



CONTENTS

NEWS FROM BRUSSELS

- Third ECG Academy Alumni meeting held in Berlin 2
- EU emissions-test deal faces veto from lawmakers 2
- S&D regret that EPP and Liberals vote against mobile workers' rights and safety 3

AUTOMOTIVE INDUSTRY

- VW engineers admitted rigging CO₂ emissions 3
- VW sets deadline for diesel emissions cheat whistleblowers 4
- Ford Sollers announces production cuts across plants in Russia 4
- Mini shifts convertible production to Dutch factory 5

EUROPE

- FTA says it warned of Calais riots 5

REST OF THE WORLD

- Ford begins exports of Fiestas via Lázaro Cárdenas 6

PRESS RELEASES

- Finlines to compete for European Business Awards in "Environmental & Corporate Sustainability" category 7
- Open letter to the Presidents of Council, Commission and Parliament on Volkswagen scandal 7
- Open letter to EU policymakers on vehicle emissions 7

**The latest ECG
Survey of
Vehicle Logistics
in Europe is
NOW 50% OFF!**

**ORDER YOUR
COPY HERE!**









2014/2015

SURVEY OF VEHICLE LOGISTICS
IN EUROPE



ECG & other industry events

- ▶ **CSR Europe's Sustainable Supply Chain Logistics Forum, 1st December 2015**, Brussels, Belgium
- ▶ **ECG Eastern Regional Meeting, 21st April 2016**, Gdansk, Poland
- ▶ **ECG Spring Congress & General Assembly, 26-27th May 2016**, Lago Maggiore, Italy
- ▶ **Automotive Supply Chain Congress, 15-16th June 2015**, Liverpool, UK
- ▶ **ECG Conference, 20-21st October 2016**, Hamburg, Germany

NEWS FROM BRUSSELS

Third ECG Academy Alumni meeting held in Berlin

(Source: ECG, 12th November 2015) The 3rd ECG Academy Alumni Meeting took place on 6th November 2015 in Berlin. The meeting was organised by the ECG Secretariat with the support of the ECG Academy Advisory Group (EAAG) and was attended by representatives from all the 9 courses of the ECG Academy. The meeting started with a welcome speech by Mike Sturgeon, Executive Director of ECG, who spoke of the importance of the Alumni



meetings in building a firm network for future business in the FVL sector. Following this Jan Vollmer, Chair of the EAAG, briefly explained the EAAG's projects and new initiatives, encouraging the attendees to support them.

The main item on the agenda was the keynote lecture by Hilke Steffens, an established lecturer of the Academy and member of the Academy board, who delivered a three-hour session on "Intercultural impacts" aimed at improving understanding of doing business in a multi-cultural environment. Hilke's charisma, enthusiasm and profound knowledge of the topic were greatly appreciated by the participants. The official meeting



was followed by a networking dinner which was a pleasant opportunity to enjoy time with colleagues and to get to know other graduates from different years of the ECG Academy which is now in its tenth year! These Alumni meetings offer not only an opportunity for communication and exchange of ideas with other Academy colleagues, but also encourage cohesion and foster networking amongst young professionals in the FVL sector.

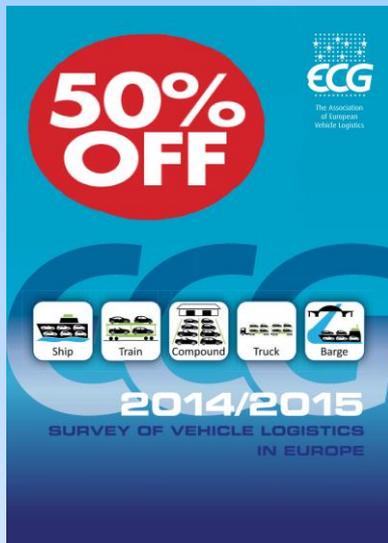
EU emissions-test deal faces veto from lawmakers

(Source: Automotive News Europe, 11th November 2015) A European Parliament revolt widened over a watered-down plan for revised NO_x emissions tests for new cars, heightening the risk of a veto from MEPs. The diluted plan underpins an EU move to gauge emissions of NO_x under real driving conditions starting in September 2017 because of evidence that actual discharges on the road are 400-500% higher than in laboratories. It would let real-world NO_x emissions exceed permissible discharges by as much as 110% until January 2020 and then allow a 50% permanent overshoot of the actual EU limit, which is 80mg/km. Under the plan agreed by EU governments, real-driving emissions of NO_x could be as high as 168 mg/km between September 2017 and January 2020. That's closer to the EU's previous Euro 5 standard of 180 mg/km than it is to the current Euro 6 limit of 80 mg/km. The European Parliament's Environment Committee signalled it would recommend that the full chamber reject the 28th October deal struck by EU national governments in the Technical Committee on Motor Vehicles, which were concerned about extra costs for automakers. "If they aren't implemented, the laws are a dead letter," Matthias Groote, a German Socialist Member of the Parliament, said in a debate in the Environment



The ECG Survey of Vehicle Logistics 2014-2015

NOW 50% DISCOUNT



- 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!](#)

rigged US NO_x emissions tests. Auto analysts say the company could face a bill as high as €35bn for fines, lawsuits and vehicle refits. Volkswagen is encouraging its rank-and-file staff to co-operate with its internal investigation by promising not to fire or sue them for any misconduct although high-level managers would still be held to account, a person familiar with the matter said. According to *Bild*, Winterkorn declared at the Geneva auto show in March 2012 that VW wanted to reduce its CO₂ emissions by 30% by 2015 and the engineers did not dare to tell him that this would be difficult to achieve. Volkswagen has declined to comment on whether the firm's culture or the management style of Winterkorn, who resigned in September, had been a factor in the cheating. Lawyers for Winterkorn have not responded to a request for comment. An engineer at VW's headquarters in Wolfsburg, who works in the R&D department, broke his silence at the end of October and told his superiors about the large-scale deception, *Bild* said, citing only what it said was information it had received. Volkswagen's supervisory board was convened on 9th November for the first time in about a month to take stock of the fallout from the widening scandal. The non-executive board, which includes the state premier of VW shareholder Lower Saxony, labour representatives as well as members of the founding Piech and Porsche families assessed the scale of the damage, the sources added. *Bild* said the engineers used several illegal measures to manipulate the emissions values, including through a higher tire pressure. They also mixed diesel in the motor oil so that the vehicle ran more smoothly and used less fuel. VW is conducting an internal investigation into its handling of all pollution-related issues after admitting that it had cheated on diesel nitrogen oxides emissions tests in the US. *Süddeutsche Zeitung* reported on 7th November that VW managers were worried about traveling to the United States because US investigators have confiscated the passport of a VW employee based there.

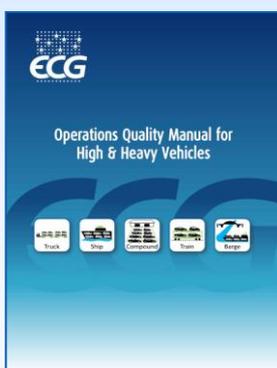
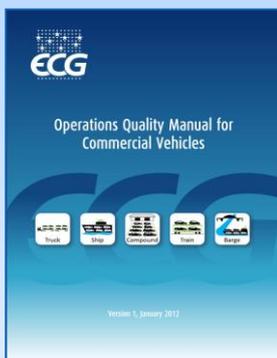
VW sets deadline for diesel emissions cheat whistle-blowers

(Source: *Automotive News Europe*, 11th November 2015) Volkswagen has set an end of November deadline for its whistle-blower program meant to encourage staff to reveal to investigators what they know about the rigging of diesel emission tests, *Süddeutsche Zeitung* reported. VW aims to increase the pressure on employees who had knowledge of the scandal but fear they could lose their jobs if the information comes to light, the newspaper wrote. VW is promising staff they will keep their jobs and will be exempt from damage claims if they shed light on the scandal, but board members and levels of management directly below the board are excluded from the scheme. The initial results of the amnesty program are encouraging, the paper said, citing VW sources. Originally the deadline was set for the end of December but VW's top management now believes that would draw out the investigation for too long, especially as VW is under pressure for results from the US authorities. VW has hired advisory firm Deloitte and US law firm Jones Day to investigate under what circumstances the company installed software into diesel cars that changed engine settings to reduce emissions whenever the vehicle was put through tests.

Ford Sollers announces production cuts across plants in Russia

(Source: *Automotive Logistics News*, 11th November 2015) From mid-November, Ford Sollers is cutting production at its plants in Vsevolozhsk in Leningrad Oblast and Naberezhnye Chelny in Tatarstan for almost two months, including over the festive holidays. The joint venture's third site in Yelabuga, Tatarstan, meanwhile, will not be producing cars for a month. Representatives of the company explained that the cut in output was due to the need to adapt to new market conditions in Russia. "We are increasing the traditional winter vacation at all production sites of Ford Sollers," confirmed a spokesperson for the company. "It helps to get in balance the production programme [with the] significant reduction in activity in the market. In the first nine months, the market fell by 33% and according to our estimates, it will continue to decline this year." The spokesperson added that the

Version 5 of the ECG Operations Quality Manual for PCs and LCVs are available online!



- Written by the Quality Working Group and the H&H Working Group composed of OEMs and LSPs.
- The manuals can be downloaded [here](#)

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

move was a common strategy used by companies amid downturns in demand and that it would not affect supply to the dealerships or end customers as Ford Sollers had prepared by organising “an adequate supply of cars.” That reassurance is backed up by dealer representatives, who agree that the step will not have a negative impact on sales because storage units have been stocked. “[Ford-Sollers] warned us ahead about halting the operation, so now the warehouses of our company are full with their cars,” said Vadim Arustamian, General Director of automotive dealer Maximum. However, there was another way of looking at that situation, according to Ivan Bonchev, Managing Partner of consulting company EURussia Partner. “Stopping production could mean that the company has excess of cars at the warehouses already,” he said, adding that most market participants believe that the level of car sales at the end of the year will be much lower than it was last year. Novel Slutsky, who represents the dealer group Alarm Motors, which sells Ford vehicles, also noted that carmakers in Russia would be cutting output in November-December in an effort to finish the year on minimum cash balances. “An optimistic outlook for car sales in December is a decline of 50% compared with 2014,” said Slutsky. “This is due to the excessive demand on the market last winter because of the sharp devaluation of the rouble.” It has also been reported that Ford is planning to cut wages for workers during the shutdown periods by a third, and permanently losing as many as 190 staff from the beginning of next year. Artem Yashenkov, a spokesperson for the union ITUA, which represents workers at Ford Sollers plants, said that the company has plans to pay off those workers with a redundancy equal to five months’ salary. A number of Russian sources indicate that layoffs will be on Focus or Mondeo lines. The sale of cars in the C and D segments saw the biggest decrease compared with the average figure for the market – by 47% and 38% respectively. It remains unknown if the company aims to decrease the volume of production of these models next year. According to information from the Association of the European Businesses, sales of Ford in Russia in January-September decreased by 41% compared to last year, to 26,600 cars. The entire market during this period saw a drop by 31% to 1.2m cars.

Mini shifts convertible production to Dutch factory

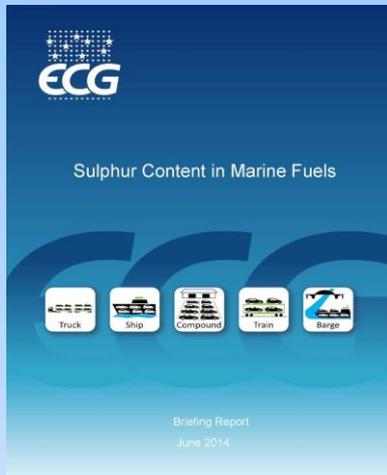
(Source: *Automotive News Europe*, 12th November 2015) BMW Group’s Dutch contract manufacturing partner has started making the new Mini Convertible. Production of the soft top model began at VDL NedCar on 1st November ahead of the convertible’s sales launch in March, a BMW spokeswoman said, declining to detail how many vehicles will be built annually at the plant in Born, Netherlands. BMW has already transferred some output of its Mini hatchback models to VDL NedCar to ease capacity constraints at Mini’s sole production factory in Oxford, UK. Previous generations of the convertible were built in Oxford. The new Mini Convertible is one of five core models Mini is retaining as the brand moves to focus on volume cars rather than expand into more niches. Alongside the convertible, the brand will keep the three- and five-door Mini Hatchback, the Clubman and the Countryman. Mini’s global sales fell by 0.9% to 302,183 vehicles last year. Of these, 17,327 were convertibles. The plant was previously owned by Mitsubishi, which built the Colt subcompact and the Outlander SUV there. After ending production at NedCar in 2012, Mitsubishi sold the plant to local bus maker VDL Groep for €1.

EUROPE

FTA says it warned of Calais riots

(Source: *FTA*, 12th November 2015) The Freight Transport Association says it warned weeks ago that the situation in Calais would continue to escalate if action wasn’t taken after violent battles broke out between police and migrants near the

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 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 may not 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) !

Jungle migrant camp in Calais. Local residents described the clashes in which at least 26 officers were injured as “like a war” as 250 French riot police were sent to the area on the nights of 8-9th November to deal with rioters stopping traffic on the port ring road. Rocks were thrown at police, who used tear gas to break up the gangs. FTA’s Deputy Chief Executive, James Hookham, said: “This is utterly unacceptable. Calais is back in crisis and truck operators and their drivers are again in the firing line - sometimes literally. The reported actions of migrants have crossed a line. Whatever your views on the plight of migrants and asylum seekers are, no-one has a right to threaten, intimidate or physically attack drivers and other innocent bystanders. “FTA expects and demands safe passage for truck drivers and other port users going about their lawful business. This must be the primary concern of French and British governments before someone gets seriously injured, or even killed.” While filming in Calais with truck driver Euan Fleming, FTA witnessed first-hand the gangs of migrants trying to break into trucks and wandering in the new secure areas where the British Government invested £7m on a protective fence. Euan, who works for Blair Transport in Belfast, described how drivers had been attacked with crow bars and threatened with being shot if they used their horns to draw attention to migrants breaking into trucks. Mr Fleming said: “Your heart is in your mouth when you drive through Calais, but we have no choice than to travel through the port and I absolutely dread being here. It is common place to see gangs of migrants armed with weapons - they have attacked my own truck using Stanley knives to cut holes into the roof to get into the trailer.” £89bn worth of UK trade passes through Calais on a yearly basis. In the past 12 months FTA has written to the Mayor of Calais, the Foreign Secretary and the Prime Minister calling for action on the worsening situation for its members at the port. The Association estimates that around £750,000 a day was lost to the UK freight industry at the height of the crisis in June and July when Operation Stack was put in place on the M20 for 28 days. FTA warned of the worsening problem in Calais in May and called on the French government to take urgent action in June. As the situation deteriorated through the summer, FTA members described the area as “like a war zone.”

REST OF THE WORLD

Ford begins exports of Fiestas via Lázaro Cárdenas

(Source: *Automotive Logistics News*, 11th November 2015) The Mexican Port of Lázaro Cárdenas has handled its first ever consignment of Ford vehicles for export, which were despatched to Portland, in the US. The 68 Ford Fiesta vehicles were transported aboard NYK’s Hyperion Leader. The cars were built at the Ford plant at Cuautitlán Izcalli, in Mexico State, where a spokesperson noted that the service offered by Lázaro Cárdenas had been “efficient”. Indeed, the port has seen a 21% increase overall in the number of finished vehicles handled in the first three quarters, amounting to 265,000 units. The port remains the leading facility on Mexico’s Pacific coast for import-export traffic in finished vehicles, handling trade to and from Asia, South America and the US. Ford has so far not revealed how many vehicles it plans to export from Lázaro Cárdenas. According to the port authority, “Ford and other automotive brands have placed their trust in the distribution of their vehicles because of the commercial advantages which the port offers, strengthening automotive exports that [in turn] help Mexico to continue being one of the most active countries worldwide [in this market].”

ECG Office



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



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



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



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



Francesca Greco
Communications Officer
T: +32 2 706 8280
info@ecgassociation.eu



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

PRESS RELEASES

Finlines to compete for European Business Awards in “Environmental & Corporate Sustainability” category

(Source: *Finlines*, 7th October 2015) Finlines has been selected as one of the 15 Finnish National Champions to represent Finland in the 2015/16 European Business Awards, which exists to recognise and reward excellence, best practice and innovation in companies across Europe. Finlines will compete in the “Environmental & Corporate Sustainability” category.

Finlines is a leading shipping operator of Ro-Ro and passenger services in the Baltic Sea and in the North Sea. Despite years of economic recession, Finlines has upgraded its fleet and expanded its services. The company is in the process of completing an extensive Environmental Technology Investment Programme, which amounts to €100m.

To comply with stringent environmental regulations, Finlines has installed exhaust gas scrubbers on the majority of its ships and the remainder of the fleet will be fitted with scrubbers in 2016. Installation of propellers and rudders of new design has improved energy efficiency. Other measures to reduce air emissions have consisted of optimisation of schedules and slow steaming. Furthermore, two Ro-Ro passenger ships have been treated with silicone paint, which is expected decrease fuel consumption by nearly 10%.

The next phase in the Awards is to submit a video presenting company achievements. The video will also be available for a public vote. A judging panel will identify the finalists to be awarded *Ruban d'Honneur* status in February 2016. The final Category Winners will be announced in June 2016.

Open letter to the Presidents of Council, Commission and Parliament on Volkswagen scandal

(Source: *TNI*, 9th November 2015) Over 39 organisations wrote [an open letter](#) to the Presidents of European Council, Commission and Parliament to address their concerns on the agenda in favour of cutting compliance costs and replacing the role of the public regulator with corporate co- and self-regulation. The dieselgate scandal caused by a will to cut compliance costs, shows that the human and economic consequences of weak rules and lenient enforcement of environmental laws are enormous.

Open letter to EU policymakers on vehicle emissions

(Source: *International Investors Group on Climate Change*, 6th November 2015) 118 investors with around €12 trillion of assets under management have called on EU policy-makers [in an open letter](#) to tighten emissions testing procedures in order to enable investors to have the best information about the emissions performance of companies. In particular, the letter calls on EU policy-makers to:

1. Restore confidence in CO₂ testing procedures by going beyond UNECE requirements for the Worldwide Harmonized Light Vehicles Test Procedures (WLTP) and by introducing real driving emission test procedures for CO₂. This change should be phased in over time to become mandatory for new vehicles within a few years.
2. Introduce real driving emissions test procedure for non-CO₂ pollutants as soon as possible and ensure these tests are robust and conformity factors are not overly generous.
3. Either strengthen requirements for national type approval authorities to conduct mandatory real driving emissions test procedures for non-CO₂ pollutants, including random on-the-road testing, or establish an independent European type approval authority.