ECG News

Truck Ship Compound Train Barge

ECG – The Association of European Vehicle Logistics

Issue 15.15, 13th –17th April 2015

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ECG & other industry events

►**ECG Maritime & Ports Meeting**, **on 23rd 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 Quality Working Group Meeting**, **on 9th June 2015**, in Brussels, Belgium

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

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

►**ECG Board Meeting**, **on 9th July**, in Naples, Italy

►**ECG Land Transport Working Group Meeting**, **on 14th July**, in Frankfurt, Germany

►**ECG UK & Ireland Regional Meeting**, **on 12th November**, in London, UK

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

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

NEWS FROM BRUSSELS

ECG meets to discuss problems in Derince and other challenges

*(Source: **ECG**, 16th April 2015)* Next week on 22-23rd April ECG members are turning out in record numbers for back-to-back meetings of the Maritime & Ports Working Group and the Eastern Regional Group in the Port of Koper in Slovenia with close to 90 participants expected to make the journey. The meetings, kindly hosted by the Port of Luka Koper and additionally supported by **BLG CarShipping Koper** and **Musco-Ferrostaal** as well as local member **Avto Transporti Kastelec**, will include informal networking dinners and a tour of the port facilities.

On the agenda are many important operational issues such as the changes being sought in the port of Derince in Turkey by new owners SAFI Group. Taking over first the ownership of the port and then responsibility for management of all operations within it, leaving existing long-standing operators high and dry, they are using this monopolistic position to try to implement massive cost increases retrospectively. Such significant changes will potentially force ECG member companies shipping in and out of Derince, and their OEM customers, to seek alternative routes in order to avoid these additional costs unless SAFI are persuaded to reconsider their proposals.

Any ECG members not yet registered who wish to join either of these meetings to discuss this and other matters should, as usual, contact Tom Antonissen at tom.antonissen@ecgassociation.eu.

Commission sets up the Digital Transport and Logistics Forum

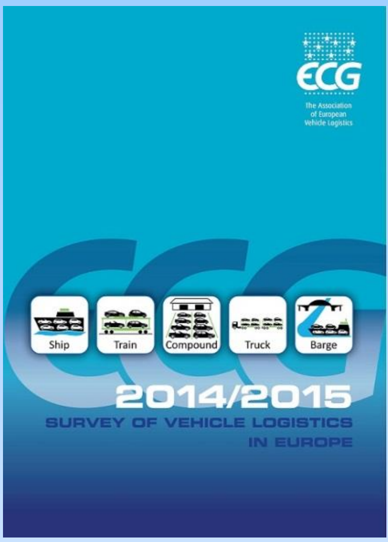
(Source: European Commission, 15th April 2015) President Juncker identified 'Jobs, Growth and Investment' and 'A Connected Digital Single Market' as the first two priorities for EU policy. The goal is to foster growth, competiveness, jobs and the internal market, in particular through making better use of the opportunities offered by digital technologies. Specifically in the transport sector, such tools could improve the use of existing resources and the daily life of citizens. In this frame, the European Commission has set up the Digital Transport and Logistics Forum (DTLF), to address this topic during the next three years. The Forum will aim at further supporting digitalisation of freight transport and logistics. It will bring together Member States and stakeholders from all transport and logistics communities with the aim to identify challenges and areas where common action in the EU is needed, to provide recommendations, and to work on the implementation of these recommendations where appropriate. The DTLF will operate with the following structure: a plenary will meet two or three times a year; between plenary meetings, experts will meet in non-permanent technical working groups to address specific barriers to digitalisation of freight transport and logistics. The DTLF envisages in particular addressing the following topics:

- Standardisation,
- Creating a climate of trust : data protection and cybersecurity,
- Recognition of e-transport documents by banks, authorities, insurances,
- Access to data,
- Infrastructure,
- New business opportunities.

***ECG Note**: ECG members are encouraged to assess internally whether they wish to apply to join the DTLF as representatives of their own company. ECG will also consider a possible application of its own. Should members require more information on the DTLF, please contact the Secretariat and see the official information (the Commission's Decision, a background document and the Call for Applications) on the Commission's website.*

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

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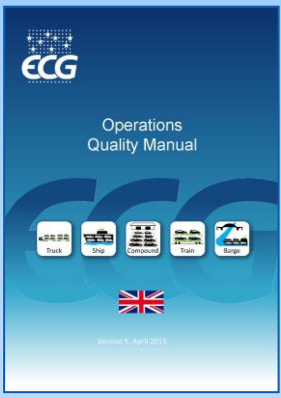
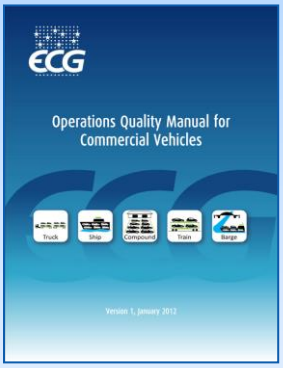
http://www.ecgassociation.eu/publicationsreports/ecgbiennialsurvey.aspx

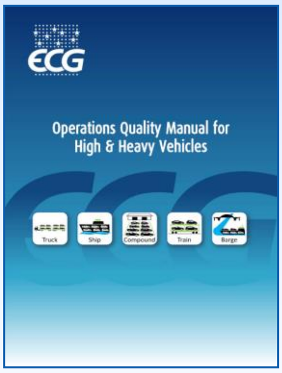
Lawmakers agree to limit food-based biofuels

(Source: EurActiv, 14th April 2015) MEPs approved a compromise agreement on a law limiting the use of harmful biofuels, following lengthy negotiations with the Council of Ministers. MEPs gave in to the Council of Ministers' request to cap the use of harmful biofuels at 7%. The European Parliament had asked for a 6% cap, but compromised after a provision was included to allow Member States to go lower if they wished so. The new legislation will cap the amount of biofuels from agricultural crops used to reach the EU's transport targets of 10% renewable energy by 2020. Unlimited use of biofuels over the years has increased food prices and deforestation, as biofuels and food crops compete for the same agricultural land. Parliament and the Council agreed to adopt a new law to diminish harmful effects on the environment from these biofuels, and from indirect land use change (ILUC). ILUC is the unintended consequence of releasing more carbon emissions after turning forests into agricultural land in response to the increased global demand for biofuels. "This is an important reform that will support the development of new advanced biofuels in Europe without hampering the use of climate-effective ethanol and biodiesel," said MEP Christofer Fjellner (EPP), who is responsible for negotiations on the biofuels legislation. "It was a very challenging file and we didn't achieve all we wanted to achieve. There are very different capabilities and approaches between Member States on advanced biofuels, some are willing to go forward more than others, as well as a very profound disagreement on ILUC factors," said MEP Nils Torvalds (ALDE). Environmental groups have cautiously welcomed the agreement, claiming it is not ambitious enough. "After years of industry and Member State lobbying, this agreement is far weaker than the Commission's original proposal. Nevertheless, it sends a clear signal that land-based biofuels have no future role to play in Europe," said Pietro Caloprisco, Senior Policy Officer at Transport & Environment. Marc-Oliver Herman, Oxfam's EU biofuels expert, said that the 7% target should be seen as a first step in limiting crop-based biofuels. "Europe must phase out these fuels completely so they can no longer jeopardize food security and contribute to climate change," Herman said. Lawmakers also agreed to have fuel suppliers and the European Commission report on emissions deriving from ILUC. But they failed to have these emissions included in the carbon accounting, a method calculating for greenhouse gas emissions in order to identify the most polluting biofuels. This means that the most damaging biofuels will still be allowed to count towards renewable targets. It will also slow the move to advanced biofuels that derive from biomass other than food crops. Lawmakers took a less ambitious stand on advanced biofuels in the final text. MEPs accepted the Council's proposal to set an optional target of 0.5% for advanced biofuels, instead of having a compulsory target, as previously demanded by the Parliament. Despite extended negotiations in trilogue meetings, the result was criticized by the Greens in the European Parliament, who voted against the adoption of the law. MEP Bas Eickhout (Greens) said that the agreement "falls far short of what is required to address the myriad of problems with the EU's biofuels policy." "This legislation was supposed to ensure the EU does not continue to promote biofuels that exacerbate climate change and have a negative social impact but what has been agreed and voted today will not do so. It is a major missed opportunity," he said. The Social Democrats are not fully content with the result either. "We would have liked to go further, but given the lack of co-operation in the Council, we felt that this was the best possible deal at the moment. It was obvious from the get-go that the Council had decided to give very little ground on this package, but to bend to the will of a strong industrial lobbying operation, to the point where trilogues were almost a charade," said Seb Dance, the S&D's environment spokesperson. "I am particularly saddened to see the Greens voting against this file - knowing only too well that having this achieved is better than nothing, while crowing that it isn't good enough," Dance concluded.

The version 5 of the ECG Operations Quality Manual for PCs and LCVs now is 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

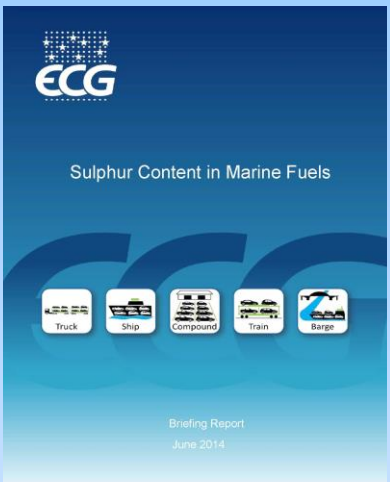
For comments or inquiries please contact: info@ecgassociation.eu

AUTOMOTIVE INDUSTRY

Carmakers defend diesels, calling them key to meeting CO_2 goals

(Source: Automotive News Europe, 13th April 2015) Automakers in Europe are calling for long-term clarity on legislation that affects diesels after some governments started to discourage buyers from purchasing vehicles that use the fuel because of air pollution concerns. “The European industry has invested massive amounts of money to make [cleaner] Euro 6 diesels a reality. Now we start hearing calls to reduce or phase out diesel. This is unrealistic. This industry needs a longer-term strategy,” Renault-Nissan CEO Carlos Ghosn, told *Automotive News Europe*. Diesel-powered vehicles – which accounted for just over half of all new-car sales in Europe last year – are popular because fuel consumption is roughly 15-20% better than equivalent gasoline powertrains. In addition, the fuel is less expensive in many European countries because it is less taxed. That is about to change as France will gradually align taxes on diesel and gasoline to encourage people to give up their diesel-powered vehicles. French Energy Minister Ségolène Royal says France will move away from diesel to reduce emissions of nitrogen oxides (NO_x), which cause smog. “Air pollution is a major public health issue,” she said. “60% of the French population breathes air that isn’t healthy.” Starting this month, the French government also will pay a bonus of as much as €10,000 to consumers who buy an electric car to replace an old diesel vehicle. Meanwhile, the central London borough of Islington has started to charge residents with diesel cars more to park outside their homes than those with gasoline cars. Automakers argue that Euro 6 emissions standards that apply to new model cars that go on sale starting in September will make diesel emissions a non-issue. “The level of removal of pollutants in Euro 6 is phenomenal,” FCA CEO Sergio Marchionne told reporters at the Geneva auto show last month. The amount of NO_x produced by new diesel cars sold in Europe has declined 84% to 0.08 grams per kilometre since 2001, according to the UK’s Society of Motor Manufacturers & Traders. Automakers are concerned about the anti-diesel sentiment because they say that the powertrain is crucial to helping them comply with the EU’s requirement that CO_2 emissions from the passenger vehicle fleet drop to 95g/km starting in 2020 from about 123g/km last year. “With no diesel there will not be 95 grams in 2020,” PSA Peugeot Citroën CEO Carlos Tavares told *Automotive News Europe*. “If we are really sincere about fixing the global warming issue, why are we putting the focus on destroying the mass-market’s most efficient tool?” Ghosn also called for a clearer, long-term roadmap to allow automakers to reduce their diesel dependence. Automakers also are unhappy that future legislation over emissions on diesel and gasoline engines is not clear. The key change is the planned shift to a more real-world representative test cycle called the World Harmonized Light Vehicle Test Procedure (WLTP) that would replace the current New European Driving Cycle (NEDC) test. This is expected to be introduced before 2020, but nothing has been agreed. In addition the so-called Euro 6.2 amendment that sets even tougher emissions goals is set to take effect in 2018 and is scheduled to include an on-road test for tailpipe pollutants. Preliminary tests show this real driving emission (RDE) segment could prove tough for Euro 6 diesels. “The 2018 regulations are far from clear, particularly around particulate emissions, real driving emissions and conformity factors. There is huge uncertainty,” said Andrew Fraser, manager of gasoline powertrain calibration at Ford of Europe. Analyst firm IHS Automotive expects the diesel share to fall below 50% by 2020. “The biggest drop will be in minicar and subcompact vehicles as compliance costs shrink profit margins on anything less than compacts,” said Pavan Potluri, an IHS senior powertrain analyst. Ultimately, automakers feel diesel fuel is being unfairly discriminated against. Marchionne said: “I have no problem with setting standards. Let the standards run and let people comply with the standards. But do not pick technologies.” PSA CEO

Briefing paper on the sulphur content in marine fuels updated



As the Regulation on sulphur content in marine fuels came into force on 1st January, 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

Tavares agrees: "Regulators who are not technology neutral are an enormous risk to OEMs."

Bo Andersson's call for increase in Russian import tariffs not likely, say experts

(Source: Automotive News Europe, 8th April 2015) At a recent Russian Engineering Union committee meeting, Bo Andersson, President of domestic carmaker AvtoVaz said that import duties on foreign brands were still too low, despite the increases Russia has imposed to protect local production. "We have to prepare protectionist proposals for the Russian government. As a foreigner, I can say that in some cases our import duty is too low," he said, speaking at the Committee for Development Co-operation and the Localisation of Production in the Automotive Industry. "We need to realise the global trends in the automotive industry and to understand where we are: the automotive industry in Russia is one of the leading industries, and the number of workers in this sector is more than 700,000 people," he said. Andersson referred by contrast to the United States, Brazil and China, which he said were actively protecting their domestic industries. His comments follow similar ones made last year in which he proposed an increase in import duties, though the Putin government failed to act on the proposal saying it would have no effect on falling sales. However, following GM's decision to pull out of manufacturing in Russia because of those falling sales and, instead, rely on premium brand imports, Andersson may be forgiven for giving it a second go. Russian authorities are concerned that the number of foreign carmakers plants in the country could follow GM's example and switch to import supplies, although import duties on vehicles already range up to 25% or higher depending on vehicle types, and the country has for several years applied a 'recycling' fee on imported vehicles. Likewise, as GM's decision to idle the plant rather than close it outright suggests that future production could resume once sales recover. Industry experts, meanly, have suggested that it is unlikely the Russian authorities will apply higher imports at this stage. The head of the car loans department of the Russian bank Locobank, Andrey Ermakov, said that the increase in import duties would have a negative impact on the Russian market. "It will probably not lead to the large-scale drop of sales on the Russian market, but there may be other risks in the form of lawsuits from WTO members," he said. He also pointed out that increased duties would benefit AvtoVaz and other localised carmakers, which compete with imported brands. "Russia already has a schedule for tariff reduction agreed with WTO and I think that the government will not abandon it," said Vladimir Bespalov, analyst at Russian bank VTB-Capital. "In addition, Russia already has a measure of protection in the form of the recycling fee, for which local producers receive compensation, while importers have to pay it. Therefore, given the relatively high customs duties, the domestic car market is now well-protected from large-scale imports." Andrei Rozhkov, analyst at the investment and financial company, Metropol, also said that the increase proposed by Andersson would not be effective for helping mass-produced, economy brands. Currently, imports account for about 20% of the Russian market, and are mostly made up of premium class brands. "Russia imports expensive premium and business class cars, those for which production in Russia is not justified because of low production volumes," he noted. "So [the increase of duties on such cars] will not benefit AvtoVaz's brand Lada," he said.

Ford bullish on Russia as it takes control of local JV

(Source: Automotive News Europe, 10th April 2015) Ford Motor says it still has confidence in the Russian market despite collapsing vehicle sales. Ford is taking control of its Russian joint venture with Sollers and providing it with additional financial support. "While in the short term, Russia remains an extremely volatile and challenging market, we believe the market likely has significant potential in the longer term," Ted Cannis, CEO of Ford-Sollers, said in a statement. Ford released the statement on 10th April as the automaker started production of its

Events in Brussels

The Alliance for European Logistics will hold the 7th European Logistics Summit 'Towards the EU growth and jobs agenda: The critical role of the European logistics sector' on **22nd April**
http://www.logistics-alliance.eu/index.php?page=all-events

FERRMED organises a conference entitled on 'The impact of intercontinental trade on EU competitiveness and Core Network Corridors (2015–2030)' on **22nd April**
http://www.ferrmed.com/?q=en/conferences/corridor-networks-2015-2030

The ITS Conference 2015: "A Digital Strategy for Mobility: from capacity to connectivity" will be organised by the European Commission on **24th April**
http://tinyurl.com/qyat2xz

latest-generation Mondeo midsize car at the joint venture's St. Petersburg factory, the first of at least four new models the company plans to launch in Russia this year. Ford said it is taking control of Ford-Sollers through the acquisition of preferred shares in the venture and would provide additional funding for the business. "Both partners will continue to work jointly to improve the business outlook for the Ford-Sollers joint venture by expanding its vehicle line-up to better meet the needs of Russian customers," Ford said. Ford will add production of a face lifted Focus compact at the 160,000-unit capacity plant in the second half. The factory has had an extensive modernization and builds the current Mondeo and Focus models. Ford has been one of the hardest hit mass-market carmakers in the Russian market this year. Its vehicle sales plunged 71% to 5,060 through March in a market down 36%, according to data from the Moscow-based Association of European Businesses in Russia. Ford-Sollers Chief Operating Officer Adil Shirinov said the company will continue to invest in modernising its manufacturing facilities in Russia. The automaker will add output of the Fiesta subcompact at its plant in Naberezhnye Chelny in Tatarstan later this year and begin local engine production at a new factory in Elabuga, Tatarstan, he said in the statement. Ford is taking an opposite strategy in Russia to its rival General Motors, which is ending sales of Opel cars and mainstream Chevrolet models in the country and idling its St. Petersburg factory. Volkswagen and PSA Peugeot Citroën have imposed production stops to lower inventories as a weak currency, falling oil prices and Western sanctions over Ukraine push the Russian economy into recession.

EUROPE

DFDS to provide logistics services to Nissan

(Source: Globe News Wire, 23rd March 2015) **DFDS** entered into an agreement on 23rd March with Nissan to provide logistics services for the production of a new car, the INFINITI Q30. Services will start in November 2015. DFDS will manage the supply of parts from a number of suppliers in Germany to Nissan's production line in Sunderland, UK. On a daily basis, around 40 trailers will be delivered to the production site each within a 30-minute window. A Nissan control tower will be set up in DFDS' Hamburg office to plan and control the flows. As part of the agreement, more than 300 mega trailers will be purchased with special security and safety specifications and with a GPS tracking system. The trailer flows of the agreement will be carried on DFDS' Cuxhaven-Immingham and Vlaardingen-Immingham routes, including port terminal services. The bespoke customer solution combines DFDS' logistics capabilities and the reliability and capacity of the shipping route network. The new contract is expected to generate revenues in excess DKK 75m on a full-year basis. DFDS expects to invest around DKK 40m in equipment to facilitate the contract.

German government debates altering minimum wage law

(Source: EurActiv, 10th April 2015) On 10th April Germany's minimum wage reached its 100th day since taking effect at the start of this year. But two weeks before a meeting of coalition leaders, a new dispute has arisen among the ruling parties over corrections to the measure. Because of lower wages in other EU states, Labour Minister Andrea Nahles called for clarification that applicable minimum wage law should be taken from the country where work is performed. "We have realised this basic principle and now the French have followed suit," she said. This principle should become enforceable at the European level," Nahles emphasised. "If we depart from this basic principle, we will have created a large loophole for circumventing the minimum wage in Germany," she warned. In Nahles' view, the minimum wage has been a success. "We are strengthening the income of the working population. Around 50,000 people do not have to supplement their living with the Hartz IV [unemployment benefit]," the Labour

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Minister explained in Berlin. “We have no job losses,” she indicated, “and a significant majority in Germany is in favour of the minimum wage.” A considerably large majority of Germans (86%) does think it was right for the government to introduce a legal minimum wage. This was revealed by an *infratest dimap* poll conducted on behalf of the Confederation of German Trade Unions (DGB) in March. According to the survey, there is also a majority in favour of the legal wage floor among supporters for every one of the political parties. As many as one in four (79%) supporters of the centre-right Christian Democratic Union (CDU) and its Bavarian sister the Christian Social Union (CSU) support the measure, the poll showed. Almost all European states already have a minimum wage of their own. In Germany, the law took effect in conjunction with a regulation on strengthening free collective bargaining. The nationwide minimum wage of €8.50 amounts to about 52% of the country’s median hourly wage. As a result, Germany is below the lowest wage permitted in France, Belgium and the Netherlands. During a visit to several companies, Nahles rejected demands, most notably from the centre-right, for far-reaching changes to the recordkeeping requirement on the minimum wage in small business, for example. A coalition committee is expected to discuss the measure on 23rd April. The centre-right parties, Chancellor Merkel’s Christian Democrats, and Bavaria’s Christian Social Union, are insisting that corrections be made to the recordkeeping requirement. It concerns small businesses and mini-job (low paid, temporary employment) labourers, but also the CDU’s calls for lowering the income threshold of €2,958 per month, for which proof of payment is required. Nahles accused the CDU and CSU of attempting to undermine the minimum wage law. “Whoever wants to cross-out the documentation of working hours that are later supposed to be compensated at €8.50, for mini jobbers or others, [...] is basically opening the floodgates for circumvention of the minimum wage,” Nahles warned. “That is why a change to the minimum wage law on this point is out of the question for me.” Bavarian Labour Minister Emilia Müller (CSU) also called for removing documentation requirements for mini jobbers, along with employer liability for subcontractors. CDU Bundestag MP Peter Weiß and Jutta Eckenbach from the worker’s wing of the centre-right seemed optimistic that the coalition committee would lower the income threshold for recordkeeping requirements. The centre-right and industry associations are trying to point a gun at the minimum wage under the pretext of cutting red tape, the Bundestag MP told the *Neue Osnabrücker Zeitung*. But a minimum wage that cannot be monitored is worthless, she said. “None of the horror scenarios predicted by the minimum wage’s opponents have occurred. On the contrary, the legal minimum wage is having a positive effect on the economy. It is already a success story,” said the federal chairman of the construction workers’ union IG BAU, Robert Feiger. He is also a member of the so-called minimum wage commission. As of 30th June 2016, the level of the existing minimum wage will be evaluated for the first time. After this procedure, unions and employers in the minimum wage commission will discuss how high the wage floor should be from 1st January 2017.

ECG Note*: ECG has a dedicated webpage for developments around the German minimum wage. It is updated as soon as major changes are introduced or clarifications are made on this issue, which is a very important one for road hauliers.*

Minimum wage for French and German drivers is ‘good for UK hauliers’

(Source: CommercialMotor, 10th April 2015) Moves by German and French authorities to ensure foreign drivers are paid a minimum wage when operating in their countries is good for business and levels the playing field, according to an international haulier. Germany has already introduced a minimum wage of €8.5 per hour, which hauliers must pay their drivers when they are delivering in that country. Now France has confirmed that it plans to impose its own minimum hourly rate for drivers involved in cabotage operations. And although there are

concerns that UK-based international hauliers could face a “bureaucratic nightmare” in order to comply, Brian Yeardley Continental said the move was good news: “This is good for business and foreign drivers who are working for very low wages so their employers can offer cheap rates at their expense,” said Managing Director Kev Hopper. “We in the UK should watch and listen to what EU Member States are doing and follow suit and I’m sure this would help our transport industry at home and abroad to compete.” Hopper said complying with the German law took up “minimal” time and was “no great hardship”: “As an international haulier transiting France, Germany and most other European countries daily with our own fleet of UK-registered vehicles, we pay well above the UK and other countries’ minimum wage scales and I do not see this as a problem,” he added. However, international freight forwarder **Rhenus Logistics** described it as a “retrograde step that goes against the ethos of the common single market.” Rhenus Managing Director David Williams said: “The free movement of people and goods was one of the central pillars of the European market concept. These moves bring complexity and cost to a trading bloc that is central to the prosperity of the UK.” The Road Haulage Association said it was awaiting the outcome of a review by the European Commission, but the Head of international affairs Peter Cullum added: “The whole thing could become a bureaucratic nightmare. Most of our guys are not affected in practicable terms because they all pay more than the minimum wage. The argument from Eastern European states is that in a free market you compete where there is an advantage and their advantage is on wages. Some say that’s unfair competition and so it comes down to the lawyers, politicians and economists [to decide].”

EU to help Member States switch to a common train control system

(Source: INEA, 13th April 2015) The EU’s TEN-T Programme will support with over €15m the development and installation of the common European Train Control System (ETCS) in Belgium, Luxembourg, Denmark and The UK. The new system is expected to improve the interoperability, safety, reliability and capacity on European railways. Seven separate projects aim to contribute to the deployment of the European Rail Traffic Management System (ERTMS) in the EU and enhance interoperability of European rail services. While increasing the overall capacity of the rail network, the projects are expected to boost freight and passenger traffic safety and improve the timekeeping of trains. The projects were selected for EU funding with the assistance of external experts under the TEN-T Multi-Annual Call 2013, priority ‘European rail traffic management system’. 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.

More on the projects can be read on INEA’s website.

REST OF THE WORLD

Cheaper imports crushing Vietnamese auto manufacturing

(Source: Automotive Logistics News, 14th April 2015) Carmakers in Vietnam are switching to imported vehicles to satisfy consumer demand, which is reported to be threatening the existence of domestic manufacturing in the country. Consumers are increasingly showing a preference for imports because of perceived higher quality and lower prices. As a result, last year, some local manufacturers switched from assembling cars in Vietnam to simply importing them. One example is Vina Star Motors (VSM), which is a joint venture put together in Binh Duong province by companies in Vietnam, Japan and Malaysia. It is the sole distributor of Mitsubishi vehicles in Vietnam, but nowadays its HCM City plant assembles just 100 Pajero Sports vehicles each month; previously, it had produced 410 units every month. VSM revealed that between April 2014 and March 2015, it sold 2,530 vehicles of various kinds, of which 1,660 units were imported from Thailand and Japan. Sales of overseas vehicles now account for 80% of the total, which is a 59% rise over the previous fiscal year. Of all the companies that form part of the Vietnam Automobile Manufacturers’ Association (VAMA), VSM has imported the most finished vehicles, these being viewed as cheaper than complete-knocked down (CKD) imports. Toyota’s General Director in Vietnam, Yoshihisa Maruta, has also recently indicated that his company is now debating whether to maintain domestic production or shift to imports. Looming large in Toyota’s calculations is that tariffs on finished vehicle imports into Southeast Asia will be held at 0% for the next three years. The Vietnamese government has yet to reveal what future support – if any – it intends to introduce to help car manufacturers to continue with domestic operations. Currently, the home market is negatively impacted by high taxes, meaning that locally produced units can be up to 2.5 times higher than those in other ASEAN member states. Indeed, consumption taxes alone have made prices for assembled cars to now be 5% higher than those of CBUs. Vietnam currently builds around 120,000 vehicles per year. Thailand, in comparison, manufactures 2.5 million vehicles, of which around 58% is exported.

PRESS RELEASES

Frits Mehrtens on PJ Strategy

(Source: Frits Mehrtens Consultancy, 15th April 2015) Frits Mehrtens has joined the Breda based PJ Strategy founded by Peter Olyslager. PJ Strategy is a Strategy Engineers company consisting of a group of 10 Business Strategy Partners, all having a professional career in various sectors.

The fundaments of PJ Strategy were developed in 2006 – 2008 while the founder was working for the Finnish multinational Kemira. Despite intensive attempts and impressive fees of well-known conservative strategy consulting firms, Kemira was still struggling with their strategy, EBITs and share values as a result of a hyper competitive environment. This made Peter Olyslager decide to develop innovative strategies and business models himself.

Frits Mehrtens: “With unique strategy models for highly competitive environments like “The McEnroe Innovation”, “Transcending Strategies” and “Wave-Strategies”, PJ Strategy helps companies to find the right direction, new perspectives, growth, innovation, increased EBITs and strategic structure”.

“Through a new developed and effective “bottom-up” Strategic Team Process (STP) PJ Strategy will anchor strategy knowledge, skills, structure, optimized implementation and strategic manoeuvring capabilities in your company for future strategic challenges” according to Frits Mehrtens.

Besides this new service Frits Mehrtens Consultancy bv remains active as usual.

The Trident Alliance welcomes new members Crowley and Intermarine

(Source: Trident Alliance, 10th April 2015) With the 0.1% Sulphur limit in ECA zones in place for more than three months, significant gaps in enforcement remain. Ship owners and operators continue their work through the Trident Alliance, the shipping industry initiative for robust enforcement of maritime sulphur regulations, and new members join.

“Efforts to improve enforcement in ports are underway, however how to ensure effective and robust enforcement on the high seas is only beginning to get the attention it deserves”, says Roger Strevens, Chairman of the Trident Alliance.

Recently Trident Alliance has been highlighting this issue at a range of events including the high-profile enforcement meeting held by the 16 SECA nations in Denmark.

“Given how critical it is for both environment and business, this challenge cannot be shied away from no matter how difficult it may be to resolve”, says Strevens.

With the addition of the two US-based members, Crowley Maritime Corp. and Intermarine, the Trident Alliance now has 35 member companies from across the world. Member companies’ CEOs have each signed a Statement of Commitment, in which they commit to supporting robust and transparent enforcement of sulphur regulations as well as to comply with said regulations.

Jacksonville-based Crowley is a privately held family and employee-owned company. The company provides project solutions, energy and logistics services in domestic and international markets by means of six operating lines of business: Puerto Rico Liner Services, Caribbean and Latin America Liner Services, Logistics Services, Petroleum Services, Marine Services and Technical Services.

Intermarine, L.L.C. is headquartered in New Orleans, Louisiana, and provides worldwide transport of project, breakbulk and heavy lift cargoes. Intermarine provides ocean transportation and marine logistics services with liner services from the United States to the Americas and West Africa, and chartering services around the world. The Company maintains 22 offices located in 16 countries. Intermarine also operates the largest fleet of US flagged multi-purpose vessels engaged in the international trade.

***ECG Note**: ECG is monitoring developments around the legislation on sulphur emissions and its enforcement. Some ECG member companies are also members of the Trident Alliance – **DFDS**, **Euro Marine Logistics** (EML), **Höegh Autoliners**, **United European car Carriers** (UECC) and **Wallenius Wilhelmsen Logistics** (WWL).*

New ships 10% less fuel efficient than those built in 1990

(Source: Transport & Environment, 10th April 2015) New ships built in 2013 were on average 10% less fuel-efficient than those built in 1990, according to a new study, commissioned by Seas At Risk and Transport & Environment. It also shows that container ships built 30 years ago already, on average, beat the so-called 'Energy Efficiency Design Index' standard that the International Maritime Organisation (IMO) has set for new ships built in 2020. The standard is up for review next month.

This first ever study of the historical development of the design efficiency of new ships finds that bulk carriers, tankers, and container ships built in 2013 were on average 12,8 and 8% less fuel efficient than those built in 1990, a quarter of a century ago.

The findings contradict claims that shipping has been constantly improving its environmental performance. They also demonstrate that market forces by themselves don't result in more fuel efficient ships being built. Oil prices in the late 1980s and early 1990s, the time when new ships were historically most fuel efficient, were around a quarter of the levels seen in the 2008-2013 period (ca. $25 vs. $100 per barrel, in today's prices).

John Maggs, policy advisor at Seas At Risk and President of the Clean Shipping Coalition, said: "Now we know that we cannot rely on rising fuel prices, other market forces or the good intentions of industry to solve shipping's climate problem. Instead we need a clear and ambitious target for reducing ship greenhouse gas emissions and legally binding measures to get us there."

The IMO will review the stringency levels of its Energy Efficiency Design Index (EEDI) – the efficiency standards for new ships – during a meeting of its Marine Environmental Protection Committee (MEPC) in London next month (11-15th May).

Bill Hemmings, clean shipping manager at Transport & Environment, said: "The truth is out! Aircraft and cars have become more fuel efficient, but despite a generation of technological improvements, ships have largely gone backwards for most of the past 25 years. The IMO's design efficiency standard for new ships itself needs a redesign and strengthening if the standard is not supposed to merely bring us back to levels achieved 25 years ago."

The study can be read on the website of Transport & Environment.

New cars' CO_2 emissions well below Europe's 2015 target

(Source: European Environment Agency, 15th April 2015) New cars sold in 2014 emit on average 2.6% less CO2 than those sold in 2013 and almost 7g of CO_2/km below the 2015 target, according to provisional data published by the European Environment Agency.

The average emissions level of a new car sold in 2014 was 123.4 grams of CO_2/km, significantly below the 2015 target of 130g, according to provisional data from the European Environment Agency (EEA). Since monitoring started under current legislation in 2010, emissions have decreased by 17g CO_2/km (12%). Manufacturers will, nevertheless, have to further reduce emissions to meet the target of 95g CO_2/km by 2021.

Key findings:

- A total of 12.5 million new cars were registered in 2014, the first overall increase since 2007. Registrations increased in all EU Member States compared to 2013, except for Austria, Belgium and the Netherlands.
- A new car sold in 2014 emitted on average 123.4g CO_2/km, significantly below the 2015 target of 130g CO_2/km. Europe had already reached its 2015 target by 2013, two years ahead of schedule.
- Average emissions levels in 2014 were below 130g CO_2/km in 17 of the 28 Member States.
- Significantly more efficient models were bought in the pre-2004 EU Member States compared to the newer EU Member States. The most efficient cars were bought in the Netherlands (107g CO_2/km),

Greece (108g CO_2/km) and Portugal (109g CO_2/km), while the least efficient cars were bought in Estonia (141g CO_2/km), followed by Latvia (140g CO_2/km) and Bulgaria (136g CO_2/km).

- Diesel vehicles remain the most sold vehicles in Europe, constituting 53% of sales. Countries with high proportions of diesel sales include Ireland (74%), Luxembourg (72%), Portugal (71%), Spain (66%), France and Greece (64%), Croatia (63%) and Belgium (62%).
- Despite minor fluctuations in the past, the fuel efficiency of petrol cars has been catching up with that of the more fuel-efficient diesel cars in recent years. The average emissions gap between petrol and diesel is currently below 3g CO_2/km, around one seventh of the gap in 2000.
- Around 38,000 electric vehicles were registered in 2014, up by 57% compared to 2013. The largest number of registrations was recorded in France (more than 10,700 vehicles), Germany (around 8,500 vehicles) and the UK (around 6,700 vehicles). Nevertheless, electric vehicles continue to constitute only a very small fraction of new registrations (0.3%).

The reaction to the EEA report of the European Automobile Manufacturers' Association (ACEA) can be found here and that of green NGO Transport & Environment can be read here.

ACEA has launched the "Joining Forces to tackle the road transport CO_2 challenge" initiative

(Source: ACEA, 15th April 2015) There has been significant progress made in bringing down CO_2 emissions from cars, vans, trucks and buses thanks to ongoing innovation efforts by the automotive industry. However, given the challenge of further reducing greenhouse gas emissions by 40% by 2030, more will have to be done than just focusing on new vehicle technology. If we want to drive CO_2 emissions down further and faster, we need to adopt a more comprehensive approach.

This comprehensive approach should ensure the more rapid adoption of alternative power sources for cars, allow us to better grasp the opportunities offered by connecting cars through ITS, improve transport infrastructure, and encourage more 'eco-friendly' driving. All these have the potential to combine with continuing innovation in car technology to combat emissions from road transport more holistically and successfully.

ACEA Secretary General Erik Jonnaert said, "To realise the CO_2 reduction potential of a comprehensive approach to reducing road transport emissions we must work in partnership with relevant stakeholders to better understand the potential of these various approaches and technologies, and how these can be best realised in partnership with the automotive industry. That is the purpose of the 'Joining Forces to tackle the road transport CO_2 challenge' initiative."

The initiative brings together a wide range of stakeholders, including businesses, trade associations, non-profit organisations, research bodies and think tanks, and is organised around a series of workshops that will address the following key themes: looking into alternative fuel options, the potential of Intelligent Transport Systems to reduce CO_2 emissions, the impact of infrastructure and the potential of involving the driver through more attention to eco-driving. The findings from these workshops, the first of which on fuel options took place on 14th April, will be included in a report which will be published later in 2015 to be used to contribute to an informed debate on what options should be explored to further address the CO_2 challenge from transport.

While the 'Joining forces' initiative launched on 14th April is focused on CO_2 emissions from cars and vans, ACEA is conducting a similar exercise for heavy duty vehicles in parallel with workshops on vehicle/vehicle related measures, fuels and logistics, and infrastructure.

BIMCO/ICS Manpower Report 2015: Preliminary Results of New Seafarer Survey Shows Majority are Content with Life at Sea

(Source: International Chamber of Shipping, 6th April 2015) A new survey being carried out as part of the BIMCO (Baltic and International Maritime Council)/ICS Manpower Report 2015 is directly engaging seafarers in order to understand their views on life at sea and outlook for the industry's manpower in the years ahead. Preliminary results of the new survey indicate that the majority of respondents are content with life at sea.

The BIMCO/ICS Manpower Report, which has been published every five years since 1990, has traditionally been based on two main quantitative data sources from which the current seafarer supply and demand situation is estimated: a questionnaire completed by shipping companies and a questionnaire completed by national maritime administrations.

In addition to those sources, the new Manpower Report will also solicit the opinions from a wider number of maritime professionals with knowledge of the 'sharp end' of the manpower supply situation, including seafarers, lecturers at maritime education and training (MET) institutions, manning agents, maritime unions, and port welfare workers.

The survey of seafarers is the first of the targeted surveys for this year's report. More than 500 seafarers have already responded to the survey, representing over 40 nationalities. Some of the other preliminary findings include:

- 'Happy ships', timely wage payments and career promotion opportunities were the most popular responses indicated when seafarers were asked about the important factors that influenced their decisions to stay with their current employers;
- 66% of the seafarers that responded estimated that it would take them less than three months to secure another job in the industry if they chose to leave their current company; and
- Basic pay and internet access were the most popular responses provided as improvements in conditions at sea when asked about changes within the past two years.

Having provided seafarers with an opportunity to share insight on the seafaring career, one of the trends that resonated in the responses was the importance and value of the training and skills that come with being a maritime professional: "Life at sea is exciting, challenging and very educational. The skills that anyone can receive from this job cannot be compared to anything else ashore."

The survey also points towards the impact that increased regulation of the industry has had on the seafaring profession. One seafarer responded: "This is a great career, but an increasingly technical and administrative one so it is no longer as much an adventure as simply a job, albeit one with the possibility of adventure!"

The rich qualitative opinions that accompany the responses will supplement and augment the analysis in the final Manpower Report. In reviewing some of the preliminary results, Mr Aron Sørensen, Chief Marine Technical Officer at BIMCO, said: "This survey has provided us with insight into the views of seafarers today. Understanding the key issues for seafarers is especially valuable when attracting and recruiting talented young people to the shipping industry."