ECG News
Truck Ship Compound Train Barge
ECG – The Association of European Vehicle Logistics
Issue 16.51, 19th –23rd December 2016

CONTENTS

ECG & other industry events

►**Maritime & Ports Working Group meeting**, **21-22nd February 2017**, Hanko, Finland

►**UK & Ireland Regional meeting**, **February 2017 TBC**, Birmingham, UK

►**ECG 20th Anniversary event**, **March 2017 TBC**, Brussels, Belgium

►**Land Transport Working Group meeting**, **March 2017 TBC**, Munich, Germany

►**Quality Working Group meeting**, **March 2017 TBC**, Brussels, Belgium

►**European Shipping Week**, **23rd February-3rd March**, Brussels

►**ECG Spring Congress & General Assembly**, **18-19th May 2017**, Malta

►**ECG Conference**, **19-20th October 2017**, Venue TBD

NEWS FROM BRUSSELS

Commission approves public funding to promote move of freight transport from road to rail and sea in Italy

(Source: European Commission, 19th December 2016) The European Commission has found two Italian public support schemes to encourage a shift of freight transport from road to rail and to sea, to be in line with EU state aid rules. The measures will further EU environmental and transport objectives whilst maintaining competition in the Single Market. The first measure, with a budget of €255m, aims to boost the shift of freight traffic from road to rail in Italy by granting subsidies to rail transport operators. Supporting a mode of transport that is less polluting than road will have a positive impact on the environment. By decreasing road congestion, it will also be beneficial in terms of mobility. For these reasons, EU state aid rules, in particular the 2008 Commission Guidelines on State aid for railway undertakings allow public support to the rail transport sector under certain conditions. The Commission's assessment showed that the scheme is open to all railway companies operating on the freight market in Italy. The measure will, in particular, boost the Southern part of Italy, where the imbalance between rail and road is significantly more pronounced. In line with the Guidelines, the level of support beneficiaries can receive under the scheme is based on a reduction of the infrastructure charges and external costs borne by rail transport operators when compared to road transport. The second measure, called Marebonus has a budget of €138m to encourage freight transport by sea rather than by road. This should also lead to less traffic on the roads and so reduce pollution and ease transport congestion. The Commission's State Aid Maritime Guidelines allow Member States to support these objectives under certain conditions. The scheme will grant aid to shippers for starting new maritime services or upgrading existing sea routes. In line with the Guidelines, the public support is limited to meeting some of the extra costs of switching to a more environmentally friendly mode of transport. The non-confidential version of the decisions will be made available under the case numbers SA.45482 (Rail Freight Transport Support Scheme) and SA.44628 (Marebonus) in the State Aid Register on the Commission's competition website once any confidentiality issues have been resolved.

Car emissions: first committee findings and draft recommendations

(Source: European Parliament, 19th December 2016) Evidence of law enforcement shortcomings in EU Member States regarding car emissions is set out in the draft report by the Committee of Inquiry into Emission Measurement in the Automotive Sector (EMIS), published on 19th December. The report and draft recommendations were prepared jointly by co-Rapporteurs Jens Gieseke (EPP, DE) and Gerben-Jan Gerbrandy (ALDE, NL). EMIS will have a first public debate on the text on 12th January. The draft text is a result of 10 months' intensive work to reconstruct the events and collect evidence, in particular on the role of the European Commission and Member States before and after the car emission test cheating scandal. It focuses on discrepancies between the NO_x emissions of diesel cars in the laboratory and on the road and on the process of adapting emissions tests to reflect real-world conditions. The report presents evidence on the possible use of prohibited "defeat" devices and identifies gaps in the EU car type-approval system and shortcomings in the enforcement of the EU emissions legislation in the Member States. The findings are based on a factual section drafted by Parliament's co-Rapporteurs in co-operation with representatives of other political groups. The result is as far as possible a complete picture of the series of events which culminated in VW's admission to the US authorities in September 2015 that it had installed a defeat device on some models. "I am very pleased with the large consensus that could already be reached amongst shadow Rapporteurs on the factual findings, based on the evidence gathered in our hearings, reports and questionnaires, said Committee Chair Kathleen Van Brempt

(S&D, BE). "I would also like to thank the co-Rapporteurs for their draft conclusions and recommendations, which I think are a good and solid base for a broadly supported final report." "Great work has been done by all groups to achieve a balanced factual part of the report," confirmed the co-Rapporteur Jens Gieseke. "Now it is vital to continue the good co-operation between all groups on the conclusions and recommendations, which should equally be based on facts and not on assumptions or ideological beliefs. We need to ensure that the legal system on emission testing is improved to prevent fraud in future." Regarding recommendations for the future, Gieseke expressed the view that "the hearings of experts showed that diesel still is a viable technology that contributes to reducing the CO_2 emissions." "Dieselgate would not have happened if the national governments and the European Commission had acted on their legal and administrative responsibilities. The legal ban on defeat devices is clear, the problems uncovered by our investigation relate to undue delays in decision-making, negligence and maladministration," added co-Rapporteur Gerben-Jan Gerbrandy. "I sincerely hope that we will manage to hold all the political players and institutions involved accountable for what went wrong and that our recommendations will contribute to an improvement of the policy making process and of the regime of type approval and market surveillance of cars. This is crucial to reduce air pollution, not only on paper or in the laboratory, but also on the road and in our cities and to restore the trust of consumers and citizens in European products and policy," concluded Ms Van Brempt. In January, EMIS has planned four more hearings with ministers in charge of type approval in Italy and Slovakia, as well as with representatives of two additional car manufacturers, Audi and Opel. Most of activities now will focus on negotiations among the political groups on the amendments tabled both to the conclusions of the draft report and to the draft recommendations. The draft report is to be put to committee vote on 28th February and the final plenary vote in April.

AUTOMOTIVE INDUSTRY

VW agrees to spend up to $1.6bn on Canada emissions settlement

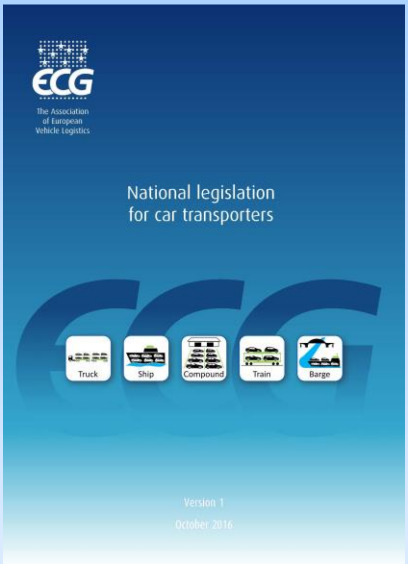
(Source: Automotive News Europe, 19th December 2016) Volkswagen Group has agreed to spend up to C$2.1bn ($1.6bn) to buy back or fix 105,000 polluting diesels and compensate owners in Canada. In June, Volkswagen agreed to a similar deal with US owners, in which it would spend about $10bn to buy back or fix 475,000 US vehicles. In total, the company has now agreed to spend to date more than $18bn to address diesel emissions issues in North America. The automaker still faces more costs to address larger vehicles and US fines. Volkswagen also agreed to pay a C$15m civil administrative monetary penalty in connection with the Canadian settlement. "Volkswagen's primary goal has always been to ensure our Canadian customers are treated fairly, and we believe that this proposed resolution achieves this aim," Volkswagen Group Canada CEO Maria Stenstroem said on 19th December. Two Canadian courts will hold approval hearings around the end of March. Volkswagen will pay legal fees to the suing owners' lawyers separately from the settlement fund. Most of the 105,000 Canadian owners will get between C$5,100 and C$5,950 in compensation in addition to the value of the vehicle or they get the vehicle repaired. Volkswagen could face billions of dollars in additional US fines to resolve an ongoing criminal investigation and federal and state environmental claims.

Kia celebrates a decade in Slovakia as it exceeds 2.5m car mark

(Source: Automotive Logistics, 14th December 2016) South Korea's Kia Motors is celebrating 10 years in Slovakia, announcing total production of almost 2.58m vehicles since the first car rolled off the line in Žilina. Following an initial

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

investment of €700m to build the plant – its only one in Europe – the Hyundai subsidiary has ploughed a further €1bn into the region. This year €60m was spent, with a further €130m budgeted for 2017. Capacity at the plant has grown steadily in line with Kia's overall global capacity, producing about 10.4% of all Kia's cars since 2006. Currently, the plant's 350,000 vehicle annual capacity makes up almost 10% of total group capacity of 3.59m. Kia currently manufactures the cee'd model family, Sportage and Venga at the facility and exports to 95 countries worldwide. Every day, two trains and 90 transporters are dispatched, carrying about 1,400 cars. Since 2006, Kia has exported most of its vehicles to Russia (18%), the UK (12%), Germany (9%), Spain (6%), and Italy (6%). However, that mix has changed over time with Russian currently third (9%), according to data from the OEM. The UK is now the biggest export destination with 16% of cars heading there in 2016, while Germany is second with 10%. In the last 10 years, the most popular model produced by Kia in Žilina has been the Kia cee'd, accounting for 45% of the total number of vehicles manufactured so far, followed by the brand's current European best-seller, the Kia Sportage.

CO_2 emissions from cars and vans: all larger manufacturers met their 2015 targets

(Source: European Environment Agency, 16th December 2016) Based on current testing rules in force, virtually all car and van manufacturers have met their specific CO_2 emissions target in 2015. The new European Environment Agency (EEA) report, 'Monitoring CO_2 emissions from passenger cars and vans in 2015', provides a summary of carbon dioxide (CO_2) emission levels of new passenger cars and vans in the European Union (EU) in 2015 based on laboratory tests following a standard European vehicle test protocol used for vehicle type-approval. The new findings largely confirm preliminary data published for cars and vans earlier this year. They show that new cars sold in the EU in 2015 had CO_2 average emissions of 119.5g CO_2/km, which was 8.0% below the 2015 target of 130g CO_2/km, and 27% lower than in 2004. Similarly, the average emissions from vans sold in 2015 were 168.3g CO_2/km, below the 2017 target of 175g CO2/km. This represents a reduction of 6.5 % since monitoring commenced in 2012. In order to meet their respective future targets, i.e. 147g CO_2/km for vans by 2020 and 95 g CO_2/km for cars by 2021, the average CO_2 emissions need to continue decreasing at a similar pace. The report also presents data on manufacturer's individual performances. The majority of car and van makers met their CO_2 specific emissions target in 2015. Two manufacturers, Aston Martin Lagonda and Ferrari, exceeded their specific emissions target by a small amount and therefore excess emission premiums will be imposed. Other key findings:

- As in previous years, conventional diesel and petrol cars accounted for the large majority of new sales in 2015 (97.2%). Diesel vehicles remained the most sold vehicles in Europe, constituting 52% of sales, slightly lower than in 2014 when 53% of all new cars were fuelled by diesel. The proportion of plug-in hybrid and battery electric vehicles increased from 0.8% in 2014 to more than 1% in 2015. For vans, the vast majority of vehicles are fuelled with diesel (97 %).
- Diesel cars, which on average are 300 kg heavier than petrol cars, emitted on average 119.2g CO_2/km. This is 3.3g CO_2/km less than the average for petrol cars. The emission difference between diesel and petrol cars has been narrowing in the last decade. In 2000 the difference was 17.1g CO_2/km.
- Amongst the largest car manufacturers, Automobiles Peugeot, Automobiles Citroën, Renault and Toyota Motor Europe continue to produce most of the lowest-emitting cars. Improving their performance by more than 5g CO_2/km, Automobiles Peugeot (104g CO_2/km) and Automobiles Citroën (106g CO_2/km) had the lowest average CO_2 emissions for new passenger cars registered in 2015.
- Toyota Motor Europe had the highest percentage of new vehicles having emissions below 95 g CO_2/km (41%).

ECG FORUM

Creating a tool for better communication among ECG members was the rationale behind the creation of the ECG members' Forum. As the ECG Secretariat often received questions from members that were of general interest, we decided to launch a tool where members can raise an issue and directly share it with other members.

What is the Forum for?

- Sharing best practices among members
- Seeking for advice from other ECG members on legal, operational, quality issues or even on regional topics
- Giving feedback on topics that are of interest to other members

How it works?

- You should have your personal login for the ECG website
- If you don't yet have a personal login, please ask for one from the ECG Secretariat
- The personal login is needed as the post on the Forum will be linked to your name
- Please read the legal disclaimer before using the Forum
- The language of the Forum is English

We hope ECG members will start using the Forum on a regular basis!

If you have any suggestions on how to improve the Forum, please contact the ECG Secretariat with your ideas.

- The largest reductions in average emission levels in the last year were achieved by Jaguar Land Rover Limited (14.4g CO_2/km) and Daimler AG (6.9g CO_2/km).
- For the third year in a row, Automobile Dacia SA achieved the lowest average CO_2 emissions from vans (133 g CO_2/km). Automobiles Peugeot, Automobiles Citroën and Renault also produce low emitting vans (less than 151g CO_2/km).

VW's bestselling Audi under microscope after EU emissions tests

(Source: EurActiv, 15th December 2016) Audi's top-selling model released excessive toxic diesel emissions in results from lab tests run by the European Commission, raising suspicions of wrongdoing at Volkswagen's luxury division. The results threaten to embroil Audi, the main contributor to VW group profit, in the scandal that has engulfed the company since it admitted cheating U.S. emissions tests with software to mask nitrogen oxides (NOx). The lab tests run by the European Commission's Joint Research Centre (JRC) in August showed the latest Euro 6 diesel generation A3 emitted 163mg of nitrogen oxides (NOx) per kilometre, double the statutory 80mg cap. A separate lab-based test showed the A3 emitting 140mg of NOx at an engine temperature of 10 degrees Celsius, but emissions were below 80mg when the car was run with a cold engine. "The differences between cold start and hot start are hard to explain," said Bas Eikhout, a lawmaker on the European Parliament's inquiry committee into the VW scandal. Audi dismissed the results, saying the level of 163mg was inflated by erroneous measurements on behalf of the JRC. Key parameters such as the state of the catalytic converter systems of the tested vehicles remain unclear, a spokesman said by email. Other tests in Britain and Germany have shown the A3 compact, which topped the brand's sales rankings this year ahead of the A4 and A6 models, is complying with legal limits, he said. EU regulators depend on the JRC's work to help to shape policy, but member states are responsible for policing their car industries. A Commission spokeswoman said that the JRC's results were still preliminary. "If the test results raise some suspicion of wrongdoing, such as the installation of prohibited defeat devices, they will be shared with all relevant approval authorities," she said. Germany's KBA motor vehicle authority declined to comment. Amid frustration in Brussels about inaction from governments over the Dieselgate scandal, the EU began legal action this month against seven countries, including Germany, for not fining VW over its use of illegal software. VW has set aside €18.2bn to cover the costs of the biggest corporate scandal in its history. In Europe, however, VW has not admitted to using illegal software. Carmarkers in the bloc say that an exemption in EU law allows them to turn off emissions-control systems if that is needed to protect engines. Signs of further emissions irregularities come at a bad time for VW as it tries to negotiate a deal with US authorities on possible buybacks and fixes for about 80,000 polluting Audi, Porsche and VW 3-litre vehicles. Audi also came under scrutiny last month over whether some gasoline vehicles have separate software that lowered carbon dioxide emissions.

EUROPE

Russia plans to double tolls for trucks

(Source: Automotive Logistics, 19th December 2016) The Russian government has confirmed plans to double the charges on trucks of 12 tonnes gross vehicle weight (GVW) and more under its Platon Electronic Toll Collection (ETC) scheme. The move will see truck tolls rise from 1.53 roubles/km ($0.024) to 3.06 roubles/km by the middle of 2017. A draft decree covering the change, published in late November, showed the increase would be applied in two stages – half in February and the rest in June. Some vehicle carriers have suggested the move will increase the cost of finished vehicle transport in the country and that they will

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have no choice but to pass that extra cost on to customers. Marina Karasova, a spokeswoman for logistics provider Agility East Europe, for example, suggested transport rates would generally rise 10-20% as a result of the increase, adding that car carriers could see an even steeper 25% hike, given that they were charged per vehicle carried. Other carriers suggested any increase in rates would be much smaller, however. Evgeniy Korzh, Head of finished vehicle logistics at **GEFCO Russia**, said: “If the rise takes place in two stages, then in February, the price [of finished vehicle transport] will rise 2.6-3.7%, depending on the exact route and distance. In June, it will be around 4.3-6% higher than current rates.” Korzh added that he didn’t expect the rise to cause any additional problems for the finished vehicles logistics sector in Russia. Neither Karasova nor Korzh expected the increase in road transport costs to boost take-up in rail freight, however, as railway charges were also rising. “Railroad tariffs are going to be raised by 4% as well [next year],” confirmed Korzh. “In addition, the current scale of charges on railroad transportation is seriously uncompetitive with automotive. So it is too early to talk about any possible redistribution of traffic.” Official statistics from state rail operator RZD Russian Railways show that average growth in rates for vehicle transport by rail in Russia has been 8-9% per year for several years, while road transport rates in Russia and the CIS have risen by about 15% in total over the last three years, almost all of the latter being attributed to the recent introduction of the Platon ETC scheme. Igor Aleksashov, Head of the transport department of PAK Logistics, said the introduction of the Platon ETC system and accompanying increase in fuel duty had resulted in numerous small automotive carriers being forced out of the market already. That was confirmed by Sergei Vlasov, cargo traffic Head of DPD, who said the introduction of the tolling system had led to a 3.2-4.9% increase in prices. Various market observers have suggested that the Platon ETC system has already forced 4-8% of automotive carriers out of the market and that a new round of toll increases now will just increase that figure, since small firms do not have sufficient cash reserves to pay for the increase while their customers are unwilling to pre-pay for their services. The Russian Ministry of Transport has also been considering expanding the scope of the Platon ETC scheme to include lighter commercial vehicles from 3.5 tonnes GVW upwards – something market participants have already warned would increase the cost of transporting automotive parts. It’s not yet clear how soon this plan may come to fruition, however.

4th Railway Package - a missed opportunity to create a competitive level playing field between rail and other modes of transport

(Source: ERFA, 18th December 2016) ERFA, representing new entrants in the rail market, regrets that the adoption of the political pillar of the 4th Railway Package postpones the urgent and much-needed reforms of the rail sector, endangering the attractiveness of rail for passengers and customers. Although the technical pillar of the 4th Railway Package is an important and overall positive step forward for the rail sector, the political pillar has been dominated by national and monopoly player egoisms, reinforcing the state-run rail companies’ position to the detriment of passengers and customers. Incumbent operators successfully managed to water down many of the safeguards against competitive distortions and conflict of interests. The failure of the 4th Railway Package to effectively separate trains and tracks prevents the completion of the Single European Railway Area, where all rail businesses should be able to compete fairly and on the same level playing field. Again, the winner of the 4th Railway Package is the road sector, which successfully attracts investments, innovation and political attention, driving forward an ambitious modernisation agenda in the form of truck platooning and road electrification. Ironically, the lack of reform of the rail sector is a major opportunity for the road sector to appear at the forefront of the decarbonisation agenda. ERFA is still convinced that an open and business-orientated framework is the prime and urgent condition in order to really enable

rail to compete with other modes of transport. Now that the legislative process has come to an end, ERFA will actively work on the proper, full and timely enforcement of EU rules in order to best ensure that the basic conditions for an open rail market are met. ERFA will also continue to pursue a strong dialogue with Regulatory Bodies, who have a major role to play in safeguarding the right environment for competitive railways. Rail new entrants bring much-needed fresh blood and innovation into the sector. Despite a difficult climate, they have generated new traffic across Europe and attracted new customers and passengers onto rail, showing that fair competition is a key driver to enable rail to deliver on the EU's modal shift goals. However, new entrants still face significant anti-competitive practises and obstacles, limiting the ability of the rail sector to grow. Incumbent operators are often more creative in shutting out competition than in improving rail's competitiveness vis-à-vis other modes. The recent investigations launched by the European Commission against the Czech Rail incumbent, České dráhy, were a strong signal that anti-competitive practices cannot be accepted in the European rail market. ERFA will continue to strongly raise its voice against unlawful state aid and abuse of dominant position in the rail sector and will strengthen its co-operation with the European Commission and competition authorities to bridge the existing gaps in the legislation in order to improve rail's performance.

Global Shipping Industry Slams European Parliament Proposal to Impose Regional Emissions Trading System

(Source: International Chamber of Shipping, 16th December 2016) The global trade association for shipowners, the International Chamber of Shipping (ICS), says that a unilateral decision by the European Union to incorporate international shipping into its regional Emissions Trading System (ETS) will polarise and impede current discussions on additional CO2 reduction measures at the UN International Maritime Organization (IMO). "Non-EU nations will be disappointed and very concerned by yesterday's vote in the European Parliament Environment Committee following IMO's adoption just a few weeks ago of a comprehensive road map for action," said ICS Director of Policy and External Relations, Simon Bennett. "But we hope that EU governments and the European Commission will see sense and recognise that threats to their trading partners will not serve the development of the global solution which both they and the shipping industry want and need." Mr Bennett continued: "ICS is confident that IMO Member States, most of which are developing nations, will adopt a CO2 reduction strategy in 2018 that will include ambitious CO2 reduction goals and the development of a mechanism for delivery. But threats of EU unilateral action will do nothing to help this complex process." ICS says that emissions trading, which has been developed primarily for industries such as power generation and cement and steel production, is completely inappropriate for international shipping which mostly comprises SMEs typically operating less than 10 ships. "The EU ETS has been an abject failure. Its unilateral application to global shipping would create market distortion while generating trade disputes with China and other Asian nations, as happened when the EU tried unsuccessfully to impose its ETS on international aviation," said Mr Bennett. The position of ICS is that if IMO Member States should decide to apply a market based measure for CO2 reduction to international shipping, the preference of the industry would be for a global fuel levy. ICS says that shipping fully accepts responsibility for reducing its CO2 and building on the 10% reduction already achieved by the sector during the last five-year period for which IMO data is available (2007-2012). But ICS asserts that if IMO decides to develop a fuel levy, this would require the full support of developing nations which are worried about the potential impact on trade and economic development. "Even if market based measures are found necessary to achieve the objectives which IMO sets for the sector, threatening non-EU partners with unilateral action is not going to help them to overcome their legitimate concerns. The only forum in which to have this debate is at IMO," said Mr Bennett. ICS is working closely with the European Community Shipowners' Associations (ECSA) to persuade the plenary of the European Parliament, as well as EU Member States and the European Commission, to reject the EP Environment Committee's report. The plenary of the European Parliament is expected to vote on the Committee's report in early 2017.

REST OF THE WORLD

Volkswagen reaches agreement to fix, buy back 3.0-liter U.S. diesels

(Source: Automotive News Europe, 20th December 2016) A federal judge said Volkswagen AG has reached an agreement for a mix of buybacks and fixes for about 80,000 polluting 3.0-liter diesel VW, Porsche and Audi vehicles as the German automaker works to put a diesel emissions cheating scandal behind it. The total expected cost of the settlement was not immediately available. During a hearing in San Francisco, U.S. District Judge Charles Breyer also said German company Robert Bosch has

reached agreed in principle to settle civil allegations made by U.S. diesel vehicle owners. Reuters reported on Monday that the settlement was expected to be worth more than $300m. VW admitted in September 2015 to installing secret software in 475,000 U.S. 2.0-liter diesel cars to cheat exhaust emissions tests and make them appear cleaner in testing than they really were. In reality, the vehicles emitted up to 40 times the legally allowable pollution levels. The company in June agreed to a settlement worth about $15bn to address those vehicles, including an offer to buy back all 475,000. The 80,000 3.0-liter vehicles had an undeclared auxiliary emissions system that allowed the vehicles to emit up to nine times allowable limits. The U.S. Justice Department said Volkswagen had agreed to contribute another $225m to a fund to offset excess diesel emissions, while the state of California said in a separate court filing that Volkswagen had agreed to boost the number of electric vehicles it sells in the state. The world's No. 2 automaker reached the new deal on vehicle fixes and buybacks with the Justice Department, U.S. Environmental Protection Agency and California state officials. Volkswagen has agreed to add by 2020 at least three additional electric vehicles, including an SUV, in California and must sell an average of 5,000 electric vehicles annually. Volkswagen also agreed to pay California's state air board $25m, the state said. Breyer said owners of 3.0-liter vehicles would receive "substantial compensation" for getting their vehicles fixed or repaired but said there were some remaining issues to be resolved, and set another hearing for Thursday for an update. Volkswagen spokeswoman Jeannine Ginivan said the deal "is another important step forward in our efforts to make things right for our customers."

PRESS RELEASES

Finnlines extends Spain-Zeebrugge service to UK and Sweden

*(Source: **Finnlines**, 15th December 2016)* As from January 2017, Finnlines will extend its Spain-Zeebrugge service towards UK and Sweden. Both destinations will be offered in co-operation with P&O Ferries and Swedish Orient Line respectively. In this way Finnlines can offer roundtrips between Bilbao, Santander and Teesport, Tilbury or Gothenburg.

The service schedule will maximize the effectiveness of the Zeebrugge-Bilbao/Santander corridor with a perfectly synchronized trans-shipment for cargo
coming from UK and Sweden. The synergies between the different services will make it possible to connect any port in the loop within a maximum transit time of five days which is far faster than any existing connection by road, rail or even sea.

The service is operated with modern Ro-Ro vessels that are suitable for all kinds of commodities: trailers, Ro-Ro, containers, mobile and breakbulk. The deck heights and ramp strengths are suitable for a variety of oversized and overweight cargoes.

DFDS' 150th anniversary gift: Employees become shareholders

*(Source: **DFDS**, 16th December 2016)* At 14:00 on 16th December, all DFDS employees celebrated the foundation of DFDS 150 years ago with identical events on all the company's vessels and locations throughout Europe.

DFDS has chosen to give every one of the more than 7,000 employees shares in DFDS as an anniversary gift. All who were employed by the company as of 1 December 2016, and who work at least 24 hours a week, received 30 shares valued at around DKK 10,000. Employees on fewer hours will receive shares proportional to the hours worked.

"Very few companies are in a position of being able to celebrate their 150th anniversary, and even fewer are able to do so in a year when the company is heading for possibly the best result in its history," says DFDS CEO Niels Smedegaard.

"We therefore wanted to combine the celebration of our foundation and our founders with a celebration of, and thanks to, our many employees who every day help to ensure that DFDS can continue contributing to trade, travel and growth also in the future.

The shares are tied up for a three-year period, after which they can be freely redeemed by the employees, who now become co-owners in the company. The total allocation amounts to more than DKK 70m.

GEFCO on the Silk Road

*(Source: **GEFCO**, 20th December 2016)* In order to support the international expansion of its customers, GEFCO is developing its multimodal, door-to-door transport solutions along the Silk Road.

A trade route historically linking Europe to Asia, the Silk Road is more topical than ever in the logistics sector. It has become a major trading route, supported by the governments of numerous countries in Europe and Central Asia as well as China. Chongqing, a major city in Southwest China and one of China's four municipalities (the other three are Beijing, Shanghai and Tianjin) is endowed with a strategic location in connecting China to the west and is developing to be a key logistics hub along the new Silk Road.

GEFCO has established a strategic partnership with Chongqing government and handled vehicle import operations for BMW, PSA and Volkswagen to name but a few. Thus since 2014 - the year that Chongqing became China's first inland port for vehicle importation-, GEFCO has handled more than half of the logistics transport operations for the 1,300 or so cars that have been imported via the port.

The close relationship between GEFCO and the city of Chongqing has even helped the Group become the market's leading logistics integrator. Combining multimodal transport, door-to-door, customs operations and continued improvement of logistics flows, the GEFCO teams in China offer innovative solutions for vehicle imports. With extremely positive customer feedback in terms of cost reduction, lead times and respect for products, GEFCO is now turning to the 2-wheeler market to popularize the Silk Road solution.

Innovative thinking to ship out-of-gauge unit

*(Source: **Höegh Autoliners**, 20th December 2016)* When freight forwarder, Orchid Shipping was asked to ship an out-of-gauge unit with a length of 26.2 metres from India to Egypt, they turned to Höegh Autoliners to provide a customised Ro-Ro solution.

Lifting a unit of this length high in to the air and placing it on board a vessel would be dangerous and put the high-value cargo at risk. With Ro-Ro vessels, cargo is instead driven on and off the vessel, which dramatically reduces the risks associated with lifting cargo high in the air. For this specific shipment, Höegh Autoliners also provided modified rolltrailer equipment, and planned the load operation in detail before it took place.

Vijay Surve, Sales Manager, Höegh Autoliners India says, "Höegh Autoliners has extensive experience in shipping long breakbulk cargo and consequently have a range of equipment and experienced cargo handling personnel to meet these challenges. Furthermore, Höegh Autoliners' direct ocean service from India to Egypt guarantees a direct sailing schedule and a timely service."

The length of the breakbulk unit on the 80 foot Höegh rolltrailer was the main challenge as there was close to a two metre overhang.

"Because of the overhang the risk for damage was rather high and quite a number of Ro-Ro vessels were dismissed because of the angle the ramp made dependent on the tide, both in Mumbai and at the port of destination; Alexandria," a representative for Orchid Shipping said.

This put Höegh Autoliners' team to the test, and they quickly came up with a solution to ensure that the cargo could be safely loaded on board.

Port Captain Lester Fernandes says, “Since the cargo had to have an optimal angle of approach, the ground clearance of the overhang had to be increased. We added extra dunnage beneath the cargo to increase its height by four metres.”

With the ramp at the smallest angle possible, and the main deck clear to load the cargo, the unit was rolled on board Höegh Yokohama. Once on board, it was lashed by the experienced cargo handling team, in accordance with a carefully calculated plan ensuring the cargo remain secured during the entire transportation process.

Vijay continues, “The success of this operation comes down to the innovative thinking of our experienced cargo handling team and the detailed supervision provided during the entire loading process.”