



## The Association of European Vehicle Logistics

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### PRESS RELEASE

#### **Back to a brighter future - Finished Vehicle Industry ready for journey ahead**

##### **ECG Conference attended by top executives from the automotive industry**

More than 240 delegates, including a strong representation from the automotive industry, gathered in Vienna, Austria on 16<sup>th</sup> October for this year's meeting of the Association of European Vehicle Logistics (ECG). Here they heard that the industry has returned to growth and is now confronting new technologies that could transform operations.

The audience, made up of executives from both car manufacturers and Logistics Service Providers (LSPs), heard that European vehicle sales are indeed returning to a brighter future, although volumes are still not close to pre-crisis levels. Over the first nine months of 2015, new passenger car registrations increased (+8.8%), surpassing 10 million units (10,413,675). In September 2015, the EU passenger car market showed another strong month (+9.8%), marking the 25th consecutive month of growth. Demand for new passenger cars is up in all major markets, driven by ongoing scrappage schemes and by the economic recovery of Southern Europe. 2015 is predicted to finish above 14m units, compared to 13m last year – a growth rate expected to outpace all other major regions in the world this year.

However, ECG president Costantino Baldissara warned that ongoing and worsening capacity shortages and a lack of adequate investment are putting the sector's revival and prospects for a brighter future at risk. The average age of heavy duty vehicles increased steadily from 7.5 years to 8.1 years over the 2000-2014 period. In the major EU markets the transporter fleet shrunk from 20,600 in 2008 to 16,650 in 2014. Further investment is urgently needed to meet the increasing needs of the expanding market. Baldissara estimated that European vehicle logistics needs €2.5 billion (\$2.8 billion) investment in trucks and compounds.

Baldissara also called on car manufacturers to consider the sustainability of logistics offers and urged more accurate forecasting to avoid false peaks. "Our sector is not a simple cost to be cut but a strategic asset to be appraised". Gareth Williams, head of distribution for Jaguar Land Rover, acknowledged the capacity issues and recognised that output from OEMs is variable.

Both speakers and delegates agreed that taking advantage of digital innovations in transportation in order to develop a sustainable, efficient, clean, safe and seamless vehicle delivery network is essential to long-term growth and prosperity. The industry is steadily evolving to meet consumer

demands and must continue to so, continually benchmarking with other logistics providers of consumer products in order to meet customer expectation.

Speaking at the Conference, Peter Weiss, Vice President Supply Chain Europe FCA laid out a 'call to action' to address problems in the industry and called on the industry to align and lobby governments to define optimal standards for car transporters, including both length and height requirements. He also said the sector should have a more common voice in areas such as cabotage restrictions and should also continue to lobby on transport standards and infrastructure investment. "Talk is cheap, it is all about execution now," Weiss stated. "Let's go back now and see what we can really achieve rather than waiting until the next time we get together."

With this consensus amongst carmakers and LSPs that the working basis for the sector needs to change and that closer co-operation is a necessity, it was agreed to establish a common platform to work together to establish standards and guidelines that could benefit the overall sector. This common platform will also co-ordinate industry lobbying at national level on the review of Directive (EU) 2015/719 on maximum authorised weights and dimensions.

"Only through stronger communication and collaboration with clients can we provide the best and most efficient service" Mr. Baldissara concluded.

**Note to editors:**

ECG's annual conference took place at the Marriott Hotel in Vienna on October 16<sup>th</sup>. The annual conference enjoyed a record attendance, underlining its significance as the largest gathering of professionals from the finished vehicle logistics industry anywhere in Europe.

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**Background for the Editors**

ECG, the Association of European Vehicle Logistics, has been the voice of the Finished Vehicle Logistics industry in Europe since 1997. ECG represents the interests of around 100 member companies, from family owned SMEs to multi-nationals, and is the major champion of the European vehicle logistics sector. ECG represents all transport modes at EU level – road, rail, maritime and fluvial. ECG Members provide transport, distribution, storage, preparation and post-production services to manufacturers, importers, car rental companies and vehicle leasing operators in the 28 Member States of the European Union as well as Norway, Switzerland, Turkey, Russia, Ukraine and beyond. They own or operate 420 car-carrying ships, 18,800 purpose-built railway wagons, 84 river barges and more than 23,300 road transporters.

As a major employer, the finished vehicle logistics sector plays an important role in contributing to the economic success of the European Union. ECG members have an aggregate turnover of around €22.2bn and their economic impact on companies associated with the sector is estimated at €55.5bn. More than 100,000 Europeans are employed directly by the vehicle logistics industry and an additional 240,000 are indirectly employed in this sector. (Source: *ECG Survey of Vehicle Logistics in Europe 2014/15*)