ECG News

ECG – The Association of European Vehicle Logistics

Issue 15.35, 31st August – 4th September 2015

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C.A.R. Control Automotive Risk
Consulting Group

ECG & other industry events

►**ECG Board Meeting**, **on 8th September**, in Munich, Germany

►**ECG Eastern Regional Meeting**, **on 17h September**, in Istanbul, Turkey

► **Shortsea Europe Conference**, **23-24th September**, in Bremen, Germany
ECG members will receive a preferential rate when registering at the event (€545 as opposed to €695).
Interested members shall contact Wiliam Bixby and quote the ECG/INV reference code.
More information here.

► **ECG Maritime & Ports Working Group Meeting**, **29-30th September**, in the Port of Bristol, UK

►**ECG Land Transport Working Group Meeting**, **on 30h September**, in Frankfurt, Germany

►**ECG Annual Conference**, **on 15-16th October**, Vienna, Austria

► **ECG Quality Working Group Meeting**, **3rd November**, in Brussels, Belgium

►**ECG Academy Alumni Meeting**, **on 6th November**, in Berlin, Germany

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

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

AUTOMOTIVE INDUSTRY

Russia increases logistics subsidies for vehicle transport from Far East region

(Source: Automotive Logistics News, 1st September 2015) The rules governing subsidies for the domestic movement of vehicle volumes in Russia are to be changed following a decree recently signed by the country's Prime Minister, Dmitry Medvedev, with an increase in the overall amount of support offered by federal and regional governments. Carmakers based in the Far East region of Russia have now been granted subsidies to supply vehicles to the country's southern ports and ports on the Baltic Sea. Russia already subsidises the cost of moving cars from the Far East to the region known as the Central Federal District. The new decree extends this to take in the South Federal District, including the Ports of Novorossiysk and Sochi, as well as the North Western Federal District, including the Ports of St Petersburg and Ust-Luga. According to official information, the government will spend 3bn roubles ($50m) on this extension of the subsidy, with the majority going to benefit Russian car manufacturer Sollers, which has assembly contracts in the Far East for the production of SsangYong, Mazda and Toyota models. Toyota, however, has recently announced that it would end manufacturing of its Prado SUV at the plant. The new subsidy appears to reverse an earlier decision to limit the logistics subsidy for the automotive industry. Earlier this summer Denis Manturov, the Minister for Trade and Industry, said that the government would not increase the size of federal subsidies on car transport, which were initially expected to be 3.2bn roubles this year. He went on saying that the government could demand that regional budgets allocate subsidies, including for the movement of vehicle volumes within the internal market. There was also discussion earlier this summer about the potential to extend logistics subsidies to ocean transport from Vladivostok to western markets. According to sources, the proposed ocean transport subsidy had been resisted by Russian Railways, which would have stood to lose business from the movement of around 50,000 vehicles per year to western Russia. The subsidy was thought in particular to have been resisted by Vladimir Yakunin, who left his post as Head of the Russian Railways in late August to take up a role as a senator. According to sources, the subsidy to central and southern regions, on the other hand, is expected to represent both an increase in federal spending, which is also likely to be topped up by regional governments. The new subsidy is another effort to support Russia's weakening automotive manufacturing base, particularly those low-volume plants in the Far East that struggle to compete with either western Russian plants or those in Asia. Toyota, for example, will shift Prado production back to Japan. Some analysts and logistics executives suggest that the subsidy could be a way to further boost exports from such plants as well, since they will reduce the logistics costs for Russian-built vehicles compared to some European supply chain routes. "The costs of ground shipping cars to the port of embarkation for vessels in St Petersburg and Ust-Luga will not be significant," said Dmitry Vostrikov, General Manager of **Wallenius Wilhelmsen Logistics**. "In this regard, the Russian producers even have an advantage in comparison with European, especially German, brands, for which the cost of transportation from the factory to the port is a significant share of total logistics costs." "For shippers, moving cars from St. Petersburg will be an added advantage because now the volume of export of goods from Russia and St Petersburg in particular, is extremely small," added Vostrikov. "The cost of sea transport from St Petersburg will depend on the location of the final port of discharge. But in any case sea freight rates will not differ significantly from the existing tariffs for shipping services in Europe." However, the prospect of shipping Russian-built vehicles in the Far East to European or other neighbouring markets west of Russia may not make much economic sense. According to logistics experts, however, Russia's best opportunities for exporting vehicles remain via the Baltic

ECG Academy

Course 10 will start in October!

This practice oriented course takes place over five modules, 24 days of intensive training. The modules are held at different locations in Europe (Vienna, Bremen, Barcelona, Edlbach and Lago Maggiore) to give the participants practical insights. It is targeted at both experienced practitioners and new entrants to the supply chain management.

Benefits:

- Acquiring a vast wealth of knowledge in an accelerated timeframe, but in as much depth as it is required
- Unique networking opportunities. Each course brings together around 20 individuals representing companies from across Europe
- The course culminates in the award of a Certificate in Automobile Logistics Management, which is an accredited qualification.

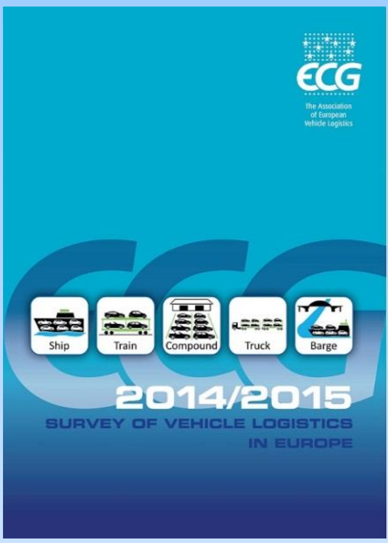
For more information please have a look at the ECG website and contact info@ecgassociation.eu

Sea rather than the Far East. "The most advanced and promising [export] routes lie through the Baltic Sea ports with transhipment in European ports, such as Antwerp and Bremerhaven, or in the ports of Scandinavian countries," said Sergey Bobryshev, logistic director of Glovis Rus, which moves Hyundai and Kia volumes in Russia. "With such mass transport, the most effective routes are those that have minimal time and cost impact on the inland transport side, and that is what most manufacturers are looking for." Representatives of Sollers have not yet commented on the possibility of exporting from the company's Far Eastern production units. Sources at the company stated that it could see some benefit from regional sales inside Russia as the north-west and south federal districts are significant in themselves. Exports could be explored at a later date, when the prospects for the domestic market become clearer. While carmakers in Russia including Avtovaz, GAZ, Hyundai Motors, Nissan and Volkswagen have all expressed interest in exporting vehicle from Russia, the country's vehicle exports in the first half of 2015 were down 27% compared to the same period last year, at 48,900 vehicles.

Next generation Nissan Juke to be built in Britain

(Source: Automotive Purchasing, 3rd September 2015) Nissan has announced that its new generation Juke will be manufactured in the UK. The estimated £100m investment is a further endorsement of the quality of output from the company's Sunderland production plant. Following the launch of the second generation Nissan Qashqai in 2013, future Juke allocation points to a secure future for both production lines in Sunderland and the jobs of 34,000 people currently employed by Nissan and its British suppliers beyond 2020. Nissan Europe Chairman, Paul Willcox joined colleagues in Sunderland to celebrate the announcement. Willcox said: "The Juke's unique design is one of the reasons Nissan is now the undisputed crossover leader, underpinning five consecutive years of sales growth in Europe. With the next generation Juke now confirmed for future production, customers can be assured that Nissan is going to remain the benchmark in the crossover segment for many years to come. This announcement also gives security to our Sunderland plant beyond 2020, which the team has earned through many years of hard work and their ability to continually raise the bar on quality." Giving a further boost to the UK car industry, Nissan's European design team in Paddington, London, and European Engineering Headquarters in Cranfield, Bedfordshire, will be instrumental in the development of this new model - ensuring the European customer needs and taste are incorporated into the second generation Juke. The UK's Chancellor of the Exchequer, George Osborne said: "It's fantastic news that Nissan will be building their new car here in Sunderland and securing valuable jobs for thousands of working people in the area. Our ambitious plan to build the Northern Powerhouse means building on the area's strengths – including manufacturing - and this announcement is an important sign of Britain being chosen as a global leader in car production." Now firmly established as the reference point for B-segment crossovers, and Nissan's second best-selling car in Europe, Juke has been turning heads since its launch in 2010 on Nissan's Line two in Sunderland. Its success has led to the Sunderland plant achieving 500,000 volumes in each of the past three years, with 80% of output exported to over 130 markets. Current models also include the Nissan Note and the all-electric Nissan LEAF, with production of the Infiniti Q30 due to begin later this year. Nissan is now the biggest carmaker in the history of the UK car industry, with annual output exceeding 500,000 in each of the last three years and currently includes the Nissan Qashqai, Juke, Note and all-electric LEAF. Nissan employs nearly 8,000 people in its UK design, engineering, sales and manufacturing operations, supporting an additional 27,000 jobs in the UK supply chain plus 3,900 in dealerships.

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 here!

Auto industry and motor traders launch clean diesel campaign as Euro 6 comes into force

(Source: ACEA, 1st September 2015) As of 1st September, all new cars sold must meet the latest EU emissions legislation – Euro 6. To mark this occasion the automotive and motor trading industries are joining forces to launch the www.cleandieseltech.eu website. The purpose of the online campaign is to raise awareness about clean diesel, which is made up of a three-part system that combines cleaner diesel fuel, advanced engines and effective emissions control technology. This campaign provides simple and accessible facts, figures and infographics to inform the general public and policy makers alike about the latest generation of diesel technology. Since 1992, the EU has introduced increasingly stricter limits on vehicle emissions through a series of 'Euro' standards. The latest and most stringent of these standards is Euro 6. New car models have complied with Euro 6 since September 2014 and as of 1st September 2015 all new cars sold must meet this standard. Over the last 15 years, nitrogen oxides (NO_x) limits for diesel car engines have been reduced by 84% and particulates (PM) by 90%. Diesel cars also have 15% lower CO_2 emissions per kilometre than equivalent petrol-powered vehicles. The campaign partners - the European Automobile Manufacturers' Association (ACEA), the Association for Emissions Control by Catalyst (AECC), the European Council for Motor Trades and Repairs (CECRA) and the European Association of Automotive Suppliers (CLEPA) - are calling for technology-neutral and results-oriented policy to ensure the uptake of the latest low-emission vehicles. With this support, they will continue to work together to ensure that modern diesel remains one of the key pillars in the portfolio of low CO_2 technologies for delivering clean and affordable transport for future generations.

EUROPE

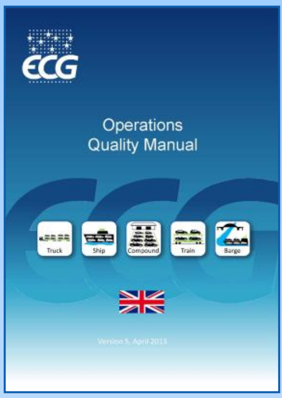
Acumen wins Mini delivery contract from BMW Group

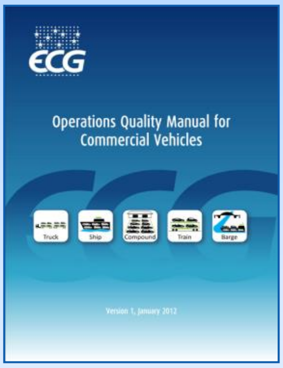
(Source: Automotive Purchasing, 28th August 2015) Coventry-based automotive logistics provider **Acumen Automotive Logistics** has announced that it has won a three-year contract with BMW Group UK for the delivery of its finished vehicles to dealers. The contract, which involves delivery of Mini cars from BMW's Oxford plant to dealers in an area extending from The Wash in the east to North Wales in the west, is Acumen's first with BMW, said a spokeswoman for the logistics provider. The Acumen Logistics subsidiary, which last year acquired Stobart Group's enclosed car delivery operation, Enable, will be investing in an as-yet unspecified number of new trucks to service the contract, she added. Acumen Automotive Logistics Director Peter Raybould said the contract had been won "through our competitive pricing and quality service", adding: "We are confident that the implementation of our new technologies and innovative solutions will ensure BMW Group UK will receive the highest levels of service."

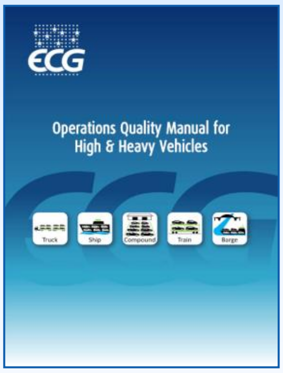
British Car Auctions buys Stobart Automotive

(Source: Automotive Logistics News, 1st September 2015) British Car Auctions (BCA) has confirmed it has bought British vehicle carrier **Stobart Automotive** for an undisclosed sum from Eddie Stobart Logistics. The acquisition follows a spate of recent deals involving Stobart's automotive business, as well as BCA, which was bought earlier this year for £1.2bn by a consortium of investors, Haversham Holdings, which is led by Avril Palmer-Baunack. Palmer-Baunack is a former head of both Eddie Stobart and Autologic, the original carrier that Stobart purchased in 2012 for £12.4m. Stobart Automotive is one of the UK's leading providers of transport services and operates a fleet of approximately 450 vehicle transporters across its network of sites. BCA, meanwhile, handles the sale of 12,000 remarketed vehicles a week in physical auctions and over the internet. It is part of BCA Europe, which is the region's largest vehicle remarketing company,

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 here

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

and reports an annual turnover of more than £4bn. The companies have declined to comment further on the deal, including on current business overlaps. However, sources familiar with the businesses said that neither Stobart Automotive nor Autologic have had involvement in moving vehicles for the auction market, which could suggest the possibility that the trucking fleet will in part be allocated to move vehicles sold at auctions and online. Eddie Stobart Logistics was formed in March last year when Stobart Group's former chief operating officer (COO) William Stobart and asset management firm DBAY bought 51% of Stobart Group's core transport and distribution business for almost £240m. Stobart Group retained the remaining 49% share. The transport and distribution business included the entirety of the group's transport, storage and handling services. Operating from 50 sites in the UK and Europe, the group's multimodal offering includes road transport, rail freight, air operations and port services. The company had already been selling various parts of the automotive business that formerly comprised Autologic. In 2013, Stobart Group sold Stobart Vehicle Services, which handled car preparation, customisation and port operations, to **Paragon Group**. That move was followed by Stobart Group's sale of its enclosed finished vehicle carrier business – Enable – to UK-based transport and logistics provider **Acumen Automotive Logistics**, in December 2014. Avril Palmer-Baunack, the former head of Autologic who moved to Stobart when it bought Autologic, temporarily replaced Rodney Baker-Bates as Chairman of Stobart Group for a short time following the sale of Stobart Vehicle Services. However, she resigned from the role two months later. She is now Executive Chairman of Haversham Holdings. In March this year, Haversham Holdings bought BCA, which is now known as BCA Marketplace.

New Ro-Ro service for Teesport

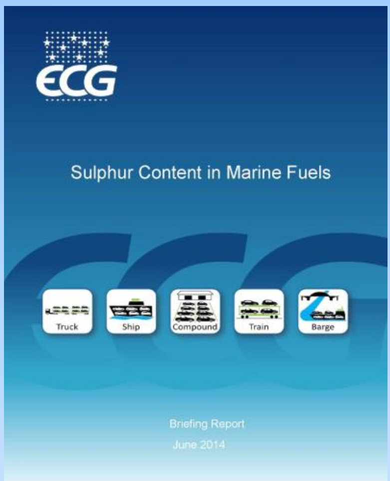
(Source: Multimodal, 27th August 2015) PD Ports has announced the arrival of a new Ro-Ro service direct from Japan to Teesport by global shipping line, K-Line. Commencing in September, the new route will use K-Line's newly announced 7,500-unit Ro-Ro vessels to transport cargoes from the Port of Tokuyama-Kudamatsu, Japan to Teesport, on the North East coast of England. The vessels will be the largest vessels of their kind to arrive at Teesport, at a length of just under 200m and 75,216 GWT and will allow exporters of project cargoes to connect directly from Teesport with K-Line's global network. Frans Calje, PD Ports' Managing Director Unitised and Portcentric Logistics, commented: "We are pleased to announce the arrival of this new service to Teesport, which is already one of the largest and best connected ports in the UK. This additional service further strengthens PD Ports' position as a leading player in the UK ports sector and highlights its flexibility and adaptability within a changing market." A K-Line representative, said: "We are pleased to announce this new service to Teesport. The Port's excellent infrastructure and its proximity to important North East markets makes it the perfect choice for our business and we are very much looking forward to working with PD Ports on this service."

Hauliers fear migrant crisis will slow down intra-EU trade

(Source: EurActiv, 3rd September 2015) Truckers caught up in Europe's migrant crisis say business is increasingly disrupted by queues and stowaways, but they are far more worried governments will step up border controls. If the border-free zone within Europe was to disintegrate or be scrapped, it would call into question not only the road haulage industry's own, time-sensitive business model but the supply chains of industries across the continent, they say. Faced with an influx of migrants, the European Union's 28 Member States have accused one another of breaking the law with ad hoc measures and failing to join forces to agree a common, workable solution. German Chancellor Angela Merkel said on 31st August that if Europe fails to agree to a fair distribution of refugees, the passport-free Schengen zone encompassing 26 European states would be called into question. For DSV, the third largest road freight operator in Europe with more than 17,000 trucks on the roads every day, this would have a

serious impact that would end up fuelling inflation. “If they start to stop all the trucks it will be costly for everyone and the bill will be passed on to customers and in the end, goods will be more expensive,” said Soren Schmidt, Head of DSV Road. Jack Semple, Director of Policy for the UK’s Road Haulage Association said its more than 6,000 member companies were already feeling the impact in an industry built on just-in-time logistics, whether for car parts or fresh produce. Strike action by ferry workers in June exacerbated the situation by creating extra-long queues. “Our members tell us they have incurred substantial and demonstrable losses but so too have their customers,” Semple said. Britain is not a party to the Schengen agreement but its companies, with parts coming and going across the continent, would still be affected if it began to crumble. “I think were Schengen to be scrapped, we’re into a completely new era,” Semple said. “There would have to be a rethinking of the European supply chain, stocking levels and that would obviously impact on cash flow.” Cyrille Gibot, spokesman for Dutch logistics company TNT Express, said it was looking closely at what ministers or governments might decide. “For now we’re not going to speculate on what measures they could take,” he said. Austria’s toughening of controls along its eastern borders last week, after 71 migrants were found dead in a truck, created long queues and raised the prospect other countries may follow suit. “If that is permanent, it could spread like wildfire,” said a senior European diplomat. “Schengen is under serious stress.” For Jan Buczek, Head of Poland’s Association of International Road Transport Carriers, the impact of any tightening of border controls would be far-reaching. “The cost of a driver-car set stands at around €200 a day, so it’s easy to imagine how much crossing borders used to cost us monthly or annually before we joined (the EU).” Buczek, who represents 5,500 companies, says there are 27,000 companies in Poland doing international road haulage, employing 200,000 drivers. Schaak Poppe, spokesman for the Dutch port of Rotterdam, Europe’s largest, from where much of Germany’s industrial output departs for China, said containers would be hardest hit. The impact on bulk materials would be relatively small, since shipments of iron ore or oil were “relatively easy to deal with when it comes to customs”, he said. The situation with containers would be far more serious, since shipments went in relatively small batches of 35 by train or inland barges, he said. A spokesman for Swiss logistics group Panalpina said 80% of its overland business in Europe takes place in the Schengen zone. Its abolition would mean more queues, delays, increased costs and possibly missed deadlines. “If border controls are introduced and depending on how thorough they might be, this could have an impact on our business, and also on the industry as a whole,” he said.

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!

Events in Brussels

Friends of Europe organises the event entitled "ASEM at 20 – The challenge of connectivity" on **9th September**
http://www.friendsofeurope.org/event/asem-20-challenge-connectivity/

Rail Forum Europe organizes the event 'On track to COP21: The role of rail in sustainable mobility' on **14th September**
http://www.rail-forum.eu/category/events

The European Transport Forum will be held on **29th September** and will focus on ITS and data information exchange while respecting data privacy
http://www.europeantransportforum.eu/

The European Commission organizes the European Mobility Week on **16-22nd September**
http://www.mobilityweek.eu/join-us/theme-2015/

ACEA will dedicate its annual conference to HGVs. The 'Reducing CO_2 from Road Transport Together' event will be held on **3rd December**
http://www.acea.be/events/event/reducing-co2-from-road-transport-together

REST OF THE WORLD

Volkswagen will invest $340m in South Africa

(Source: Automotive News Europe, 27th August 2015) Volkswagen Group is investing more than 4.5bn rand ($340m) in South Africa for new products and infrastructure. The automaker will spend about 3bn rand on production facilities at Uitenhage, near Port Elizabeth and 1.5bn rand on improving the supply chain by 2017, the company said on 27th August. VW builds the Polo subcompact car at its Uitenhage plant. "Exports will again play a key role in our strategy going forward," Thomas Schaefer, Managing Director of Volkswagen Group South Africa, said in the statement. Car manufacturers in South Africa, which also include Toyota, BMW and Mercedes-Benz, are expected to export 18% more vehicles this year as companies take advantage of a weaker rand, the National Association of Automobile Manufacturers of South Africa said this month. Sales in the domestic market will probably fall 2.8% in 2015 as consumers battle with rising fuel costs and interest rates, the industry body said.

GM to halt production in Argentina in face of low demand in Brazil

(Source: Automotive Logistics News, 2nd September 2015) General Motors has confirmed it will stop production at its plant in Argentina for four days this month because of low demand from Brazil, which is GM Argentina's biggest export market, and the biggest vehicle export market for the country as a whole. GM makes the Chevrolet Classic model for export to Brazil at its plant in Rosario. It would not disclose the number of vehicles usually produced at the plant over the four-day period or by how much exports from Argentina to Brazil had dropped in 2015, only offering the ambiguous statement that "export volume dropped in line with the segments we participate". According to ADEFA, the Argentine association of vehicle makers, the overall vehicle exports from the country to Brazil have fallen by almost 51,300 units in the first seven months of this year to 120,616 units.

Ro-Ro operations launch at Pipavav port

(Source: Automotive Logistics News, 28th August 2015) NYK Auto Logistics, an Indian subsidiary of the NYK Group, and APM Terminals Pipavav, have announced the commencement of Ro-Ro operations at Pipavav Port, India. The first shipment of vehicles from the Port of Pipavav's newly-opened Ro-Ro terminal have been loaded onto NYK's 'Grand Dahlia' vessel this week. The pure car truck carrier (PCTC) was loaded with 1,380 new Ford Figo Aspire vehicles, which were produced at the new Ford India Sanada, Gujarat plant. Ford and other OEMs are expected to expand their imports from the west coast of India over the coming years, and Pipavav – in north-western India in the state of Gujurat – is expected to become a hub port for these exports. Ford, Tata, General Motors and Maruti all have either built or planned plants in Sanand, 300km away, to which the port has good road access, including stretches of highway which are likely to receive further investment. Pipavav also has rail access, including 12 scheduled departures from the port, and has already been used by the likes of Ford and Suzuki for imports. Therefore, the NYK Group is set to provide complete outbound logistics for finished vehicles from OEM plants in northern and western India. Work on the new Ro-Ro terminal began around a year ago by NYK Auto Logistics, and the terminal became operational in August 2015. The facility has an annual throughput capacity of 250,000 vehicles and is equipped with a PDI (pre delivery inspection) centre for processing vehicles. Pipavav port has a stock yard large enough for up to 5,000 cars, a mobilisation yard for 150 cars, and space for around 500 cars on the quay.

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
Research & Projects Manager
T: +32 2 706 8284
szilvi.kiss@ecgassociation.eu

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

PRESS RELEASES

Press release Frits Mehrtens Consultancy on PJ Strategy Academy

*(Source: **Frits Mehrtens Consultancy**, 2nd September 2015)* At the moment Frits Mehrtens became Business Strategy Partner of the Breda based PJ Strategy and he joined the 3rd PJ Strategy Academy which consists of 12 sessions of 4 hours each and are open for Business Strategy Partners and Academy members.

Frits Mehrtens: “My fellow new Business Strategy Partners and I have now had 8 sessions and we learned a lot. PJ Strategy Academy is not like ECG Academy and should not be mixed up. Where the ECG Academy addresses various managerial topics related to Finished Vehicle Logistics the PJ Strategy Academy is totally focusing on how to establish strategic excellence in companies in order to change customer requirements into customer benefits and even create superior customer benefits making the competition in certain areas of business irrelevant; even in highly competitive environments.”

“It is all about learning how to imagine, stretch, innovate and create significant strategic growth perspectives and more strategic value with innovative tools leading to strategic structure, strategic fundament, strategic platform and strategic discipline coming from operational excellence achieving strategic excellence.”

Frits Mehrtens: “the present ‘students’ of the PJ Strategy Academy are senior managers originating from the fast-food industry, consumer marketing services, engineering and construction industry, pharmacy and, in my case, logistics. This is the Strategy Team. In the Academy we choose a relevant company, this time a European company acting in the bedding- and mattress retail industry. The Strategy Team is guided, inspired, managed and coached through the authentic, creative and innovative strategy process of PJ Strategy, enabling them to offer well founded strategy engineering processes to this particular company. The Academy is an extremely interesting education giving the partners the skills to offer the PJ Strategy re-engineering processes to the clients.”

PJ Strategy consists 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 the founder decide to develop innovative strategies and business models himself.

RZD (Russian Railways) and UNIFE sign a Memorandum of Understanding and co-operation on the international railway industry standard (IRIS)

(Source: UNIFE, 2nd September 2015) The main activities foreseen for UNIFE and RZD in this MoU include: the establishment of a regular dialogue within the existing UNIFE/IRIS committees and the development and dissemination of the IRIS scheme in Russia and CIS. The overall goal of the activities outlined in the MoU signed on 2nd September is to reinforce a favourable context for the development of the rail sector worldwide and especially in Russia and the CIS.

This MoU follows eight years of co-operation between UNIFE and the Russian Non-commercial Partnership "Union of Industries of Railway Equipment" (NP-UIRE), which began in 2007 when UNIFE first signed a MoU with NP-UIRE. In the past two years, the work between the two organisations has ramped up significantly. Most notably, this culminated in the publication of the Conformity Assessment and Authorisation of Railway Products in the Customs Union in the framework of Eurasian Economic Community and the European Union document which was officially announced with NP-UIRE in September 2014 in Berlin. Furthermore, this new MoU will focus on the continued promotion of the IRIS scheme in Russia and the CIS. At present, there are over 90 Russian companies that are IRIS certified, making it one of the largest IRIS certified markets in the world, which is largely a result of the past close co-operation between IRIS and RZD/NP-UIRE.

Philippe Citroën, Director-General of UNIFE, expressed his appreciation to NP-UIRE and RZD for the significant work carried out between UNIFE and its Russian counterparts, stating: "UNIFE is pleased to once again renew our commitment to co-operation with RZD and NP-UIRE for the betterment of the rail sector in Russia and CIS as well as throughout the world. We have seen many significant accomplishments, especially on IRIS, that have come out of this relationship over the past eight years and we look forward to further productive collaboration in the years to come."

Valentin Gapanovich, Senior Vice-President of RZD, stated, "Russian Railways has coherently implemented, step by step, the IRIS standard in Russia with all major rolling stock manufacturers certified on IRIS requirements. Today, together with UNIFE, we have signed a Memorandum of Understanding and Co-operation, which will give a new impetus for IRIS development and expand our co-operation in the field of harmonisation of technical legislation and information exchange. At present Russian Railways launched a pilot project for certification on the IRIS standard requirements of its structural units in the maintenance of high-speed motor-wagon rolling stock and repair of freight cars. With the announcement of the new scope of certification "Infrastructure" we expect further development of our enterprises and a significant improvement in product quality."

IRIS (International Railway Industry Standard) complements the internationally recognised ISO 9001 quality standard introducing rail specific requirements and is modelled on similar quality standards already in place in the aerospace and automotive industries. IRIS aims to improve the quality and the reliability of the rail products, to implement and further develop a global system for the evaluation of companies supplying the rail sector, and to instil a culture of quality throughout the sector.

With almost 1200 companies IRIS-certified worldwide, the standard is now an international seal of quality, increasingly recognised by rail operators and manufacturers alike. The IRIS standard was developed by UNIFE members and the IRIS Management Centre is managed by UNIFE. For more information on IRIS, please visit www.iris-rail.org.