



The Association of European Vehicle Logistics

Brussels, 21st October 2013

PRESS RELEASE

European vehicle logistics industry turning the corner

First signs of volume recovery after prolonged slump

European vehicle logistics providers are more upbeat about future trading conditions, conference participants heard last week.

After a protracted slump there are the first signs of renewed demand for the transport of finished vehicles, members of the Association of European Vehicle Logistics (ECG) heard.

"After a long and extremely bad period, Europe is now in recovery," said ECG President Costantino Baldissara. "Volumes are going up, and we are already seeing reports of capacity constraints in some segments of the market".

Increased demand was in part due to plant relocation by car manufacturers to Europe's periphery, in particular Eastern Europe, said Mr Baldissara. While new car registrations in some European Union Member States remain close to or at record lows, vehicles coming off the production line still need transporting to their owners.

The association's annual conference, which took place in Berlin, included a forecast by industry specialist Inovev suggesting the worst was over for the European market, although production is not expected to return to pre-2008 levels in the near future. In North America and Asia, markets were on the other hand reported to be buoyant. "Globally speaking, our clients are in good shape," said Mr Baldissara.

The biggest problem facing the European vehicle logistics industry was an inability to re-invest, conference attendees were told. Profit margins among ECG's 90-plus members, who together operate 400 car-carrying ships, 18,000 purpose-built railway wagons, 85 river barges and over 18,000 road transporters, are running at around 3% of turnover. At these levels, companies do not have the working capital required to replace aging assets.

ECG members, based in 25 European countries, have a combined turnover of around Euro 20 billion. The automotive sector the association's members serve, meanwhile, is one of Europe's biggest economic drivers, employing around 12 million and contributing around 16 percent of EU gross domestic profit. Law-makers should not lose sight of the sector's importance to the European economy, the ECG President underlined.

Also in Berlin, ECG staff updated the conference's 180 delegates regarding the on-going EU lobbying campaign, which is intended to result in the harmonisation of maximum loaded lengths of transporters. The ECG Academy for young logistics managers is enjoying record demand, it was reported.

Car manufacturers Daimler, SEAT and Volvo brought delegates up to date with their latest plans for new model launches and vehicle transporters, including Wallenius Wilhelmsen Logistics and United European Car Carriers, gave tips on surviving the European downturn while increasing efficiency.

Note to editors:

ECG's annual conference took place at the InterContinental Hotel in Berlin on October 12.

For more information, please contact:

Mike Sturgeon

Executive Director

ECG – The Association of European Vehicle Logistics

+32 2 706 82 80

info@ecgassociation.eu

www.ecgassociation.eu