



The Association of European Vehicle Logistics

Brussels, 15.9.2015

## PRESS RELEASE

### **Vehicle distribution capacity shortages across Europe**

#### **Post-crisis resources lag market - investment insufficient**

The end of the second quarter of the year, typically a time of peak demand in many European markets for delivery of new vehicles, has once again highlighted serious capacity shortage in most of these markets. At a time when the automotive sector is seeing both volumes and market confidence increasing across Europe the Finished Vehicle Logistics (FVL) industry is coming under significant pressure.

The latest results of the ECG Confidence & Cost Trend Survey - conducted regularly amongst ECG members since 2010 – show operations at maximum capacity. Further investment is urgently needed to meet the increasing needs of the expanding market. Current financing is isolated and inadequate to meet growing demand.

ECG's Executive Director, Mike Sturgeon stated "Despite increasing confidence in future volumes, ever tighter margins and short term contracts mean the industry is still not investing in extra capacity. Worse still, in many places the transporter fleet continues to age, and this despite plenty of production capacity at the trailer and truck manufacturers."

Industry leaders in trailer manufacturing, who saw their businesses collapse by up to 90% post-crisis, estimate that the European car transporter fleet has dropped from 19,000 to 16,500 units since mid-2008. Average trailer age has increased dramatically from 3.6 years in 2008 to the current average of 7.5 years. Difficulties are further exacerbated by a shortage of truck drivers. As the end of the third quarter approaches, capacity issues are expected not only to continue but to worsen for the foreseeable future.

#### **Note to editors:**

This press release will also shortly be available in German and Italian.

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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*)