



CEO Message 2014, Issue #1

Welcome to our first issue of Freight Connections for 2014

In this edition, we introduce more exciting products for our customers, in particular smart business solutions which will help do business in an intelligent and cost-competitive way. Our Business Intelligence Dashboard supplies market business intelligence capabilities for our customers by automating raw data into aggregated information. Find out more in this issue about how we can create a tailor-made dashboard which can be viewed through the Internet and is available 'in-the-cloud'.

Italy, which is home to the ninth largest economy in the world and fifth largest in Europe, is a booming powerhouse on the continent, especially in the fashion, automobile, appliance and wine sectors. DHL Freight offers many services however our EUROCONNECT service is the one which shines the brightest with our network of more than 2,000 international regular lines – many of them daily operations – connecting the whole of Europe. We have also tripled our daily connections and this year are targeting to increase that number significantly. DHL Freight Italy has also launched a consultancy offering, for those small and mid-size companies looking to qualify for an AEO – Authorized Economic Operator, which

targets a wide range of operators such as manufacturers, importers/exporters, brokers, ports and carriers. Read all about how we can help you with your logistical needs in that part of the world, may it be transporting spare parts, fashion or other industry goods.

Speaking of fashion, while online retailing has grown to a level to compete strongly with traditional retail, there is still a strong correlation between the two and that will continue to develop, especially in terms of multi-channel management. The demand for fast and reliable warehouse and distribution systems have continued to grow and DHL Freight have been a strong force in this part of the supply chain process – both with on and offline retailers as well as suppliers. Read more in this issue about our solutions for the retail industry.

It goes without saying that I wish you all the very best in your business for the coming year.

Amadou Diallo
 CEO, DHL Freight

Awarded Carrier Concept

DHL Freight simplifying retail logistics for suppliers and retailers.

DHL Freight has become increasingly involved in the global e-commerce market in the last few years. This fast-growing, internet-based marketplace has very special logistics requirements which DHL Freight meets with just the right amount of innovational spirit.

In the first few years of their presence, e-commerce retailers had their logistical focus on the 'last mile' – the final distribution of their goods to consumers. The growing number of orders on a daily basis led to the increasing need for e-retailers to optimize their distribution centers to enable goods to be handed over to last-mile distribution companies for deliveries to be made on time. Inbound flows, from suppliers to distribution centers, also had to be reorganized as the increasing assortment of goods and fast-growing number of suppliers complicated the receipt of merchandise for retailers.

Major e-retailers' focus for improvement

- ▶ Workload of trucks delivering into distribution centers
- ▶ Consolidate inbound deliveries with fewer logistics service providers

The above would optimize the receiving process by

- ▶ Allowing more time for the inbound and acceptance process per delivery (e.g. checking for damages, booking into the Warehouse Management Systems etc.)
- ▶ Reducing the occurrence of "traffic jams" in the inbound processes for both pallets and trucks
- ▶ Improving forecasts for personnel planning and time slot management through agreements with the assigned logistics service providers
- ▶ Building a partnership with the logistics service provider, with deeper understanding of requirements, constraints and capabilities

For many years, DHL Freight has been offering inbound logistics solutions to the retail industry, mainly to retailers with brick and mortar stores. Being experienced with retailers' requirements and being already in partnership with all major retail suppliers, DHL Freight became the natural choice as the e-commerce retail industry's inbound partner.

Historically suppliers paid for the distribution of their goods on "free domicile" basis. Now retailers use different terms to maintain control of their inbound logistics to either the distribution center or the outlets they operate. If the retailer wants to be in total control of the whole inbound goods flow, payment terms would be switched to "ex works" (EXW). Under EXW terms, the supplier picks and packs the retailer's orders while the retailer, or the nominated logistics service provider, is responsible for the organization of the pick-up process in coordination with the supplier. DHL Freight works for major retailers who pay the freight in this EXW scenario.

The switch of the payment terms from "free domicile" to EXW requires a high expertise in freight costing and distribution prices. As most suppliers want to stay in control of their own distribution, the change of trading terms can be a long and complicated negotiation between supplier and

retailer. To shorten this possibly complicated process and optimize the inbound flows, DHL Freight has the solution, the "Awarded Carrier Program".

Awarded Carrier Program

The "Awarded Carrier Program" was first implemented by DHL Freight to a major e-retailer in 2013. This innovative program fosters a close collaboration between DHL Freight and the retailer, where DHL Freight operates as consignee and deals directly with the retailer's suppliers.

Implementing the Awarded Carrier Program

- ▶ DHL Freight accepts the retailer's defined logistical targets, and becomes the retailer's Awarded Carrier
- ▶ The retailer promotes DHL Freight to its suppliers as distribution partner for deliveries to the retailer's distribution centers or outlets.
- ▶ The agreement between DHL Freight and the retailer is published to the suppliers
- ▶ DHL Freight starts offering transportation rates to the suppliers and establishes a business relationship with them

To identify the most important and logistically relevant suppliers, DHL Freight receives a list of suppliers from the retailer. These vendors are approached through the local sales departments of DHL Freight with the message that the retailer has nominated DHL Freight as their preferred inbound service provider. Key vendors can be defined by the retailer and these will be approached and managed by DHL Freight's dedicated Retail experts. A central reporting process on the progress will be set up and regularly reviewed between the retailer and DHL Freight.

Working with DHL Freight as their awarded carrier allows the suppliers to leave the whole distribution process to the retailer's distribution centers with DHL Freight. They do not need to think about booking delivery time slots or the acceptance process, allowing them to fully concentrate on their core business.

The retailer may decide the extent of program implementation. After getting started successfully on a domestic base, it may be in the retailer's interest to extend the program to international suppliers.

With this simple program all three involved parties can optimize their internal logistics processes easily. A short implementation phase is possible with close collaboration between DHL Freight and the retail company. After the vendor has realized his advantages of following the retailer's suggestions it may become a real triple win deal.



Italian Connection

Innovative logistics solutions from Bella Italia

Boasting the ninth largest economy in the world and the fifth largest in Europe in terms of nominal GDP in 2012, Italy's per capita GDP at purchasing power parity remains slightly above the EU average. The country whose major industries include fashion, automotive, wine and foodstuff is also well-known for its influential and innovative business economic sector. In the years post-World War II, it has rapidly transformed from an agriculture-based economy into one of the world's most industrialized nations. Yet, like every other country, it has its challenges and this includes competition from China and other emerging Asian economies producing high quality products albeit with lower labor costs.

DHL Freight has had a presence in the country since the 1960s when first establishing the company's core LTL network product to Italy. Today DHL EUROCONNECT is offered in Italy as the superior quality groupage product that offers most regular and frequent connections across Europe, designed to optimize flows among customers of all sizes. Especially for Italy with its large base of innovative and industrious family owned exporters DHL EUROCONNECT offers easy access to economies of scale within a high volume network.

DHL EUROCONNECT is a superior quality all-in-one pallet/LTL groupage solution that offers customers highly reliable connections across Europe, the Middle East, and North Africa within DHL Freight's network of more than 2,000 international regular lines. With many international lines operating daily, door-to-door lead times can be confirmed immediately. The service also offers other appealing features such as simple and flexible booking, pick-up, delivery, and payment options.

In a continuous strive to maintain market leadership DHL Freight strategically invested in a significant expansion of direct connections from Italy. Since June 2013, DHL Freight introduced additional daily direct connections including Milan-Barcelona, Milan-Paris, Milan-Freiburg, and Verona-Vienna, Verona-Munich. This year will see the inauguration of daily services between Florence-Munich and Campogalliano-Warsaw, with the target to increase the number of weekly connections to above a hundred, providing an unrivalled level of service in the market.

Dedicated teams to unlock value for specific customer needs

With a team of 35 experts, DHL Freight offers consultancy services to all small and mid-size companies in Italy who wish to qualify for AEO (Authorized Economic Operator*). This service, which is not limited to customers transporting their goods with DHL Freight, has been seen as an excellent value added service.

Furthermore, recognizing the importance of the Fashion sector, DHL Freight invested in a team of fashion industry experts to design solutions dedicated to the different stages of the industry's supply chain. Examples include managing presentations of fashion collections via a Milk Run solution and finished goods distribution leveraging solutions across DPDHL's business units to optimize the Fashion supply chain. This enables DHL Freight to cater to the unique requirements of the industry.

Recently a centralized customer service team based in Milan and Verona has also been set up to support the operational and sales teams and provide DHL Freight's customers with the best possible service quality.

DHL Freight Italy is confident about the future and ready for substantial and sustainable growth in their network. For DHL Freight, the key success factor to continue developing more successful long-term partnerships is to demonstrate everyday how they add value for their customers, and for the customers of their customers.

* Defined as "a party involved in the international movement of goods in whatever function that has been approved by or on behalf of a national Customs administration as complying with WCO or equivalent supply chain security standards. Authorized Economic Operators include inter-alia manufacturers, importers, exporters, brokers, carriers, consolidators, intermediaries, ports, airports, terminal operators, integrated operators, warehouses and distributors".

Source: Wikipedia



Smart Business Solutions

DHL Freight Offers Market Leading Business Intelligence Capabilities

Ever wondered how you can organize all your important business data into one centralized location without leaving an enormous paper trail? As a logistics provider who wants to continually push the envelope when it comes to transforming the customer experience, DHL Freight has the solution – Business Intelligence as a Service (BIaaS).

In a nutshell, this involves transmitting raw data into grouped information which can be accessed in an interactive and digital manner via a centralized and available ‘in-the-cloud’ infrastructure. Design and delivery can be finalized within three weeks.

How does this work? The development of a Business Intelligence Dashboard starts with a conference call to assess the needs of the customer. The second stage involves the definition process – KPI identification and data-source reviews, optional data enhancement consultancy, a Dashboard blueprint design using a design toolbox, user and data source management.

After the DHL Freight team has built the customer’s Dashboard to the requested specifications, it goes through a series of tests and refinements before training and ‘go live’.

Any source of raw data can be created into a Business Intelligence Dashboard including MS SQL, Oracle, IBM and MS Excel Files. Afterwards the Dashboard is created and can be viewed through the Internet using the eDashboard module. A centralized team takes care of the Dashboard maintenance.

One success story emerged from the partnership between the Lead Logistics Provider (LLP) team from DHL Freight and Panasonic in Pilsen in the Czech Republic. . Panasonic, one of the largest electronic product manufacturers in the world, offers a broad range of integrated business technology solutions. After more than three years of 3PL cooperation between the two, DHL Freight was entrusted with increasing efficiency, improving service quality, lowering costs and creating more transparency for the electronics giant’s entire European supply chain.

The team is responsible for a range of services that includes order handling, data processing, transport, reporting, invoicing, optimization and network redesigning. The LLP competency center coordinates the process from Pilsen using a single interface, PLATO, the IT software system which serves as the foundation for the LLP solution.

The LLP team’s user friendly dashboard blueprint design enabled Panasonic to see live data in a structured way – all they had to do was simply ‘click’ to show relevant and requested data within a second. The dashboard is primarily used for day-to-day data checking and as a supporting tool for the Panasonic’s management strategy development.

Thomas Weins, Global Head LLP & Control Tower, explains, “Historically many companies have a lot of focus on collecting, mining and visualizing data – manual labor! As market leading LLP provider, we consider technology a core activity. Investing and exploring the best available business intelligence solutions on the market is essential and prioritized. We are now in a position where our teams can focus on translating KPI’s and dashboards into intelligence, and projects for continuous optimization, thus generating instant value for the customer. Thanks to the high flexibility and level of automation generated through Business Intelligence we entered a new era of value creation.”



Developing a Life-Saving Cold Chain Network

DHL Freight Partners with an Industry Pioneer to Deliver Effective Therapies

Founded in 1981, Genzyme focuses on discovering and delivering transformative therapies for patients with rare and special unmet medical needs, as well as improving access to important medical care for patients who need this assistance all over the world. It is a pioneer in the pharmaceutical and biotechnology industry and works with humanitarian organizations, local governments, and others to provide free medical treatment to hundreds of patients in need each year, in addition to sponsoring a variety of free drug programs. The company, which serves patients in over 100 countries, also participates in many activities to support sustainable health care systems and improve standards of care worldwide. Therefore, the need for a logistics supplier who could be relied upon to develop a temperature-controlled cool chain network, and deliver Genzyme's therapies to patients in a timely, safe and seamless manner was of paramount importance.

DHL Freight Belgium in close collaboration with DHL Global Forwarding Freight Ireland answered their call and immediately set the wheels in motion, proposing a pipeline from Waterford in Ireland to Haverhill in the United Kingdom, with the final destination being Grimbergen in Belgium which would then be the gateway to distribution in the rest of Europe. By the end of the year, while the final destination was changed to Nijmegen in The Netherlands, trailers were set up in Ireland and delivered into Haverhill for technical trials. DHL Freight passed all the required tests with flying colors and after route validations were confirmed and security procedures were approved, trial runs commenced the following year. Drivers were trained on site; temperature protocols were agreed upon and thoroughly tested throughout the process.

The network is now successfully up and running and since Genzyme was acquired by the Sanofi group, further collaboration is expected with new routes being discussed, for example from France to Ireland.

Carmen Gooch, European Commercial Supply Chain – Operations & Project Management at Genzyme says it was due to DHL's innovative spirit, commitment and professionalism of its staff and spirit to think ahead in a mutually rewarding relationship which has led to the success of this network. "Guys, we are rocking & rolling. Well done!" she commented after the initial trials in 2011.



Kill Bill

Leaving the paper trail behind

Since the fall of 2012, DHL Freight customers have been able to enjoy improved efficiencies via DHL e-billing, a web-based service that enables customers to view, archive and directly import invoice data directly into their finance systems.

Benefits of electronic invoicing

► **Paperless Transactions**

When an e-invoice has been raised an email is sent to the customer with the invoice attached in PDF format and containing the web link to the e-billing website where invoices can be viewed and downloaded in several formats.

► **Multiple Formats**

E-invoices can be downloaded in a variety of formats including HTML, CSV file (for importing into a spreadsheet such as Excel), PDF (ideal for printing or sending an attachment) and XML.

► **Online History Search**

E-invoices are available online for 12 months, making it possible for customers to search and find an invoice in a matter of seconds.

► **Invoice Enquiries Online**

Any queries customers have regarding their shipment can be logged online, saving the need to telephone.

Customers with a registered account on DHL Freight's e-billing platform can view and download their invoices, which are archived for 12 months, at any time of the day using standard internet browser – no special software is needed. To suit their own system requirements, customers can choose to download their invoices in different file formats (PDF, XML, CSV, ebXML), making tracking and monitoring more manageable. Furthermore, DHL Freight is offering this simplifying feature completely free of charge!

Start Now. It's So Easy! Your steps to e-Billing

1. **Registration**

If you would like to use the new e-billing Service, please contact your local Sales representative. He or she will be happy to discuss all necessary information with you.

2. **User Name & Password**

After your account has been set up, you will receive an email with your credentials (user name and interim password). These are to be used for the first log-in in the e-billing portal.

3. **Log-In**

All invoices generated after your registration can be viewed at the portal, searched in the online archive and imported into your financial system. DHL e-billing can be accessed via pc or mobile device with connection to the internet and browser (e.g. Internet Explorer, Mozilla Firefox).

DHL Freight first launched e-billing in Czech Republic back in October 2012, and rolled it out in Spain and Portugal thereafter. In October 2013, seven other countries launched e-billing: Switzerland, Austria, France, UK, Italy, Slovakia and Hungary. To date, up to 45% of the customers in these countries enjoy the paperless billing process with DHL Freight.

By March 2014, DHL Freight will finalize the introduction of e-billing in France, Germany and Poland. The United Kingdom will follow in the third quarter of the year. With a dedicated team, DHL Freight successfully developed solutions to address non-compatible booking systems for intra-France and intra-UK shipments, and special legal requirements to e-billing in Poland, and is looking forward to the successful implementation of e-billing in these countries.

To ensure authenticity of the document, a digital signature is provided. This, combined with an encryption, makes e-billing more secure than traditional paper invoicing. Besides providing convenience to DHL Freight's customers, e-billing contributes to the environment – for every 1450 e-billing invoices converted from paper invoicing, one tree is saved.

In a continuous effort to simplify the daily processes of customers, DHL Freight will be including more documents, such as Proof of Delivery (POD), to the online tool, simplifying the daily processes of customers from the third quarter of 2014.



Dreams Delivered during Vasaloppet 2014

Vasaloppet is an annual historic ski race competition event in Sweden with seven different races in ten days including the traditional final 'Vasaloppet' race over 90 km between the village of Sälen and the town of Mora. Inspired by a now-mythical journey by Sweden's first King Gustav Vasa, who was locked in fierce struggle against invading Danes in 1521, the Vasaloppet has grown into one of Sweden's most-watched sporting events.

DHL Freight Sweden is proud to be a major sponsor of this annual ski competition in Sweden, which took place on 2 March 2014. Together with DHL Freight's marketing team, Peter Hesslin, CEO DHL Freight Sweden & Nordics, came up with a concept called "Dreams delivered". In alignment with DPDHL's commitment to corporate social responsibility, "Dreams delivered" seeks to continue fund-raising events for charity projects all over the world.

Information about Vasaloppet, and DHL Freight's fundraising efforts, was sent to DHL Freight customers via email, or through sales personnel. Tickets were purchased via DHL Freight at a premium, with all sales proceeds going to two children's foundations: Project Playground in South Africa and My Big Day in Sweden. SEK300,000 (approximately EUR34,000) have since been raised for these foundations.

Besides sponsoring the event and supporting with ticket sales, Peter personally led a team of DHL Freight customers and employees in the 90km ski race, to help deliver dreams to less fortunate and sick children in South Africa and Sweden.

History of Vasaloppet

In 1520, much of the Swedish nobility was in opposition to Christian II, king of the Kalmar Union (Denmark, Sweden and Norway). To silence the opposition, Christian II invited the Swedish aristocracy to a reconciliation party in Stockholm, only to have them massacred in what came to be known as the Stockholm Bloodbath.

24-year-old Gustav Ericsson Vasa, whose parents were victims of the Stockholm Bloodbath, escaped. As he fled through Dalarna, with the Danes hot on his heels, Gustav was forced to take to his skis and continue his flight west towards Norway. The brothers Lars and Engelbrekt were sent to pursue Gustav and when they caught up with him in Sälen they persuaded him to return to Mora and lead the fight against King Christian.

In 1521, with the men from Dalarna, Gustav began his battle. After two and half years, on 6 June 1523, Gustav Eriksson Vasa was elected king of a free Sweden. Now he is a symbol for the world's biggest ski competition – Vasaloppet!



To discover more about DHL Freight Sweden's contribution towards social responsibility and "Dreams Delivered", please contact Emmelie Johansson (emmelie.johansson@dhl.com), Marketing Manager DHL Freight Sweden.

For information on events that DHL is sponsoring, please visit <http://www.dhl-in-motion.com>

Delivering Excellence: Franco Balocco, Managing Director, DHL Freight Italy

Franco Balocco (FB), Managing Director of DHL Freight in Italy has been in the logistics industry since 1992.

After graduating with a degree in Physics, he started his career in the IT Business with Olivetti. In 1992, he moved to the logistics industry, and has since assumed different roles in Operations, Customer Service and Commercial.

For the last 10 years Franco was Commercial Director for DHL Express in Italy before joining DHL Freight as Managing Director in June 2013.

The 53 year-old loves to spend his spare time with his family – he has one son and five cats.

Freight Connections speaks with Franco Balocco

► **In your view, what is the biggest challenge Italy (in general) faces?**

Italy is in the top ten for GDP and is still a very industrialized country. In the last years Italian companies suffered from competition arriving from low-cost countries. This applies especially to sectors which require high level of manpower and / or have low technological barriers to entry.

► **Why should customers work with DHL Freight? What competitive advantage does DHL Freight Italy have over its competitors?**

We have, and continue to invest to provide our customers with a quality of service that is better than our competition. In addition, our customers can count on our staff – experts who are vastly experienced in the logistics business.

► **Heading up DHL Freight Italy, what do you hope to achieve this year?**

My primary objective is to grow our business. We are working hard on Salesforce coverage, Service Quality, Automation, and People Engagement to achieve this. On (service) quality we've invested a lot to increase our DHL EUROCONNECT departures from twice weekly to daily, and created a Centralized Customer Service unit.

Our next steps would be to provide Same Day Pick-Up, and implement Zero tolerance on missed Pick-Up, and Zero shipments left on ground in the evening. Last but not least we're one of the pilot countries for Customer Experience Management.

For people engagement we've completed a Salesforce and Customer Service training, Salesforce Management training. We are also running Focus Groups all over Italian territory to define and create action plans to improve the way our people feel when working in DHL Freight Italy.

► **What was the most challenging task/decision you ever experienced in your working life?**

2009 was a challenging year. It was the year when we had to make tough decisions to right-size the company.

► **If you could give only one piece of advice to your team, what would it be?**

Your results are generated by your people – your most important asset.

► **What is the best piece of advice you have received?**

That you can always challenge the way of things are done, and that speed of action is very important.

► **What is the most important object on your desk?**

My Mug. I don't drink coffee but liters of Ayurvedic Tisane – I can't live without it.

► **When you are out of the office, what is the best form of relaxation for you?**

An hour of yoga each morning, and playing the guitar in the evenings. During weekends, I love taking a 30km walk in the fantastic park around the F1 circuit of Monza.

Avon Pink Festival 2013

DHL Freight supports Avon's breast cancer awareness event in Istanbul

Every year, Avon Cosmetics, one of the world's largest direct-selling companies, organizes global events to raise awareness for its Breast Cancer Crusade in numerous cities around the world. These events are seen as one of the most profiled global events for this cancer category.

The DHL Freight team in Istanbul, the key road freight partner of Avon Turkey, fully supported the Turkish version of Avon's initiative and expressed its commitment to this important cause by co-sponsoring the initiative.

The event, Pink Fest Women Festival, took place on the grounds of Macka Kucukciftlik Park in Istanbul in late October 2013. Turnout was excellent with more than 4000 festival-goers. Among them were 15 members of the DHL Freight Turkey team. The festival featured various performances and topical entertainment including a local dance group of some 50 women who had defeated breast cancer successfully – itself an impressive demonstration of the cause.

At the end of the day, the DHL Freight team was very pleased to have supported the Avon Pink Fest in Istanbul, while remaining deeply inspired by the strong spirit of the global movement to fight breast cancer around the world. Until the next breast cancer event the DHL Freight team will again focus on getting Avon's beauty products to their great customer community on time, every time.

UK HGV Road Use Levy

In the UK, the government will be introducing a road user levy for heavy goods vehicles (HGV), weighing 12 tonnes or more. The aim is to ensure these vehicles contribute to the wear and tear of the UK road network. This HGV Road User Levy Act 2013 will take effect from 1 April 2014.

How does it work?

All carrier companies will have to pay a fee for each one of their vehicles weighing over 12 tons using UK roads. This will be a daily, weekly, monthly or annual payable charge for non UK companies. While UK carriers will be able to pay charges on a six-month or annual basis, in the same transaction as they pay the Vehicle Excise Duty (VED). It is important to note that the levy cannot be transferred between vehicles.

Where does it apply to?

The charge will apply to all public roads in the UK, including Northern Ireland unless exceptions to specified road given by order from the Secretary of State if required.

The Department for Transport has published a "HGV Levy Driver/Operator Supplementary Guidance" which can be downloaded here.

For further information, please visit Northgate Public Services site - <http://www.northgate-ispublicservices.com/uk-hgv-levy.aspx>

Diesel price

The EU average (diesel) price per litre in Feb. 2014 (which triggers FS Apr.) was 1,42 € vs. our baseline of 1,20 €. (See below the price evolution as per Jan 2008)

Diesel price in Feb. was roughly stable vs. previous month

Source: EU Commission, Eurstats, Weekly Oil Bulletin, EU 27 Diesel Price (weighted average) incl. VAT & TAXES

Disclaimer: EU Commission slightly changed the historical values of the Diesel prices with taxes & VAT for period Jan-10 to Dec-11 on report released on 9/Feb/12. Also there were slight changes in latest report (02/Sep/13) vs. previous report reg.values for Jul-13. For our index, values for that period were kept as originally reported.

TimoCom Transportbarometer – monthly view

The March freight share is on the rise but 37% still signals a slight overcapacity (supply for trucks exceeds demand for trucks)

Compared to March 2013 and 2012 the freight share is currently 6 – 7%pts lower, hence the overcapacity is slightly more pronounced

Freight share: share of freight offers versus all offers (trucks) traded in T&C (sum of freight offers and capacity offers).

Source: TimoCom www.portatio.com

New Heavy Truck Registrations

February results showed a 19.7% increase in new heavy truck registrations (vs. February 2013), totaling 15,889 units.

Germany (+44.7%), Spain (+31.2%), France (+19.9%) and Italy (+8.7%) saw their demand for heavy trucks increase, while the UK market declined by 40.4%. Two months into the year, the EU market grew by 14.5%, reaching 33,006 units. Increase was sustained in Spain (+45.5%), Italy (+36.2%), Germany (+26.5%) and France (+18.1%), while heavy truck registrations

dropped by 41.2% in the UK.

Source: European Automobile Manufacturer's Association ACEA (<http://www.acea.be/>)

Press Clippings

Agreement on the 4th Railway Package

The European Parliament has recently adopted the rules for European railways, originally aimed at boosting competitiveness in the European rail sector and offering better services to the end customers, including freight and passenger operators. Contrary to the Commission's proposals, the European Parliament did not agree on the necessary independence of the infrastructure manager and the procedure of verification securing financial transparency. Nevertheless, the adopted agreement sets forth that users of the rail freight and passenger transport services shall be consulted in the future to provide relevant information (e.g. quality of the service provided, the infrastructure charges, and the level and transparency of the rail service prices) to the infrastructure managers and the Member States.

Furthermore, the European Parliament approved the technical simplification of the European rail – currently over 11,000 different national technical and safety rules in each of the 28 Member States exist. It shall recast the safety and interoperability directives and introduces a new regulation giving the European Railway Agency (ERA) responsibility for issuing safety certificates and vehicle authorisations valid throughout the European Union.

This vote is only one step in the adoption of the new rules for rail transport. The 28 Member States have still to vote on the proposal of the European Commission. After that a compromise should be found between the two texts adopted by the European Parliament and the EU Member States. This is expected not before the end of the year.

Summary of the final text adopted by the European Parliament (<http://www.europarl.europa.eu/oeil/popups/printsummary.pdf?id=1339779&l=en&t=E>)

Status quo for cross-border use of Ecocombis

The European Parliament's Transport Committee did not agree with the European Commission's proposal on allowing the cross-border use of longer vehicles, so-called Ecocombis, between two consenting EU Member States which means the status quo will remain. The report adopted by the Committee asks the European Commission to review the situation taking into account the impact on competition, modal shift, costs of infrastructure adaption, the environment and safety and report back to the European Parliament by 2016.

Furthermore, the report regarding aerodynamic devices indicates a limitation of 50cm to the rear of vehicles to reduce CO2 emissions and energy consumption. Also vehicles equipped with low carbon technologies could exceed the current maximum weight by up to one tonne. Special permits for the increasingly use of standard 45-foot containers were removed in order to promote and facilitate the development of intermodal transport.

The Parliamentarians will vote on the Committee's proposal in April before the European elections. It is likely that the vote will confirm the text adopted by the Committee.

The EU Member States (the Council) have also to adopt their position on the proposal of the European Commission.