



## The Association of European Vehicle Logistics

Brussels, 5<sup>th</sup> March 2012

### PRESS RELEASE

#### ECG CALLS FOR NEW SCRAPPING INCENTIVES AS CAR SALES STALL

##### Sharp drop in Italian and French demand signals trouble across Europe

ECG has reiterated its call for a renewal of scrapping incentives for older vehicles in a bid to kick-start demand for cars around Europe. “The latest statistics from Italy and France suggest a catastrophic drop in the sale of new cars is now underway that is likely to be repeated across the struggling European economy,” asserted ECG president Costantino Baldissara.

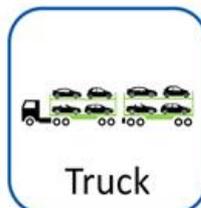
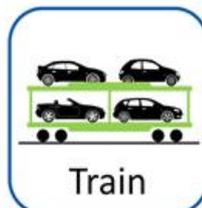
“Unless we take action to stimulate demand now, we risk a devastating impact on jobs and economic activity across the industry, with knock-on effects for the wider European economy. Scrapping incentives have worked before to underpin demand in difficult times, easing the industry through the storm until sales revived. Carefully structured, they can work again.”

Baldissara’s comments follow the release on Monday of alarming figures for new cars registrations in Italy. According to UNRAE, which represents foreign car companies in the country, registrations fell 18.9% in February to just 130,661. After the worst January sales figures for more than 20 years, registrations for the first two months of this year are now down 17.8% on the same 2011 period.

This poses real dangers for the year ahead. Indeed, UNRAE anticipates a 22% drop in sales this year to just 1,370,000, resulting in 10,000 job losses across the industry, from factory workers to dealers, repair mechanics to logistics providers. The resulting €13bn drop in revenues for the industry would also slash the Italian government’s VAT receipts by €2.3bn.

For Italy, read a number of other countries around Europe. Car registrations in France were down by more than 20% in January, other countries such as the UK and Spain were stable at anaemic levels, and Europe as a whole slipped 6.6% compared with January of last year. As a result, calls for a renewal of scrapping incentives for vehicles in excess of ten years of age are mounting around Europe.

ECG supports just such a policy. “Look at Germany,” Baldissara said, “where such incentives provided assistance at a difficult time and where, despite the crisis, production has since risen from 3m cars a year to 4.5m cars a year.” As he also noted, “the auto industry is a major employer and a generator of growth whose health is vital to that of the European economy as a whole.



“By reintroducing carefully crafted incentives for scrapping older vehicles, the governments of Europe will provide valuable support for this critical industry while boosting growth and tax revenues. Not only that, by removing some of the 55 million cars aged ten years old or more from Europe’s roads, they will slash emissions and improve safety, striking a blow for the environment in which we all live and work.”

#### **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 almost 100 member companies, from family owned SMEs to multi-nationals, and is the major champion of the European vehicle logistics sector. We represent all transport modes at EU level.

ECG Members provide transport, distribution, storage, preparation and post-production services to manufacturers, importers, car rental companies and vehicle leasing operators in 25 Member States, Turkey and Russia. They own or operate more than 373 car-carrying ships, 13,000 purpose built railway wagons, 22 river barges and 17,600 road transporters. As a major employer, the industry plays an important role in contributing to the economic success of the European Union. Today, ECG members have an aggregate turnover of €16.2 billion and their economic impact on companies associated with the sector is estimated at €34 billion. More than 64,700 people are employed directly by the vehicle logistics industry and an additional 160,000 are indirectly employed in this sector.

For further information please contact:  
Mr Mike Sturgeon, Executive Director of ECG  
Tel: + 32 2 706 8280  
Email: [info@ecgassociation.eu](mailto:info@ecgassociation.eu)  
Website: [www.ecgassociation.eu](http://www.ecgassociation.eu)