CONTENTS

NEWS FROM BRUSSELS 2
- ECG publishes booklet with national legislations on loaded length 2

AUTOMOTIVE INDUSTRY 2
- UK wants tariff-free trade for the car industry after Brexit 2
- BMW sees no need to shift Mini output after Brexit 3
- Toyota expects to keep production in the UK despite Brexit 3
- Honda commits to UK despite Brexit 4
- Borgward plans 10,000-unit car plant in Germany 4

EUROPE 5
- Russian overcapacity forces some strategic changes in logistics 5
- VW to build €150m logistics centre to support Slovakian production 6
- Calais hauliers may receive compensation for migrant disruptions 6
- Support for eTIR as the future of global transit 7
- Car exports and imports passing through the Port of Gothenburg rise 15% 7
- IMO sets 2020 date for ships to comply with low sulphur fuel oil requirement 8
- Shipping industry criticised for failure to reach carbon emissions deal 9

REST OF THE WORLD 10
- Volvo Cars expands production in China and unveils new China strategy 10

PRESS RELEASES 10
- GEFCO awarded €8bn contract to optimise PSA Group’s global supply chain 10
- Wallenius Wilhelmsen Logistics and DB Cargo Announce New Auto Hub at Mediterranean Port of Monfalcone 11

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NEWS FROM BRUSSELS

ECG publishes booklet with national legislations on loaded length
(Source: ECG, 30th October 2016) ECG’s long-term objective is to obtain a loaded length of at least 20.75m for car transporters during the revision of Directive 2015/719. For this the association intends to concentrate on the individual Member States where the loaded length is currently below this threshold before the review of the Directive by the European Commission in 2020.

In order to know what is the current state of play of the national legislations referring to car transporters, ECG decided to assemble the relevant articles from the legislations of 28 EU Member States, translate them into English and collate them. The laws from Norway, Switzerland, Russia, Turkey and Ukraine were included to give a full European picture.

The result of this work has been collated into a booklet which includes a table on the loaded length allowed in each country as a summary of the situation. This is an updated version of the ECG loaded length table that has been in circulation for some years and has proved to be a good tool to highlight the diversity of European laws.

The booklet can be downloaded from the ECG website.

AUTOMOTIVE INDUSTRY

UK wants tariff-free trade for the car industry after Brexit
(Source: Automotive News Europe, 31st & 28th October 2016) The UK told Nissan Motor it would aim for tariff-free trade with Europe for the car industry after Brexit, persuading the carmaker to invest in the country’s biggest car plant, a cabinet minister said on 30th October. Business Secretary Greg Clark said the government was determined the car industry would remain competitive, and he had told Nissan it wanted to negotiate tariff-free trade for the sector with the remaining 27 EU members. “Our objective would be to ensure we have continued access to the markets in Europe and vice versa without tariffs and without bureaucratic impediments, and that is how we will approach those negotiations,” he told BBC television. However, he added that a promise of money to compensate for tariffs was not part of an agreement with Nissan. A source told Reuters the government promised extra support to Nissan in a written assurance that Brexit would not hit the competitiveness of the Sunderland plant, which built nearly a third of Britain’s 1.6 million cars last year.

The UK government has sent conflicting signals about what kind of relationship it wants with Europe after divorce talks end. Prime Minister Theresa May has made comments pointing towards a “hard Brexit”, where Britain would limit immigration at the cost of leaving the huge European single market. Clark’s pledge to Nissan, however, indicates that Britain wants to remain part of an EU customs union - which would allow some controls on free movement of people - or negotiate a special free trade deal for the industry, even if it does not stay in the single market. As a member of the EU customs union Turkey, for example, remains outside the bloc.
but trades freely within it. However, were the UK to adopt a similar model, it would not be able to sign separate trade deals with countries like India and China, which was an objective of some Brexit campaigners. The UK’s agreement with Nissan, details of which had not been made public, has led rival carmakers to seek their own assurance that they won’t be hurt by Brexit. On 28th October, Ford's European chief, Jim Farley, said any help offered by the UK government to companies that export from Britain to the European Union should apply across the industry. Industries such as pharmaceuticals, banking and aerospace are likely to want similar assurances that their interests will be protected after Brexit. The opposition Labour Party said the pledges given to Nissan needed to be made more widely. “All businesses and workers across all regions deserve the Nissan treatment and a clear answer from government about whether they are aiming for full single market access, a customs union, or some other set of arrangements,” Labour's business spokesman Clive Lewis said. Clark addressed lawmakers in Parliament on 31st October, a day after saying in an interview on BBC television that he’d spelled out four key pledges in the letter, including a promise to seek tariff-free access to the European Union after Britain has pulled out of the bloc. The other pledges Clark gave Nissan were continued funding for training and skills in the automotive sector, a commitment to encouraging domestic growth of the industry’s supply chain, and a reassurance that Britain will invest in research and development of future technologies, such as electric cars.

**BMW sees no need to shift Mini output after Brexit**
(Source: Automotive News Europe, 28th October 2016) BMW Group production chief Oliver Zipse said there is no need to decide yet whether the Brexit vote is a reason to shift manufacturing of its Mini brand away from the UK to other locations in Europe. Britain’s vote in June to leave the European Union has raised doubts on whether it can keep tariff-free access to the European common market, prompting various automakers with factories in the UK to review their production plans. Nissan said on 27th October that it will build the new Qashqai and add a further model, the X-Trail, at its plant in Sunderland, northern England, despite the vote to quit the EU. Zipse said BMW is not under pressure to make any changes or decide about further investments in its assembly line in the UK. A new generation Mini has just been launched and “now is not the time to make this decision,” Zipse told Reuters on the side-lines of an event held in Landshut, Germany. “When the time comes when we have to do the next big investment, we will have to look at the situation,” Zipse said. Mini’s main production location is in Oxford, but some output is outsourced to VDL NedCar in the Netherlands and Magna Steyr in Austria. Asked whether BMW could shift more production of the Mini to the Netherlands, Zipse said, “We have possibilities, but currently we don’t have to.”

**Toyota expects to keep production in the UK despite Brexit**
(Source: Automotive News Europe, 27th October 2016) Britain’s decision to leave the European Union may dent Toyota Motor’s competitiveness in the region, but the Japanese automaker did not see it as a trigger to shift production away from the country. Speaking to reporters in Tokyo this week, Chief Competitive Officer and Executive Vice President Didier Leroy said he had trust in the UK government that it will offer “fair treatment” for all companies when negotiating agreements to mitigate the effect of Brexit. Businesses operating in Britain are concerned the country is heading toward a so-called “hard Brexit” that would leave it outside the EU’s single market and facing tariffs of up to 10% to export cars to the trading bloc. Having produced nearly half of all cars made in Britain in 2015, Japanese automakers are facing decisions on how they can stay competitive in a post-Brexit Britain, as they will be exposed to any rise in tariffs. Leroy, who also serves as Chairman of Toyota’s European operations, said the carmaker would have to improve overall performance to offset increases in tariffs because customers won’t be willing to pay more to cover the difference. “It will be a big negative impact in terms of competitiveness if we have a trade tax,” Leroy
Booklet on national legislation for car transporters published

A comprehensive booklet has been assembled by ECG on the laws of each EU Member State referring to car transporters.

The booklet is designed to help ECG and its members lobby for the long-standing aim of the Association: at least 20.75m loaded length within the European Union.

The new publication can also be a precious tool for our members to settle any eventual litigation with the police as the document contains the legislative text also in the original language.

The well-known maximum loaded length table has also been updated and included at the end of the document.

If you spot any inaccuracies or have any additional information or comments, please contact ECG at info@ecgassociation.eu

told reporters. Maintaining competitiveness and free access to the EU market is crucial for operations in Britain,” he said. “But at the same time, does it mean that we should give up [producing in Britain]? ... I can tell you that we won’t give up and move to another country just because it will be easier. We have a fighting spirit and have trust in the people at our UK plant.” Toyota builds the Avensis midsize sedan and Auris compact hatchback at its plant in Burnaston, England, which produced about 190,000 cars last year. Of that, 75% went to the EU, and only 10% were sold within Britain. Leroy said that while Toyota has been increasing partnerships with rival automakers to develop new vehicle technologies, it was not focusing on takeovers at the moment. Toyota earlier this month said it was considering co-operating with carmaker Suzuki Motor, just months after completing a buyout of Daihatsu Motor. The company also has partnerships with Mazda Motor and Germany’s BMW Group. “We are not talking about consolidation in this case for us, we are really talking about partnership,” Leroy said, referring to talks with Suzuki. While Toyota hoped to leverage partnerships to increase competitiveness, Leroy said it had enough firepower to keep up with the rapid pace at which the industry is developing self-driving and eco-conscious cars. “Some carmakers around the world believe that they will never be able to do this alone. That’s why they are sometimes talking about consolidation,” he said. “But we have the appropriate scale for that. We don’t have any problem.”

Honda commits to UK despite Brexit

(Source: Automotive News Europe, 3rd November 2016) Honda Executive Vice President Seiji Kuraishi said the Japanese automaker has “no intention” of withdrawing from the UK where it is investing to make its sole factory in the country a global production hub. Kuraishi’s comments came after Nissan said last week that it would build its next-generation Qashqai and X-Trail SUVs at its factory in Sunderland, after the British government told the automaker it was committed to ensuring tariff-free trade between the UK and EU. Honda is investing £200m in its 250,000-capacity UK factory in Swindon, to expand production of the five-door Civic hatchback, exporting the compact car to the US and Japan, as well as EU markets. Honda will watch the development of the UK’s negotiations to leave the EU, Kuraishi said. “We need to carefully watch currency exchange and sales trends. But we have no intention of withdrawing from the UK and will continue doing business there.” He said the role of the Swindon plant is to not just produce European models, but also to export to Japan and North America. Kuraishi said Honda cannot make any permanent decisions about future production in Swindon until the terms of Brexit are clearer. “We hope to keep the current production capacity,” he said. Honda hasn’t asked the government for help in offsetting the impact of Brexit. But Kuraishi said any support given to Nissan should apply to all automakers, echoing comments from rival car companies such as Ford Motor and Jaguar Land Rover for assurances that they won’t be hurt by Brexit.

Borgward plans 10,000-unit car plant in Germany

(Source: Automotive News Europe, 27th October 2016) Borgward, a storied German brand that is being revived with Chinese backing, plans to open a factory in Germany to build 10,000 cars a year. The company, once Germany’s third-biggest automaker, is returning to its former home, the north German city of Bremen, where it plans to build its BX7 electric car from semi-knocked-down kits starting in 2018. “Production will be designed to be flexible and organized in such a way that we can adjust - and thus increase - production output and the number of models,” Borgward CEO Ulrich Walker said in a statement. Borgward said it was not just the “emotional argument” that has attracted it to its former home. It cited Bremen’s good logistics’ connection to the Bremerhaven port, the ready availability of skilled workers, and the region’s strong supplier industry as reasons for the decision. The automaker said Continental, Kuka, Schaeffler, SKF, BorgWarner, Webasto, and Robert Bosch are all suppliers that will “play a major
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With any questions please refer to the ECG Secretariat

EUROPE

Russian overcapacity forces some strategic changes in logistics

(Source: Automotive Logistics, 1st November 2016) Overcapacity in the Russian automotive market looks set to be a long-term problem, the Russian Economic Development Ministry has admitted, and is starting to prompt changes to supply chain strategy. By 2020, the gap between production capacity across Russia's automotive plants and sales volumes there will remain at 1m cars a year, leaving vehicle makers underutilising their plants by around a third on average, ministry forecasts have suggested.Demand for new cars in 2020 will not exceed 2m units, according to the ministry – half the figure predicted by government officials back in 2013. And this revised forecast is forcing OEMs to make their own revisions to investment plans, with some already leaving Russia and others cutting their model ranges. While vehicle exports from Russia could grow to 200,000-300,000 in the meantime, partly offsetting such overcapacity problems, international carmakers there are looking to cut their costs and focus on income from other markets, said the Economic Development Ministry. Earlier this year Russia's minister of industry and trade, Denis Manturov, suggested exports would grow to at least 500,000 units within the next decade. Russia's overcapacity problem is also forcing carmakers to revise their logistics strategy. According to Andrey Gryazev, chief commercial officer for logistics provider Agility Russia, such revisions will vary according to the scale of localisation in each OEM's production operation. “For manufacturers with high localisation, it will be more economic to use the services of [local] transport owners, thus reducing logistics costs,” said Gryazev. “For producers with low localisation, it will be more attractive to import components from abroad using international logistics companies who can optimise their costs with return loads [allowing them to provide lower rates].” Other market observers have warned that the drop in demand for car transport could negatively affect the quality and pricing of logistics services. “Downtime in production directly affects transport operations and is a concern for some aspects of the supply chain,” said Nikita Pushkarev, commercial director of GEFCO Russia. While the overall balance between imported components and locally produced ones may not change, lower production would still reduce demand and could ultimately affect both the quality and price of services on offer, he added. “Quality requirements remain the same but reduced traffic and a lower average size of shipment mean it is hard to maintain established levels of service and pricing,” he warned. Although growth in localisation levels in the next few years may help to underpin automotive sector demand for transport services, flagging domestic car sales would not be significantly boosted by export sales, said Gryazev. “For customers in developed countries, Russian cars are not in demand because the quality of Russian products is lower than those of Europe,” he explained. “As for the third-world countries and emerging markets, some of them role” in the future assembly of its EVs in Germany. Batteries will be supplied by LG Electronics, it said. Borgward currently builds combustion-engine variants of the BX7 in Miyun near Beijing. The German plant will be its first factory outside China and the European base from which the automaker intends to roll out the BX7 EV and, later, electric and plug-in-hybrid variants of BX6 and BX5 SUVs. An exact location for the plant will be decided in the coming weeks, the company said. Borgward collapsed in 1961 after building about 1.2 million Borgward, Lloyd, and Goliath vehicles in Bremen from the 1920s. The company's revival is funded by the state-owned Chinese truckmaker Beiqi Foton. Borgward has hired executives from Western automakers including Walker, a former Daimler boss in Asia, to help its revival. Borgward will sell only electric and plug-in hybrid vehicles in Europe in a similar strategy to Lynk and CO, which plans to sell cars in Europe developed with Volvo. Lynk is targeting Germany as its main European market.
have their own strong automotive industry – for example in China and India. With [supplies to] other countries, meanwhile, there are logistics problems, such as the expense involved in delivering cars to Bolivia and Africa.” The problems currently facing the Russian market would be worse were it not for state support, which amounted to 50bn roubles ($792m) in 2016, according to the Economic Development Ministry. This suggests Russia may soon wish to change the terms of its subsidy programme and add new requirements for OEMs in terms of localised content or specific export levels.

**VW to build €150m logistics centre to support Slovakian production**  
(Source: Automotive Logistics, 2nd November 2016) Volkswagen (VW) last week laid the foundation for a new €150m ($167m) logistics centre to support its manufacturing plant in Bratislava, Slovakia. The 125,000m² logistics hall will be the main feature of the overall planned facility, which spans 300,000m² and will be completed in late 2017. “The new logistics centre will help us to be closer to production; logistics costs will be lower and logistics [paths] will be shorter,” a local company spokesman told Automotive Logistics, adding: “We expect a positive influence on truck traffic in the part of the city where Volkswagen Slovakia operates.” The adjacent Slovakia plant produces vehicles for five of the group’s car brands under one roof - VW, Porsche, Audi, Škoda and SEAT. Last year, as part of a €600m investment, the facility initiated production of a new bodywork operation for the Audi Q7 with up-to-date fastening and automation technologies. Since 1991, Volkswagen has produced more than 4m vehicles and 6.8m transmissions in the eastern European country. It employs over 10,800 people there. The logistics centre will be operated by an external logistics provider, who will be chosen in coming months. In August, the group officially opened a new group consolidation centre near Bratislava to handle inbound goods for 28 production plants across Europe.

**Calais hauliers may receive compensation for migrant disruptions**  
(Source: Lloyd’s Loading List, 3rd November 2016) Calais-based road haulage firms will be able to seek compensation for the impact of migrant-related disruption on their activities through a €4m French state fund. But in an interview with Lloyd’s Loading List, a local representative of France’s leading road haulage federation FNTR, Sébastien Rivera, said that while the financial aid was good news, it fell well short of the industry’s expectations. “We recognise this not a negligible sum, but it covers all types of businesses in Calais, such as bars, restaurants and hotels, not just haulage firms,” he said. “We have been calling for provision that specifically compensates hauliers - who bore the brunt of nightly attacks by migrants, notably on the ring road leading to the port - and which takes into account the material prejudice our members suffered in terms of damage to trucks and trailers, for example, slashed tarpaulins and smashed windscreens, as well as to premises. The aid announced does not address this issue, and that’s a big disappointment. But we will continue to press for a better compensation deal for the industry and plan to write to French president François Hollande to underline our case.” Rivera said he understood that firms claiming compensation would have to provide evidence that their annual turnover had fallen by at least 30% spanning a period between 2014 to 2016. “Any firm impacted to this extent would not have stayed in business for long, and I don’t know of any haulage firm that would meet such a condition,” he added. Rivera also criticised the geographical scope of the aid, pointing out that only firms in Calais and its immediate environs could submit claims. “No one is contesting that these firms were the hardest-hit by migrant action, but there are hauliers not too far from Calais, who have justifiable claims for compensation, who will be excluded.” Commenting on the closure of the migrant camp in Calais, Rivera said this had been a big step forward in allowing hauliers to go about their business more
Car exports and imports passing through the Port of Gothenburg rise 15%

(Source: Automotive Supply Chain, 2nd November 2016) Car exports and imports passing through the Port of Gothenburg rose by 15% during the third quarter compared with the same period last year. Container, Ro-Ro and energy volumes are also up. The Port of Gothenburg is the largest vehicle export outlet in Sweden. There are also significant car imports, including brands such as Mazda, Nissan and Renault. The handling of new cars is on the increase generally, both outbound and inbound. Between July and September, 56,000 cars passed through the port – a rise of 15% on the same period in 2015. “Volvo is selling more cars than ever before and the shipping of vehicles to almost every market takes place from here. The last year has also seen an increase in the import of cars, which is extremely pleasing,” said Magnus Kårestedt, Gothenburg Port Authority Chief Executive. Ro-Ro traffic, which makes use of trailers and trucks, has also grown. From July to September, 132,000 Ro-Ro units were loaded and unloaded at the port’s freight terminals, up 5% on the same period last year. Magnus Kårestedt explained: "The volume trend to and from Belgium has been positive thanks to an upturn in the export and import of components for the automotive industry. Ro-Ro traffic to and from Denmark and the UK is down slightly compared with 2015, whilst movements to and from Germany have remained static.”
IMO sets 2020 date for ships to comply with low sulphur fuel oil requirement

(Source: IMO, 28th October 2016) In a landmark decision for both the environment and human health, 1st January 2020 has been set as the implementation date for a significant reduction in the sulphur content of the fuel oil used by ships. The decision to implement a global sulphur cap of 0.50% m/m (mass/mass) in 2020 was taken by the International Maritime Organization (IMO), the regulatory authority for international shipping, during its Marine Environment Protection Committee (MEPC), meeting for its 70th session in London. It represents a significant cut from the 3.5% m/m global limit currently in place and demonstrates a clear commitment by IMO to ensuring shipping meets its environmental obligations. IMO Secretary-General Kitack Lim welcomed the decision which he said reflected the Organization’s determination to ensure that international shipping remains the most environmentally sound mode of transport. Further work to ensure effective implementation of the 2020 global sulphur cap will continue in the Sub-Committee on Pollution Prevention and Response (PPR). Regulations governing sulphur oxide emissions from ships are included in Annex VI to the International Convention for the prevention of Pollution from ships (MARPOL Convention). Annex VI sets progressive stricter regulations in order to control emissions from ships, including sulphur oxides (SOx) and nitrous oxides (NOx) - which present major risks to both the environment and human health. The date of 2020 was agreed in amendments adopted in 2008. When those amendments were adopted, it was also agreed that a review should be undertaken by 2018 in order to assess whether sufficient compliant fuel oil would be available to meet the 2020 date. If not, the date could be deferred to 2025. That review was completed in 2016 and submitted to MEPC 70. The review concluded that sufficient compliant fuel oil would be available to meet the fuel oil requirements. Under the new global cap, ships will have to use fuel oil on board with a sulphur content of no more than 0.50% m/m, against the current limit of 3.50%, which has been in effect since 1st January 2012. The interpretation of “fuel oil used on board” includes use in main and auxiliary engines and boilers. Exemptions are provided for situations involving the safety of the ship or saving life at sea, or if a ship or its equipment is damaged. Ships can meet the requirement by using low-sulphur compliant fuel oil. An increasing number of ships are also using gas as a fuel as when ignited it leads to negligible sulphur oxide emissions. This has been recognised in the development by IMO of the International Code for Ships using Gases and other Low Flashpoint Fuels (the IGF Code), which was adopted in 2015. Another alternative fuel is methanol which is being used on some short sea services. Ships may also meet the SOx emission requirements by using approved equivalent methods, such as exhaust gas cleaning systems or “scrubbers”, which “clean” the emissions before they are released into the atmosphere. In this case, the equivalent arrangement must be approved by the ship’s Administration (the flag State). The new global cap will not change the limits in SOx Emission Control Areas (ECAs) established by IMO, which since 1st January 2015 has been 0.10% m/m. The ECAs established under MARPOL Annex VI for SOx, are: the Baltic Sea area; the North Sea area; the North American area (covering designated coastal areas off the United States and Canada); and the United States Caribbean Sea area (around Puerto Rico and the United States Virgin Islands).

ECG Note: Ahead of the introduction of the Sulphur ECAs on 1st January 2015, ECG published a paper on the sulphur content in marine fuels. The report, dated June 2014, can be downloaded from the ECG website. Reactions on IMO’s decision on the global sulphur cap of 0.5% as of 2020 were published by Transport & Environment, the European Community Shipowners’ Association and the European Sea Ports Organisation.
Shipping industry criticised for failure to reach carbon emissions deal

(Source: The Guardian, 28th October 2016) The world’s leading shipping organisation has been condemned by environmental campaigners and MEPs for its failure to urgently tackle the industry’s impact on climate change, after it agreed only to a partial reduction in harmful emissions from ships. The International Maritime Organisation (IMO), meeting in London, agreed to cap emissions of sulphur from ships, which are a cause of air and sea pollution, but on greenhouse gases agreed only to some further monitoring and a fresh round of negotiations. Potential measures to reduce greenhouse gases have been delayed to 2023, which campaigners said was too late. Sulphur will be capped at 0.5% of shipping fuel content from 2020, not 2025 as some companies and countries had urged. However, no agreement was reached on capping CO2 emissions. Shipping is a fast-growing source of greenhouse gases, projected to account for 17% of global emissions by 2050, though the industry has long been omitted from international agreements on climate change, including the UN’s Paris accord signed last year and due to come into force next month. Instead, IMO members agreed to further monitoring of greenhouse gas emissions data from international shipping, with a view to drawing up an action plan to reduce them. But that plan is not likely to be implemented before 2023. The IMO first began to make plans to reduce emissions in 2003, yet little action has been taken. Shipowners and shipping companies want to guard any data they collect on fuel consumption, seeing it as a competitive issue. Sotiris Raptis, shipping officer at Transport & Environment, said: “This can in no way be seen as a proper response to the challenge laid down by the Paris climate agreement. The International Maritime Organisation is proposing to stall any action until 2023. The decision to delay by at least a further seven years any agreement on reducing greenhouse gas emissions from shipping constitutes an abject failure by national governments and the shipping industry.” Jytte Guteland, a Socialist MEP, said the agreement was not enough: “The shipping sector must play its role in Europe’s transition to a low-carbon society. Time is of the essence, and in the absence of IMO action, the EU must include ships’ emissions in its 2030 climate target. By setting up a climate fund for shipping, Europe can help industry cut carbon in a cost-effective way.” Bas Eickhout, a Green MEP, added his support for unilateral action from the EU: “International shipping is the only transport sector not contributing to climate goals in Europe. Since the IMO will not be considering, let alone proposing, any emissions reduction measures for many years to come, our duty is to make sure that Europe takes action.” Both shipping and aviation have been excluded from international negotiations on climate change, partly due to the difficulty in allocating their emissions to a particular country, but also because of the reluctance of both industries – which continue to grow strongly as globalised trade increases – to submit to the international monitoring that climate change regulation requires. The aviation industry this month took its first steps toward reducing the impact of aircraft on the climate. The International Civil Aviation Organisation agreed that airlines would have to offset some of their emissions by buying carbon credits, which require investment in carbon-reduction schemes such as growing new forests and installing new renewable energy. The shipping industry has been slower to adopt such measures. Shipping fuel is much heavier and thicker than aircraft fuel, and produces more greenhouse gases. Airlines have an economic incentive to use the lightest fuel possible, which can include biofuels derived from plants. But ships are capable of carrying the heavier, more polluting – and, crucially, cheaper – fuel on long voyages, so there is little economic incentive for the industry to change its practices.
REST OF THE WORLD

Volvo Cars expands production in China and unveils new China strategy
(Source: Automotive Purchasing, 2nd November 2016) Volvo Cars has unveiled a new manufacturing strategy for China in which production capacity will be increased and China will be developed into a global manufacturing and export hub servicing growing demand for its new range of cars in the US, Europe and Asia Pacific. Volvo Cars will make its top-of-the-range S90-series cars based on its Scalable Product Architecture (SPA) at its plant in Daqing, Heilongjiang province, in northern China. It also announced that production of the new S90 premium sedan will in future be moved from Europe to China. The Swedish company also announced that existing and future 60-series medium-sized SPA-based cars will be built at its plant in Chengdu, Szechuan province, in Western China, while its planned 40 series smaller cars, based on its Compact Modular Architecture (CMA), will be made at a plant that is currently being built in Luqiao, 350km south of Shanghai. “With three plants – and the designation of one car line for each plant – Volvo creates an efficient production structure ensuring future capacity for growth,” said Håkan Samuelsson, President and Chief Executive, Volvo. Volvo’s expanded production capacity in China forms an integral part of its broader global industrial footprint. Volvo currently operates two plants in Europe, in Sweden and Belgium. The Sweden plant in Gothenburg will continue to make 90 series and 60 series SPA cars while its plant in Ghent, Belgium, will in future be a CMA-only production facility making new 40 series cars. Volvo is also building a new plant in South Carolina in the US that will also make SPA-based vehicles for domestic US consumption and for export.

PRESS RELEASES

GEFCO awarded €8bn contract to optimise PSA Group’s global supply chain
(Source: GEFCO, 3rd November 2016) The PSA and GEFCO groups have signed a new €8 billion exclusivity agreement under which GEFCO will manage and optimise the automaker’s entire global manufacturing supply chain.

The agreement reaffirms that GEFCO is the PSA Group’s leading supplier in Europe, number two worldwide. The agreement will take effect on 1st January 2017 for a period of five years.

In line with the profitable growth objectives set out in its Push to Pass plan, the PSA Group will be able to further improve its operating performance via this agreement, which is yet another show of confidence in GEFCO’s teams and the reliability of its services.

Under the agreement, GEFCO will design and implement global logistics and transport solutions for the three PSA Group brands, Peugeot, Citroën and DS. It will manage and optimise the entire supply chain, from sourcing components for production and assembly plants to distributing finished vehicles. In addition to these outbound and inbound logistics services, GEFCO will be responsible for distributing spare parts.

This strategic partnership is an affirmation of GEFCO’s expertise in designing and optimising complex supply chains. As a 4PL provider, GEFCO will be the PSA Group’s sole partner in putting in place optimised multi-modal processes that combine rail, road, sea, air and inland water transport to create end-to-end solutions. It will also be responsible for co-ordinating the suppliers chosen to take part in the supply chain following calls for tenders. A central part of its integrated role will be applying its advanced logistics engineering skills, in combination with high-performance IT and data management systems, to provide real-time tracking and ensure the seamless interplay of the supply, storage and distribution chains.

The agreement will cover all the countries (about 50) where the PSA Group currently operates, whether in manufacturing or distribution. Its implementation will increase GEFCO’s buying and pooling power to the benefit of all its customers.

“The agreement will be a powerful driver of improved operating performance at the PSA Group. We have every confidence in GEFCO’s ability to partner us as we navigate a challenging transformation, pursue new business opportunities and develop internationally,” said Yannick Bézard, the Group’s Executive Vice-President, Purchasing.
The PSA Group is also teaming up with logistics specialist GEFCO to develop supply chain and manufacturing solutions for future projects, to be carried out in collaboration with external partners or alone.

“GEFCO is proud to be chosen by the PSA Group as a trusted strategic partner. All of GEFCO’s teams are actively committed to meeting our customers’ need for efficiency,” said Luc Nadal, Chairman of the Managing Board of GEFCO. “Every day, they demonstrate their ability to support our customers as they grow internationally, while working with them to tackle their long-term growth and profitability challenges.”

Wallenius Wilhelmsen Logistics and DB Cargo Announce New Auto Hub at Mediterranean Port of Monfalcone

(Source: Wallenius Wilhelmsen Logistics, 3rd November 2016) Wallenius Wilhelmsen Logistics (WWL) and DB Cargo (DB) have signed a contract to develop a joint venture multi-modal logistics hub, “Mediterranean Hub Monfalcone Srl”, in 2017 at the Port of Monfalcone on the Italian Adriatic coast.

The business will provide logistics solutions to support and manage the total outbound supply chain of vehicle manufacturers in Europe – from the factory to key distribution points in the Mediterranean and Asia. The business will provide outbound vehicle logistics co-ordination and management of rail operations, terminal services and storage at the port of Monfalcone. Wallenius Wilhelmsen Logistics will maintain a 51% stake in the business.

“With this joint venture we are meeting the demands of OEMs to introduce a solution that will reduce the transport time to Asia, and simplify the supply chain. In co-operation with WWL, DB will offer an integrated logistics solution from Europe to Asia via the Port of Monfalcone,” said Andreas Busemann, Chairman of Sales at DB.

“Launching in 2017, this exciting joint venture between Wallenius Wilhelmsen Logistics and DB Cargo will offer vehicle manufacturers a new, reliable point of exit from Europe and additional transport options to Asia that can reduce overall cargo transport times by more than a week,” said Konrad Kurz, Head of Land-based Operations for EMEA at Wallenius Wilhelmsen Logistics.

Executives from Wallenius Wilhelmsen Logistics and DB Cargo signed the contract on 3rd November at the Port of Monfalcone, joined by Compagnia Portuale Srl a Socio Unico which will serve as the local terminal operator at the port. Also present for the signing of the agreement were executives from the Port of Monfalcone, which supports the export needs of automotive manufactures.

The transaction is subject to the approval of the German Federal Cartel Office.