ECG News

Truck Ship Compound Train Barge

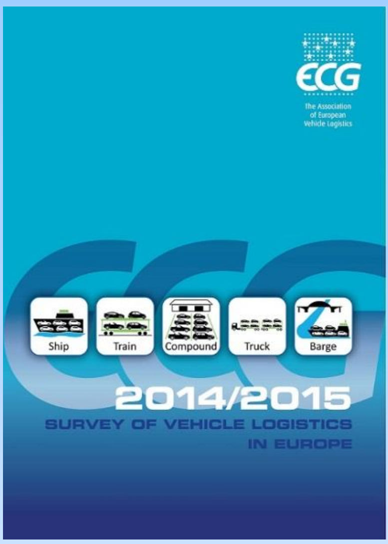
ECG – The Association of European Vehicle Logistics

Issue 15.01, 5th –9th January 2015

CONTENTS

ECG - The Association of European Vehicle Logistics, Diamant Building, Bd. Reyers 80, 1030 Brussels
Tel: +32-2-706-82-80, info@ecgassociation.eu; www.ecgassociation.eu

Now available!
The new ECG Survey of Vehicle Logistics 2014-2015



- 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

Find more information and order your copy at:

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

NEWS FROM BRUSSELS

Latvian presidency sets transport priorities

(Source: European Sea Ports Organisation – ESPO, 9th January 2015) On 1st January, Latvia took over the six-month rotating presidency of the Council of the European Union from Italy. Latvia will focus on three priorities during its presidency:

- facilitation of EU competiveness as a key to economic growth and jobs;
- full exploitation of the digital potential of the European economy;
- reinforcing the role of the European Union in the world.

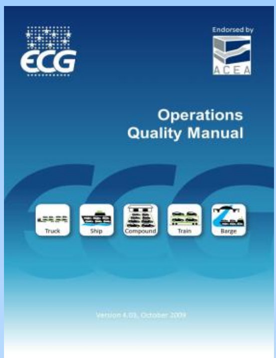
In addition, the Latvian Presidency wishes to ensure that the Council contributes to the implementation of the European Council's five-year strategic agenda in the areas of protection of citizens, an Energy Union with a forward-looking climate policy, and a Union of freedom, security and justice. According to the Latvian presidency's programme, maritime transport is, and will be, an important long-term contributor to Europe's economy and the quality of life of the European people. The presidency will strive to secure the right international environment for maritime transport and intends to promote all the initiatives facilitating growth and enhancing competitive European shipping. As regards the ports sector, once the European Parliament has adopted its first reading position, the presidency may seek further progress on the Commission's proposal to establish a framework for market access to port services and the financial transparency of ports. With regard to land transport, strengthening the European railway network will be a distinctive part of the Presidency. Progress on the Fourth Railway Package is instrumental for the development of the single EU transport area, which contributes to a more competitive and modern public transport infrastructure across the EU. The presidency will continue the discussions on all parts of the package, and will work to finalise negotiations with the European Parliament on the technical pillar based on the substantial progress achieved during previous presidencies. In order to achieve further progress on the remaining elements of the package, discussions started by the Italian Presidency will be continued. The presidency will also formalise the agreement reached on the Weights and Dimensions proposal. In order to highlight the importance of TEN-T, the Presidency will initiate ministerial discussions focusing on the development, implementation and financing of the TEN-T transport network infrastructure. This will be also an opportunity to look at the practical implementation of the investment plan for Europe in the field of transport. The EU's inland waterway transport sector is an important catalyst for the future development of the EU internal market, and a more sustainable and effective transport network. In the next six months, the presidency will start working on the revised proposal laying down technical requirements for inland waterway vessels.

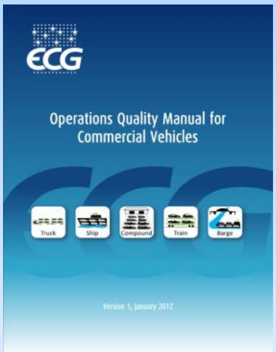
To read more on the programme of the Latvian Presidency, please go to this site: *https://eu2015.lv/the-presidency-and-eu/priorities-of-the-latvian-presidency*

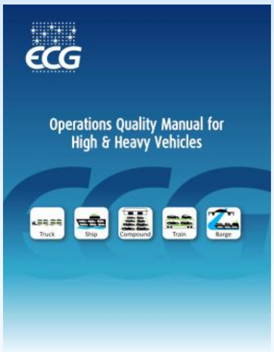
Commission sends statement of objections to the Lithuanian railway incumbent

(Source: European Commission, 5th January 2015) The European Commission has informed the Lithuanian railway incumbent AB Lietuvos geležinkeliai ("LG") that it suspects the company of having limited competition on the rail markets in Lithuania and Latvia by removing a railway track connecting the two countries. Such behaviour, if established, would breach EU antitrust rules that prohibit the abuse of dominant market positions. The removal of this track may have prevented customers from using the services of other rail operators for the transport of freight between Lithuania and Latvia. The sending of a statement of objections does not prejudge the outcome of the investigation. In September 2008, LG suspended traffic on a railway track running between Lithuania and Latvia. One month later LG dismantled the track. Since then the track has not

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
T: +32 2 706 82 80

been rebuilt. The Commission is concerned that these actions could have limited competition on the rail markets in Lithuania and in Latvia, in particular by obstructing the plans of a major customer of LG from redirecting its railway freight to Latvia using the services of other rail operators.

Dutch car tax regime leaves Germany far behind in curbing CO_2 emissions

(Source: EurActiv, 19th December 2014) The Netherlands had the lowest CO_2 emissions from new cars in the European Union last year, thanks to its tax regime favouring fuel economy and low-carbon vehicles. Germany and Poland are among the countries with the highest CO_2 emissions from new cars and the weakest national tax policies, a report by NGO Transport & Environment (T&E) has found. Cars are responsible for 15% of Europe's total CO_2 emissions and are the single largest source of emissions in the transport sector. The best performing countries in T&E's Green Car Tax ranking, such as the Netherlands, Denmark and France, had vehicle registration and company car taxes that incentivised buyers to pick low carbon vehicles. But car taxes pinned to CO_2 emissions in many EU countries have skewed the market in favour of diesel, with diesels now representing about half of all new cars sold in the EU. Besides lower fuel duty, diesels emit about 15% less CO_2 than petrol cars. But the lowest CO_2 emissions are found in countries with the lowest share of diesels, such as Denmark and the Netherlands. That dispelled the myth that increasing diesel cars in national fleets is needed to comply with CO_2 emissions laws, according to T&E, which branded them a major cause of urban pollution. Only one new Dutch car in four is a diesel, and one in three new Danish cars are diesel because both countries have taxation surcharges on the fuel. In 2013, the Netherlands achieved the lowest CO_2 emissions from new cars of all 28 EU countries at 109 g/km. T&E's report also shows the second best overall reduction across Europe since the introduction of binding CO_2 limits for new cars in 2008, at 30,4%. The EU's first obligatory rules on carbon emissions require car manufacturers to limit their average car emissions to a maximum of 130 g/km by 2015, and 95g/km by 2021. Germany's 2013 average CO_2 emissions from new cars was 136,1 g/km, by far the worst performer of the EU15. The largest European car market, with almost three million new cars registered in 2013, does not have a significant car registration tax, T&E said. Annual circulation taxes in Germany were too weak on CO_2 emissions to have little or no effect on consumer choice, T&E said. The Netherlands also has a strong differentiation against CO_2 emissions of the taxation of 'benefit in kind' payments for company cars, which were further revised downwards in 2012. Car manufacturing countries were also offering huge subsidies for the private use of company cars, said T&E. This encouraged the use of larger, more polluting cars. The Organisation for Economic Co-operation and Development (OECD) ranked Germany third highest among its members for its company car subsidies. Belgium was the worst OECD member, followed by Portugal. "Environmental outcomes across the OECD would be greatly improved by ending the under-taxation of company cars, particularly the distance component," it said.

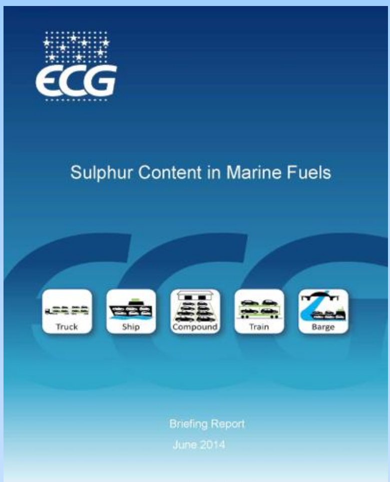
To download the country ranking of car emissions for 2013, please follow the link: *http://www.transportenvironment.org/publications/co2-emissions-new-cars-europe-country-ranking-2013*

AUTOMOTIVE INDUSTRY

Carmakers halt sales and deliveries in Russia because of depreciating rouble

(Source: Automotive Logistics News, 18th December 2014) Audi, General Motors and Jaguar Land Rover temporarily suspended deliveries of vehicles in Russia in

Briefing paper on the sulphur content in marine fuels updated



With the prospect of the Regulation on sulphur content in marine fuels came 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

December because of the current economic situation. Poor sales have led to a build-up of inventory. The announcement follows last November's news that Spanish vehicle maker Seat had stopped imports because of falling vehicles sales. Chrysler's Dodge division also stopped imports in November. The rouble has been sliding in value against the dollar since the beginning of 2014, and was down 50% against the dollar in the middle of December. The currency regained 9% to 61.5 roubles per dollar on the Moscow Exchange according to Reuters. Nevertheless, carmakers took the decision to temporarily halt sales in the middle of last month in the face of an uncertain economic climate. Audi said it had held back deliveries in an effort to clear inventory but that sales to customers were continuing. "Due to the increased currency volatility, we are thoroughly analysing the further development of the rouble's exchange rate and are evaluating a possible adaptation of vehicle prices at the moment," a spokesperson for the company told *Automotive Logistics*. Audi added that between January and November last year deliveries of its vehicles were more stable - up 7.5% - compared to the overall market, which saw a drop of over the same period of 12%. In recent months, however, the carmaker has seen drops of 20%. By contrast a spokesperson for GM said that because of volatility in the exchange rate, and with the aim of managing its business risk, it was temporarily suspending wholesaling of vehicles to dealers across the country as of 16th December. "At the same time we confirm that all Cadillac, Opel and Chevrolet vehicles already purchased by customers will be delivered on the agreed price," said the spokesperson. "We are monitoring the situation." Confirmation on a suspension was also announced by Jaguar Land Rover, which said suspended sales activities throughout its official dealership network in the country for a day. According to industry analyst IHS Automotive, OEMs are increasingly looking at their business risk in Russia as a result of the collapsing value of the currency. "There is little point in manufacturing and importing vehicles that are going to lose money simply because the rouble's ongoing slide is so dramatic," said the IHS' principal analyst Tim Urquhart in a statement. "And that's even if buyers can be found for these vehicles given the corresponding decline in the passenger car market." According to IHS Automotive analysis, the light vehicle market is down by 11.6% in the first 11 months of the year, which it said showed there was little demand in the market despite the introduction of the Russian government's vehicle scrappage scheme at the start of September. Urquhart concluded: "With the rouble having lost around half its value against the dollar since the start of the year, and the economic stability that has been the cornerstone of the Putin administration under threat, it is likely that OEMs will look further at revising their Russian business strategies in the coming weeks and months."

Car sales slump in France in December, but rise in Spain and Italy

(Source: Automotive News Europe, 4th January 2015) France's floundering economy pushed car sales 7% lower year-on-year in December, while Spanish sales jumped by 21%, helped by a subsidy scheme, and sales also rose in Italy, according to auto industry associations. The contrasting year-end performance highlights how France has been left out of a fragile recovery in Europe's car sector. The French market posted annual growth in 2014 for the first time since 2009. Registrations for the year rose 0.3% to 1.8 million cars, the CCFA auto industry association said. Car registrations in France declined to 163,382 vehicles last month, with those of PSA Peugeot Citroën tumbling 10%. Renault fared better as group domestic registrations slipped 0.8%, CCFA said in a statement. Francois Roudier, a CCFA spokesman, said car sales in France were expected to be largely stagnant this year. In Spain, 73,440 cars were sold in December and 855,308 in 2014, up 18% from 2013 and the best annual performance since 2010, carmakers association Anfac said. The government announced it was extending the Plan PIVE scheme that offers price cuts on new low-emission vehicles for the seventh time at the beginning of November. "The car market ends the year with its strongest annual growth in 15 years, with the Plan PIVE allowing

ECG & other industry events

►**ECG Quality Working Group Meeting**, **on 20th January**, in Brussels, Belgium

►**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

► **ECG UK & Ireland Regional Meeting**, **on 10th June 2015**, in Liverpool, UK

►**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

16 straight months expansion," David Barrientos, Head of Communications at Anfac, said. "If the Plan PIVE continues throughout the year, car registrations could come close to a million." In Italy, Europe's fourth-largest car market, new car sales rose 2% in December to 91,518 vehicles, the Transport Ministry said. In all of 2014, Italian car sales were up 4% to 1.36 million vehicles. But while industry groups welcomed the first rise in annual sales after a six-year slump, they urged caution. "A lot of ground still needs to be recovered to return to normal market levels," automotive research group Centro Studi Promotor said in a note. Promotor expects Italian car sales to rise 5% this year, boosted by a car replacement cycle. The number could easily be surpassed if the government introduced measures to spur demand, it added. Foreign carmakers' association UNRAE sees Italian car sales increasing around 3% in 2015.

EUROPE

Höegh Osaka Ro-Ro ship refloated

(Source: Lloyd's Loading List, 5th, 7th and 8th January 2015) The stricken Höegh Osaka ship which became stranded on a sandbank near to a busy shipping lane in Southampton has refloated on the high tide and was towed to a holding position on 7th January. The Höegh Osaka was run aground at Bramble Bank in the Solent outside the Port of Southampton in the evening of 3rd January after developing problems once it had left the port, Ingar Skiaker, Chief Executive of **Höegh Autoliners** said. The pilot and all crew, 25 people in total, were all evacuated from the vessel after the incident, and two members of the crew were taken to hospital with minor injuries. At a press conference Skiaker said it was too early to speculate on the cause of the listing that led to the ship running aground 50 minutes after setting sail from Southampton. He said no oil was thought to have leaked from the ship, however "the UK authorities have brought their spill response to a state of active readiness". Skiaker commented: "Our vessel developed a severe list shortly after she left port and the pilot and the master took the decision to save the vessel and its crew by grounding her on the bank. This showed great skill and seamanship on behalf of our crew when faced with such challenging circumstances." He added that "an investigation is ongoing as to what occurred (…) and that is being conducted by the MAIB (*Marine Accident Investigation Branch*). Our chief concern now is to ensure there is no environmental damage from this incident." Salvage experts had earlier abandoned a plan to refloat the ship on 7th January, which was beached at Bramble Bank on its way to Bremerhaven, because it was feared that the vessel had taken on too much water. After the ship freed itself from the bank on 7th January rescuers fought strong tides to keep the vessel under control. The list of the ship is reported to be unchanged and the vessel is currently under tow to a preferred holding position 2 miles east of the original grounding position, notes Höegh Autoliners in its latest press release.

To keep up with the latest developments and to read the press statements of Höegh Autoliners, please follow the link below:
http://www.hoeghautoliners.com/ikbViewer/page/hainternet/news

Euromed conference follow-up

(Source: Lloyd's Loading List, 19th December 2014) The High-Level Conference on the Financing of the Future Trans-Mediterranean Transport Network (TMN-T) was held on 10th December. This event took place under the aegis of the Union for the Mediterranean (UfM) and hosted by the Italian Presidency of the EU Council at the premises of the **Port of Rome/Civitavecchia**. The Conference was a follow-up to the Declaration adopted in November 2013 at the UfM Ministerial Conference on Transport. Ms Oen (representing Commissioner Bulc for the UfM Northern Co-Presidency) and Ms Shbeeb (Minister of Transport of

Events in Brussels

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

The 5th iMobility Forum Plenary Meeting with the theme "Policy priorities and EU initiatives supporting Intelligent Mobility in Europe" will be held on **27-28th January**
http://www.imobilitysupport.eu/component/easyblog/?view=entry&id=140&Itemid=101
ECG will attend.

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

Jordan, for the UfM Southern Co-Presidency), introduced the Conference together with the Secretary General of the UfM (Mr Sijilmassi) and the Italian Presidency (Mr Del Basso De Caro, Undersecretary of State for Infrastructure). The Conference reached its objective of bringing together the Euro-Mediterranean partner countries, key European and international financial institutions as well as donors and private companies to mobilise financing in a co-ordinated manner to support the implementation of the Trans-Mediterranean Transport Network (TMN-T) to be connected to the TEN-T. A high number of potential financial partners and relevant stakeholders attended the Conference (including the European Investment Bank, African Development Bank, Islamic Development Bank, European Bank for Reconstruction and Development, national development agencies, Member States' representatives and several other stakeholders). For the Commission, it provided also the opportunity to present the experience related to the TEN-T and its external dimension aimed at the connection with the network of the neighbouring countries, including the Southern Neighbours through the future TMN-T.

To read the Commission's presentation (in French) at the Conference, please follow the link below:
http://ec.europa.eu/transport/themes/international/news/doc/2014-12-19-euromed/presentation.pdf

TIR re-instatement in Russia taking time despite government nod

(Source: Lloyd's Loading List, 24th December 2014) Russia's government last month ordered the re-instatement of the TIR harmonised International Road Transport System of Customs Control but its decision has yet to be acted on by the relevant state agencies. In July 2013, the Federal Customs Service unilaterally decided to restrict the TIR regime in Russia. The International Road Transport Union (IRU) has waged a long campaign against the decision claiming that it has led to soaring increases in transport operating costs and created uncertainty over the legal framework governing trade with Russia and also in business relations generally with the country. On the ground, the TIR restrictions remain in place, Ivan Golovko, international transport manager for Russia at FM Logistic, a major operator in the Russian market, told *Lloyd's Loading List.com*. "We are waiting for the implementation of the re-instatement order which could come during the course of next month," he said. "I would say the biggest issue the restrictions have raised is that shippers don't know in advance how much they are going pay at the border in import duties and their logistics services providers are not in a position to tell them," Golovko added. He explained that global shippers, who are used to knowing what they are going to pay in transporting goods from A to B, within the framework of a tender, have had to accept the uncertainty over how much transit costs will work out at when trucks reach the Russian frontier. "In order to be able to inform shippers of the likely cost of import duties, we need to have detailed information about the goods and their value and it's not always possible to obtain." Under the current system in place at Russian borders, the duties can, in some cases, work out cheaper than the guarantee paid through the TIR scheme, Golovko claimed. "The major benefit of having TIR re-instated will be that customers will have fixed transit duties to specific destinations in Russia," Golovko underlined. He went on to describe the current, seemingly archaic system which demands that truck drivers write cheques at Russian border posts in settlement of import duties, the receipts for which eventually finding their way back to shippers for reimbursement. "I suppose this system discourages new market entrants but for those who have an established presence it is part and parcel of doing business with Russia. To my knowledge, none of FM Logistic's customers have withdrawn from the market because of the TIR restrictions. They are more likely to pull out as a result of the currency crisis and the fall-off in demand."

ECG Office

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

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

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

Cliona Cunningham
External Relations Manager
T : +32 2 706 8285
cliona.cunningham@ecgassociation.eu

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

Beatriz Peon
Communications and Events Officer
T: +32 2 706 8280
info@ecgassociation.eu

Ukraine introduced an additional import duty on cars

(Source: Automotive Logistics News, 6th January 2015) On 1st January this year Ukraine introduced additional import duties on a wide range of goods, including cars. The duties will lead to a substantial increase in automotive logistics expenditure, according to leading providers operating in the country, adding to financial pressures caused by the falling exchange rate of Ukraine's currency, the hrivnya, against the euro and dollar. The additional fee amounts to 10% of the cost of a car and has been implemented for a period of one year. The official reasons for the move are described in the bill as being down to the deterioration in the balance of payments to Ukraine and a significant reduction of gold and foreign currency reserves of the country. "An additional import duty [is] entered on goods imported into the customs territory of Ukraine, regardless of their country of origin, at the rate of 10% and 5% for the various categories of goods," noted a memorandum to the bill. Representatives of foreign carmakers in Ukraine have responded that the new tax is likely to have a negative impact on the profitability of imported automobiles and spare parts to the country. One representative in the Ukrainian division of a European carmaker, who wished to remain anonymous, said: "The decline in demand for cars by more than two times in 2014, along with the ongoing decline in the purchasing power of the population, has led to the fact that, to maintain sales we cannot lay a new fee in the price of cars in the market. However, most manufacturers will not be able take on this additional expenditure as they are already suffering losses due to the devaluation of the hryvnia." The new tax initiative is expected to hit companies such as Toyota, Hyundai and Geely hardest as they were the leaders of Ukraine's automotive market in 2014. "Unfortunately, we, like most importers, depend on the influence of currency rates," said Gennady Chetverukhin, Commercial Director of Hyundai Motor Ukraine. "Previously we could afford to absorb currency fluctuations, but now we have no way to do this. Automobiles became cheaper in dollar terms, but they do not meet the income of citizens, which is in hryvnias." The head of the Ukrainian Association of Automobile Importers and Dealers (UAAID), Oleg Nazarenko, said the decision of Ukrainian authorities would have an extremely negative impact on the development of the car market there and could lead to the collapse of import supplies. Nazarenko hoped that under pressure from the European Union and World Trade Organization the new fee would be cancelled. "On new import duties we will not give up," he said. "Today we will send an appropriate letter [demanding a cancellation of the fee] to the EU delegation in Ukraine, the EU and the WTO." UAAID predicts that the initiative may lead to a fall of sales to 91,000 cars in 2015, compared to 92,000-96,000 cars in 2014. Should the new initiative be cancelled, however, representatives of the UAAID believed sales this year could grow to between 120,000-130,000 cars.

Antwerp reports Ro-Ro hit by political, economic and epidemic factors

(Source: Automotive Logistics News, 6th January 2015) While the Belgian port of Antwerp has reported strong figures for container and liquid bulk traffic through 2014, the number of vehicles handled is down by almost 8% compared to the previous year. A final figure on volumes moved through the port last year is expected to be around 1.2 million, compared to the 1.3 million handled in 2013. Those figures include second-hand vehicles, and it is loss in trade to this segment that has accounted for the main drop in vehicle handling, according to the port. "The lower volume is due – among other things – to the Ebola outbreak in West Africa, the unrest in the Middle East and the poor economic situation in Argentina and Brazil, all of which are important markets for second-hand cars," said the company in a statement. Final figures for vehicle handling in 2014 are not yet available, said a spokesperson for the port, but in 2013 the company handled 760,000 new vehicles, leaving around 540,000 accounted for by second-hand vehicles. If new car volumes remained roughly steady in 2014 with the previous year's figure, the drop to 1.2 million suggests that Antwerp lost around 100,000

second-hand vehicles last year thanks to the above regional factors, though this is yet to be confirmed by the port.

EU to back a wider use of sustainable marine fuel

(Source: INEA, 19h December 2014) The EU's TEN-T Programme will co-finance with over €2.5m studies to support the use of liquefied natural gas (LNG) as marine fuel in the eastern Mediterranean. The economically attractive LNG could help decrease the sulphur content in marine fuels from 3.5% to 0.5%. European regulation on transport requires the shipping sector to reduce greenhouse gas emissions by at least 40% by 2050. One of the ways to reach this goal is to use cleaner fuel such as LNG. The TEN-T programme puts forward the obligation to provide publicly accessible LNG refuelling facilities in all core European ports by 2030. This project aims to design an LNG transport, distribution, supply - including bunkering - network and infrastructure for LNG use as marine fuel in the eastern Mediterranean (Greece, Cyprus, Italy), and define the framework for a well-functioning and sustainable market. The project is contributing to a larger initiative with the ambition to establish an LNG network in the eastern Mediterranean, develop a sustainable market for LNG as marine fuel, revive the shipping industry, as well as increase the fleet competitiveness, efficiency and sustainability. The project was selected for EU funding with the assistance of external experts under the TEN-T Multi-Annual Call 2013, Priority Projects. 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.

REST OF THE WORLD

WWL VSA buys Mexican logistics provider

(Source: Automotive Logistics News, 7th January 2015) **Wallenius Wilhelmsen Logistics**' division Vehicle Services America (WWL VSA) has bought Mexican vehicle logistics provider Carlogistics for an undisclosed sum, making it the largest provider of vehicle processing for automotive manufacturers in Mexico. Formed in 2002, Carlogistics provides transport and distribution services for a number of carmakers in Mexico, including Fiat Chrysler. WWL said the acquisition would enable it to expand the scope of its operations in two key locations – Cuautitlán and Veracruz – and build on relationships with new and existing customers, such as Renault, Subaru, Hyundai and other major carmakers. The acquisition adds two facilities, which offer vehicle processing, body shop work and storage, as well as supply chain and distribution management (including rail and truck loading/unloading). The company said it will also benefit from incorporating a skilled workforce of more than 100 employees. WWL is already present in Mexico and provides services ranging from receiving and handling inland distribution to pre-delivery inspection and storage, as well as maintenance and accessorisation. It has nine vehicle processing centres based at both automotive plants and standalone processing locations, and an ocean transport service that connects to the US, Europe, Middle East and rest of the world. As part of that the company offers a frequent shipping service between South America and North America using the Mexican ports of Veracruz and Lázaro Cardenas.

DPCA to sell vehicles to ASEAN region

(Source: Automotive Logistics News, 7th January 2015) PSA Peugeot Citroën has signed a 50:50 joint venture agreement with Dongfeng Motor, its partner in China, to sell Chinese and European-made vehicles in ASEAN markets from a base in Singapore. The agreement, which is reported to be worth 100m yuan ($16m), is part of PSA's existing strategic partnership with Dongfeng Motor – Dongfeng Peugeot Citroën Automobile (DPCA) – which most recently announced it is taking over the vehicle import business that is currently being handled by the French carmaker's office in Asia. The latest move confirms reports made in April last year that DPCA was planning to export vehicles from China, in particular to Southeast Asia, something that could open up opportunities for its logistics provider **GEFCO**, though no guarantees have been given. GEFCO already has a joint venture with part of Dongfeng (Dongfeng GEFCO) that provides inbound services for two of DPCA's three plants in Wuhan.

Chinese government lifts price controls on rail cargo

(Source: Out-Law, 5th January 2015) Government-set controls on the cost of air and rail passenger and cargo transportation in China will be lifted as part of a drive to deregulate prices and improve competition, the country's National Development and Reform Commission (NDRC) has announced. The changes are amongst eight sets of regulations lifting price controls on 24 different commodities and services published on the NDRC's website. The documents cover tobacco pricing, rail transport, civil aviation, ports, professional services, local services and explosive materials for civil use; and the changes took effect in November and

December 2014. Sun Zhang, a professor at Tongji University, told state-owned news agency Xinhua that government controls on railway passenger and cargo prices had impeded the development of China's railways, as any changes "lagged far behind" those in road and water transportation costs. Xinhua said that the changes followed a pilot exercise during which prices were freed up on the Zhunchi Railway, a short private railway in north China. The NDRC said that it would continue to monitor the market prices of the relevant goods and services, and would take "early" regulatory action to prevent any price volatility or anti-competitive behaviour that emerged as a result of the changes. The cost of transporting rail cargo, Express Railway parcel shipping and passenger fares was deregulated on 23rd December. The changes are intended to promote railway investment and financing as part of a competitive, integrated transport system and to encourage private sector capital investment in the railways, NRDC said on its website.

PRESS RELEASES

UN adopts first ever Resolution on International Transport Corridors

(Source: IRU, 19th December 2014) The UN General Assembly unanimously approved the "Resolution on the Role of Transport and Transit Corridors in Ensuring Global Sustainable Development", which was initiated by the Government of Turkmenistan and co-sponsored by 66 states. The Resolution focuses, for the first time in UN history, on the role of transport and transit corridors and their contribution to the global sustainable development outlined in the Post 2015 Development Agenda.

The Resolution welcomes the efforts of the UN and major international organisations, including the International Road Transport Union (IRU), "to develop and operationalise international transport and transit corridors" and calls for co-ordinated efforts in a number of areas to obtain their "sustainable and inclusive development".

It notably invites the UN Secretary General to seek the views of Member States and international organisations on issues related to the development of transport and transit corridors and to communicate these in a summary report to the UN General Assembly at its 70th Session.

The Resolution further underscores the importance of public-private partnerships and acknowledges the IRU initiative to establish the Global Partnership for Sustainable Transport (GPST), which was announced at the IRU-UN Global Compact Conference on 10th October 2014 in New York.

Addressing the IRU General Assembly in November, Executive Director of the UN Global Compact, Georg Kell said "the GPST is an important new international mechanism to contribute to global sustainable development and can even become a model for other industrial sectors."

Ambassador of Turkmenistan to the UN, Her Excellency, Aksoltan Atayeva, highlighted that the Resolution "foresees the mobilisation of financial and technical resources of international finance institutions and state and private sectors to promote the sustainable development of transport and transit corridors."

IRU Under Secretary General and Head of the IRU Permanent Delegation to the UN, Igor Runov, underlined, "Being recognised by the UN as a key player in the facilitation of trade and transit along major international corridors is a great additional incentive for us to work even harder. We hope that this Resolution, together with the Global Partnership for Sustainable Transport, will open a new page in the IRU relationship with the UN and contribute to its global recognition at the highest international level."

Worrying developments on the French rail market – towards ever more monopolisation

(Source: European Rail Freight Association – ERFA, 22nd December 2014) ERFA is concerned by the very recent developments on the French rail reform, described by the French newspaper Le Monde as crudely distorting the spirit of the French rail reform law voted during the summer. "*La manipulation est grossière et dénature l'esprit même de la loi votée cet été*."

The surprising new development would see SNCF reinstated as the overall managing entity for both operations and rail infrastructure, raising concerns that under this structure the all-important independence of the infrastructure manager will not be guaranteed.

Until now it had been believed that the infrastructure manager (*SNCF Réseau*) would be a distinct body, but the new organisation chart produced on 15th December by SNCF, shows that it is merely one of 5 branches under the SNCF EPIC structure (*Établissement Public Industriel et Commercial*).

The independence of the infrastructure manager is not only essential vis-à-vis European legislation; it is also crucial for the growth and sustainability of the rail sector, guaranteeing non-discrimination and fair access to the network for new entrants.

New entrants are key players on the French rail market. The market share of rail operators other than SNCF stands today at 27% (*Source: AFRA*). New entrants are responsible for creating a more dynamic rail culture and for maintaining the freight volumes transported by rail during what is a difficult economic climate. New entrants have also generated a significant number of jobs, with 1000 new jobs created in the last 3 years.

This surprising development follows strong concerns already raised by the French regulator earlier this month over essential independence criteria of the new structure. The French rail regulation authority, ARAF (*Autorité de régulation des activités ferroviaires*) raised concerns over possible cross-subsidisation, lack of financial transparency, risk of exchange of sensitive and strategic information under the SNCF EPIC structure, and over the management of stations by SNCF Mobilités.

ERFA is also concerned in view of the European Court of Justice ruling in April of this year, which concluded that the EPIC structure of La Poste, at the time, was incompatible with the European internal market. The Commission judged that the EPIC structure was similar to unlawful state aid.

The new SNCF structure will also have the EPIC status - a state-owned enterprise responsible for managing a public service of an industrial and commercial nature. The EPIC status also means that it can never go bankrupt as the state offers unlimited guarantees.

ERFA is concerned at these different aspects of the French rail reform, which when added together, do not inspire confidence in the development of a rail market geared towards efficiency and growth.