. It will also have excellent access to the UK strategic highway infrastructure. The terminal will have an initial capability of handling up to 150,000 finished vehicles per year, and will provide simplified logistics supply chain solutions for customers, reducing transhipment and the associated risk of damage through handling. Furthermore, it will also allow for significantly shorter transit times and reduced CO_2 emissions when compared to current typical international transit modes in the automotive sector. Geoff Spencer, CEO of DB Schenker Rail UK, said: "Barking Euro-Hub is a truly innovative new offering to the automotive import/exports market. DB Schenker Rail UK has been moving finished vehicles by rail through the Channel Tunnel since it opened 20 years ago so we are well placed to develop the Barking site. It will bring huge benefits to our customers and the broader industry." The new facility is expected to open in March 2015. It has the potential to create 21 local jobs over the coming years and will have the capability to handle intermodal traffic both internationally and domestically, creating a dynamic site that presents a genuine opportunity to drive modal shift.

Will the MARPOL regulation choke the European short sea shipping industry?

(Source: Automotive Purchasing, 4th December 2014) MARPOL's recent environmental regulations effective on 1st January 2015 could create a headache for freight forward planners, according to David Williams, Managing Director of **Rhenus** UK. Designed to reduce the sulphur dioxide (SO_2) content of bunker fuel from 1.0 to 0.1% by January 2015, the new legislation is estimated to add a staggering €3bn to annual operating costs of North European shipping lines, which will inevitability be reflected in an increase in sea freight costs. According to Williams, the sea freight sector is faced with one of four options to reduce its SO_2 production by 2015: Switch to low sulphur fuel; Adopt liquid natural gas (LNG); Utilise scrubbers to clean emissions; Adopt methanol as an alternative fuel. Williams said: "There are no exceptions and each of these options inevitably requires significant additional operating costs for shipping companies. It's difficult to ignore the likely impact this new law will have on the European freight industry. I anticipate an increase in sea freight prices which is unfortunately unavoidable due to legislation pushing up administration and operating costs. Furthermore, it could even lead to a rise in road transport emissions due to logistics managers choosing short sea passages and longer road routes to try and reduce shipping charges; directly undermining the logic behind the legislative change." A recent

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report from AMEC confirmed the impact of the legislation on the UK freight industry, estimating job losses of approximately 2,000 people there. Experts also anticipate an increase of between 1.3 and 3.6 million tonnes of freight coming back onto European roads as a result of the SO_2 legislation. Williams concluded: “Independent reports suggest that shipping costs could increase by as much as 10 or even 20% as a result of these new laws to reduce SO_2. We are advising our customers to be aware of the unavoidable increase in sea freight costs over the next few months, urging them to discuss their long-term export and import patterns now. This way, plans can be developed to reduce potential price increase exposure wherever possible. “Rhenus has adopted an up-front policy to this issue, contacting customers proactively, to enable as much pre-planning to take place before these costs become unavoidable. Plus with one of the largest networks in Europe, Rhenus is able to create the shortest supply chain resulting in direct savings for the customer.”

The new Hungarian EKAER system in practical terms

(Source: RSM DTM, 28th November 2014) In Hungary a legal obligation will come into force on 1st January 2015 to report on any kind of transport of goods to, from or within the country. The new system, Electronic Road Transportation Control System (*Elektronikus Közúti Áruforgalom-Ellenőrző Rendszer*, EKAER) will help the tax authority in tracking every product transported in Hungary. The purpose of the system is to make sure that no goods are put in circulation in the country that were not previously reported to the Hungarian Tax and Customs Authority (NAV). The introduction of the system is a key element of the regulations serving the whitening of the economy and the fight against corruption. For this purpose, the people concerned will have to submit electronic reports to the state tax and customs authority. Taxpayers (which may be the addressee or the dispatcher depending on the type transport) will have reporting obligation for the purpose of determining the EKAER number in relation to activities (acquisition of goods, other imports, supplies of goods, other exports, domestic supply of goods) involving road transportation performed by vehicles subject to a road toll (having a total weight of over 3.5 tons). The reporting obligation will apply to the transports started on or after 1st January 2015, with the start of transport meaning the loading of goods onto the vehicle. The addressee will have to report the transport if goods are transported to Hungary from an EU Member State. If goods are transported from Hungary to another EU Member State and in the case of domestic supplies of goods, the transport must be reported by the party dispatching the goods. The person having reporting obligation (the legal representative or permanent proxy) will have to report through the “client gateway” (the electronic system for public administration services) all persons who may have access to the web interface to be created for reporting purposes. These persons may submit reports on the EKAER site. The reporting in the EKAER system must contain information on the dispatcher and the addressee; the address of loading or unloading; in case of unloading on the territory of Hungary the time of arrival of the vehicle and in case of transport to other Member States the time of start of loading the goods on the vehicle; customs code of the goods transported; gross weight; the reason of the transport (supply or acquisition of goods, toll manufacturing, other) and the registration number of the vehicle. Based on the reports received from the taxpayer, the EKAER system attributes a number to the goods transported so it is related to the goods and not to the carrier itself. Various goods on a vehicle with different custom tariff codes can be linked to one EKAER number. If goods are transported from one dispatcher to different addressees using the same vehicle subject to road toll, the number of the EKAER numbers and the reports to be made will be determined by the number of addressees. The EKAER number is valid for 15 days and the time of arrival of the goods to the place of receipt or the starting of loading must be reported during this period. If the taxpayer fails to fulfil its reporting obligation, the goods will be regarded as having uncertified origin and, from 15th January 2015, the Hungarian Tax and Customs Authority may impose a default penalty of up to

40% of the consideration of the unreported goods. In this case, the goods qualifying as goods of uncertified origin may be seized up to the amount of the penalty (with the exception of perishable goods and livestock). From next year, the state tax and customs authority may also demand a declaration from the addressee, the dispatcher and the carrier concerned in the case of transportation of goods of trading quantity:

1. on the description and quantity of the transported goods,
2. the description and registration number of the transport vehicle,
3. the receipt of the goods and the address of unloading,
4. the EKAER number and
5. if the place of unloading is not the seat, site or branch office of the VAT-able person, the title of use of the property.

If hazard factors justify, or if the VAT-able person concerned by the transport of goods denies making the above declaration, the state tax and customs authority may apply an official seal on the transport vehicle in the form of a package seal or container seal carrying an official stamp. The tax authority is entitled to take over all of the data managed in the road toll system by direct access using a special IT application, therefore the EKAER system and the road toll system will be connected which makes the movement of the goods traceable for the state tax and customs authority. Otherwise, the road toll system establishes the liability of the carrier, while the EKAER system establishes the liability of the dispatcher or the addressee of the goods. Carriers have practically no liability in relation to the EKAER system (only the dispatcher or the addressee of the goods) as the carrier has no reporting obligation.

REST OF THE WORLD

Renault Trucks distributes latest range in Africa and Middle East

(Source: Automotive Logistics News, 8th December 2014) Renault Trucks is extending the distribution of its latest trucks to Africa and the Middle East, including the C, D and K ranges, as it seeks to increase market share in the regions. The vehicles, which are being built at the truckmaker's plants in Bourg-en-Bresse and Blainville in France, are being shipped as both finished vehicles and, as is the case for those going to South Africa, as complete knockdown (CKD) kits. "The overall ambition of Renault Trucks with the development and introduction of these new launches is to increase our footprint in Middle East and Africa," a spokesperson for the truckmaker told *Automotive Logistics*. "We are very optimistic about our prospective performance in these markets, and with these launches, we are reaffirming our commitment to these regions that are growth drivers for us." Between 2013 and 2014, the company said it had quadrupled sales of existing models in the Middle East, including Iraq, Iran, Oman, Qatar and Jordan. In South Africa the company intends to grow its market share from 2% to 5% within the next three years. The truckmaker has a dealer network of 17 outlets there and is currently restructuring and strengthening its footprint elsewhere on the continent, including in Namibia, Botswana, Uganda, Mozambique and Mauritius. In Algeria, Renault Trucks is market leader for the sector. Explaining the distribution process for South Africa by way of example, the spokesperson for the company outlined that once the trucks were assembled in the Durban plant from the CKD deliveries, Renault Trucks employed logistics provider, Commercial Vehicle Delivery Services (CVDS) for the movement of the trucks within South Africa. "CDVS specialises in the transportation of new commercial vehicles over 3.5 tons on its own wheels in Southern Africa," said the spokesperson. "The vehicles are moved from the plant either into storage or to the dealer where they do custom fitments and pre-delivery inspections. They are then physically driven to the customer at the time of the handover." CDVS is also looking at the introduction of a truck carrier to ensure safe delivery according to Renault Trucks. The move to expand distribution in Africa and the Middle East follows test and adaptations that mean the vehicles can operate under the extreme conditions characteristic of the regions. "The Renault Trucks K was tested under extreme conditions for more than a year in Oman," said Lars-Erik Forsbergh, Managing Director of Renault Trucks in the Middle East. "It is essential for our customers' businesses to know they can count on their vehicles to improve their productivity."

Russia considering vehicle exports to Iran

(Source: Automotive Logistics News, 10th December 2014) Russia is expected to shortly conclude a number of contracts with Iran to launch the export of so-called non-primary goods, beginning with vehicles and certain types of equipment, according to the country's economic development minister, Alexei Ulukaev. He said that, with the support of business, Russian authorities would look to establish new logistics routes for such supplies. "To do this we have to think about expanding the current logistics capabilities between Russia and Iran," added Ulukaev. "We need to create the ability to use, not only the traditional sea route through

Astrakhan to the Iranian ports, but also the new routes, which involve in particular the port of Makhachkala." Ulukaev added that agreements on the launch of supply by rail through Central Asian countries are also under consideration. "Rail transport is possible by transit through Azerbaijan, which requires co-operation at a trilateral level," he said. "In addition, it is possible the transit through Turkmenistan. Any transit and transport corridors create new opportunities." The supply of vehicles to Iran is expected to be opened up for foreign carmakers based in Russia as well as domestic OEMs, but so far none of the major producers have commented on the proposals. In general, Russian experts have suggested that the supply of cars to Iran would not be very profitable in terms of logistics spending. "It always comes back to the cost of logistics and supply of cars [to Iran]; it can only really be launched if [the logistics cost] is reduced," said Ivan Nechayev, an analyst at Russian Automotive Consulting. "There is speculation that the government may subsidise rail transport or negotiate on the reduction of import duties in Iran under the forthcoming agreement, but at the moment these are only rumours. At the current logistics costs the supply of cars to Iran seems unprofitable." At the same time, a source in the Ministry of Economic Development suggested that the delivery would be beneficial for carmakers that have production facilities in the Caucasus region of Russia. "It's mostly about AvtoVAZ cars, which are produced in Chechnya, as well as the Chinese brands Haima, Lifan and Brilliance, which are produced at the Derways plant in Karachay-Cherkessia," said the source. He added that for those carmakers the supply could be profitable because of the proximity of their production capacities to Iran. Again, representatives from these companies have not commented on the possibility so far.

PRESS RELEASES

GEFCO enters the Algerian market

*(Source: **GEFCO**, 11th December 2014)* The GEFCO Group, European leader in automotive logistics and a global benchmark in industrial logistics, is expanding its North African network by establishing itself in Algeria. "GEFCO offers high-value-added logistics services in Algeria, in line with the Group's international standards. North Africa is a promising and dynamic region in terms of international trade. The strength of our international network can help our clients develop locally and manage international flows to and from North Africa", claims Jean-Paul Ornano, Managing Director of GEFCO Morocco and the Group's Area Manager for North Africa.

By setting up a structure in Algeria, one of the most powerful economies in Africa, GEFCO is reinforcing its development in this high potential region. With a population of over 38 million inhabitants, 45% of which is under 25, Algeria is a dynamic country rich in natural resources, particularly hydrocarbons, and it has the 15th largest oil reserves in the world. Algeria is well located for trade with Europe, the Middle-East, Latin America and Asia. Positioned at the crossroads of trade corridors, the country's logistics sector is experiencing significant change, driven by a large number of investment plans and infrastructure modernisation projects.

"With GEFCO's supply chain expertise, we now aim to contribute to the development of the Algerian logistics sector. We are backed by a network of reliable and efficient partners who meet the highest standards. We are entering the Algerian market with a dynamic team, ingrained with GEFCO's values regarding quality of service and operational excellence, to help enhance our customers' performance", affirms Bertrand de Techtermann, Managing Director of the Algerian subsidiary. As a major logistics player, GEFCO supports its clients' development goals, both in countries where they are already operational and in new growth regions. GEFCO now aims to support manufacturers in Algeria in two key expanding sectors, the automotive sector and the energy sector.

The Algerian automotive sector is growing rapidly with sales of new vehicles reaching 423,000 units in 2013, up 20.6% compared to 2012. Ranked n°2 on the African continent, the Algerian automotive market is one of the most promising worldwide. With more than 65 years of experience in the automotive sector, GEFCO meets the needs of international manufacturers, faced with complex international problems in an increasingly globalised economy. This expertise gives GEFCO all the necessary tools to support the development of automobile suppliers and manufacturers in Algeria and North Africa. The Algerian subsidiary manages the distribution of new vehicles to dealers for PSA Peugeot Citroën. By the end of 2014, the volumes handled should grow from 90,000 to 105,000 vehicles.

'Short lead time presents challenge' say European truck makers

(Source: ACEA, 11th December 2014) The commercial vehicles arm of the European Automobile Manufacturers' Association reacted to the news that just three years of lead time will be available after the publication of the technical requirements related to the revision of the Weights and Dimensions Directive. European commercial vehicle manufacturers have long stressed the importance of a sufficient lead time where the development of new vehicle technologies is required.

Sufficient lead time is important as it ensures that all market players are ready to competitively develop, test and commercialise compliant vehicles on the date of implementation. The three year lead time may be challenging for European commercial vehicle manufacturers to meet. This is because many of the aerodynamic and safety requirements are as yet unknown. Without knowing the technical requirements, it is difficult for the industry to conduct coherent product planning.

Speaking after the announcement, ACEA Secretary General Erik Jonnaert said, "The European Commission and the European Parliament have always understood the importance of lead-time, planning certainty, long-term targets and cost-effectiveness." Mr. Jonnaert continued, "This industry requires a predictable and supportive regulatory framework. Vehicle manufacturers may have to make significant changes to their vehicles after this legislation passes. Trucks are not developed overnight, but instead are the product of long-term research and development. The industry will continue its constructive dialogue on this dossier with stakeholders. We must overcome the difficulties that this short lead time presents and create meaningful regulation with realistic outcomes."

ECG Note: *The NGOs European Transport Safety Council (ETSC) and Transport & Environment (T&E) have also reacted to the result of the trialogue meeting on 10th December: ETSC - http://etsc.eu/setback-for-safer-lorry-rules/, T&E - http://www.transportenvironment.org/press/eu-agrees-safer-cleaner-lorries-2022*

Carlos Ghosn re-elected President of ACEA for 2015

(Source: ACEA, 5th December 2014) The Board of Directors of the European Automobile Manufacturers' Association (ACEA) has re-elected Carlos Ghosn, Chairman and CEO of Renault, as its President for 2015. Speaking after his re-election, Mr Ghosn said: "I am honoured that my colleagues on the Board have shown their continued confidence in me. 2014 is set to mark the first year of sales growth in the EU industry since 2007. Next year we will continue to push for a political environment that will help us sustain this growth."

ACEA Secretary General Erik Jonnaert said: "Mr Ghosn has led ACEA through an important period of political transition in Europe. Under his presidency, ACEA will continue to focus on its key policy recommendations, which are to drive innovation, to foster growth through international trade and to call for a supportive regulatory framework." ACEA will also be calling for a more specific competitiveness strategy for the automotive industry in Europe which would support the Commission's Jobs, Growth and Investment Package. ACEA's President is elected for a year-long term, once renewable, from the CEOs, Presidents or Chairmen of its member companies.

ENVI Committee approves law to make ships report emissions

(Source: Transport & Environment, 3rd December 2014) For the first time, all shipping companies calling at EU ports will have to measure and publicly report carbon emissions under a law approved by an overwhelming majority of the European Parliament's Environment (ENVI) Committee on 3rd December. Sustainable transport group Transport & Environment (T&E) says that the law is weak – it only monitors fuel consumption instead of directly reducing it, and only covers CO_2 and not air pollutants like SO_2 or NO_x – but it can still trigger fuel savings indirectly.

The EU law will require ship operators to publicly report three metrics to measure the environmental performance of ships: the theoretical energy performance of the ship known as the Energy Efficiency Design Index (EEDI); its real-world fuel consumption; and its energy efficiency, that is, the amount of fuel divided by the amount of cargo. The more cargo a ship can carry using the same amount of fuel, the more efficient and cheaper to run it is. The publication of ships' real energy efficiency will provide shipping users in Europe and worldwide with transparent data to identify the most efficient ships and practices. This can trigger a virtuous cycle of increased competition among operators, which will enable fuel savings and emissions reductions.

Sotiris Raptis, clean shipping officer at T&E, said that this "decision does not cut CO_2 and fuel use directly but can make it happen indirectly. Everybody benefits from better-informed decisions on what types of ships, companies and routes to use. This measure is a stepping stone for an eventual measure to actually require emissions reductions, which is what is urgently needed."

Currently ships are responsible for over 3% of global greenhouse gas (GHG) emissions. The Commission estimates that CO_2 emissions from ships sailing in European waters amounted to 180 million tonnes in 2010. If these emissions were reported as a country, maritime transport would be Europe's eighth largest emitter. According to the greenhouse gases study adopted by the UN's shipping body, the IMO, last month, under a business-as-usual scenario and if other sectors of the economy reduce emissions to keep global temperature increases below 2°C, shipping could represent a whopping 10% of global GHG emissions by 2050.

ECG Note: *More background information on this legislative dossier can be found in ECG News 14.46.*

Combined Transport Directive 92/106 should be the legislation governing transport by more than one mode

(Source: UIRR, 3rd December 2014) The industry associations of intermodal and combined transport, as well as inland navigation and railways continue to endorse the modal-shift targets of the 2011 Transport White Paper. These should remain the guiding principles for EU freight transport policymaking, including new legislative proposals, which should all be assessed as to their contribution towards achieving these aims. The Directive 92/106 concerning the establishment of common rules for certain types of combined transport of goods between Member States is one of the oldest pieces of European transport legislation still in effect today. Therefore the initiative by the European Commission DG MOVE for a public consultation related to the Directive was welcomed by the sector.

Transport-chains optimised to the criteria of simultaneous economic and ecological sustainability are rarely uni-modal. Quite on the contrary, they are based on the collaboration of rail, inland waterway and short sea shipping, which mostly rely on first and last mile road transport. The collaboration of different modes of transport and of several different actors including those responsible for transhipment between the modes, makes intermodal/combined transport appear more complex compared to pure road transport. Nevertheless the exceptional socio-economic performance of these multimodal transport-chains, such as greater resource efficiency, less congestion and pollution, lower emissions, fewer accidents, etc., make these forms of freight transport a good choice for both consignors and the society at large, also worthy of note for the European legislator.

Support for intermodal/combined transport is a horizontal challenge, which touches on a number of European policies beyond the scope of the Combined Transport Directive 92/106. The undersigning associations emphasize the horizontal approach needed when addressing these transport-chains which rely on several modes of transport and transhipment points in between:

- Infrastructure: the new TEN-T Guidelines rightly follows a multimodal approach. This needs to be reflected in the concrete corridor work-plans. The Connecting Europe Facility (CEF) can also play an important role in providing funding for transshipment infrastructure and equipment, thus enhancing the productivity of this activity.
- ICT solutions: Logistics chains that cover more than one mode require smart co-ordination across modes. This can be facilitated through simplified administrative and customs procedures (i.e. initiatives in the area of e-freight). EU support should be available for ICT and other solutions that allow better planning, co-ordination and bundling of cargo flows.
- Level playing field across modes: the internalization of external costs across modes, full and fair proliferation of the user-pays and polluter-pays principles in every Member State.
- Support of intermodal/combined transport: also on a Member State level; whereby Member States should be required to draft long-term roadmaps identifying their strategies to develop sustainable freight transport, and intermodal/combined transport in particular.

The current benefits defined in the Directive 92/106 are seen as very useful, contributing materially to the development of intermodal/combined transport-chains experienced over the past decades. This is why decision-makers should avoid the dispersion of defining terminology and other rules pertaining to transport by more than one mode of transport (combined, intermodal, multimodal) in other unrelated pieces of legislation. Directive 92/106 already provides a framework for European intermodal/combined transport, which could be further enhanced if the Commission would opt for its thorough revision.

The signatories are: Community of European Railway and Infrastructure Companies (CER), European Barge Union (EBU), European Federation of Inland Ports (EFIP), European Intermodal Association (EIA), European Rail Freight Association (ERFA), International Union of Wagon Keepers (UIP) and International Union for Road-Rail Combined Transport (UIRR).

ECG Note: *ECG Executive Director Mike Sturgeon was invited to speak at the UIRR conference "Intermodal/Combined Transport in Europe", which took place on 4th December in Brussels. While stressing the de facto intermodal nature of ECG members' activities, he pointed out that the current Combined Transport Directive 92/106 does not consider the finished vehicle logistics sector as falling under its scope – for the simple fact that finished vehicles are not included in the current definition of "load units" by this law. ECG and some of its members have therefore participated in the Commission's public consultation, and ECG will continue monitoring the developments within this specific legislative file, while asking recognition for its sector to both policymakers and stakeholders.*