



## The Association of European Vehicle Logistics

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### PRESS RELEASE

#### **Vehicle Logistics sector must evolve digitally to maximise efficiency and meet changing customer demand**

##### **ECG members committed to the changing future of automotive logistics.**

A record-breaking 270 delegates, including an unprecedented representation of car manufacturers, gathered together on 20/21<sup>st</sup> October in Hamburg, Germany for the annual conference of the **Association of European Vehicle Logistics (ECG)**. Here they heard that the industry must embrace the accelerating shift towards digitalised processes and e-commerce in order to meet changing customer expectations and ultimately survive. The vehicle logistics sector must keep pace with the innovative rapid technological development in the wider automotive industry. However, legal uncertainty and a lack of uniform implementation of existing European and International legislation is currently hampering the implementation of innovative processes.

ECG is committed to digitalisation of the supply chain and is working closely on this issue with car manufacturers through its prominent **Finished Vehicle Logistics Industry group**. This active steering group, consisting of OEMs and LSPs, also met on 20<sup>th</sup> October and were supported in their discussions by American association AIAG - the Automotive Industry Action Group. The FVL Industry group addresses, through its sub-groups, four key issues - digitalisation, capacity, quality and lobbying. The digitalisation group prioritises all modes of electronic documentation, transparency in the supply chain, electronic booking systems and cyber-crime. The capacity group focuses strongly on improving efficiency in the supply chain through bilateral cooperation between OEMs and LSPs on standardised forecasting, increased transparency and the optimization of new and existing technologies to address the issues of capacity and empty mileage.

**However, a lack of standardisation at European level regarding multimodal transport e-documents is providing an unnecessary barrier to the seamless and flexible transport logistics ECG Members wish to provide.**

The legislative framework for digitalising logistics processes in the EU is already in place. The United Nations 'e-CMR Protocol' (2011) provides for the use of electronic consignment notes for international road transport and allows for a more efficient and competitive alternative to the current paper-based practice.

However, only 9 EU Member States + Switzerland\* have ratified this international treaty to date which hampers significantly the digital evolution of the logistics sector. **e-CMR can only eliminate paper processes if all countries which goods pass through adopt it.** Most notably, Germany, the EU's largest vehicle producer and automotive market and a major logistics transit country has not yet ratified the protocol.

ECG welcomes the recent adoption by France of the e-CMR protocol on 5<sup>th</sup> October and calls upon the rest of Europe **to also do so as quickly as possible.** ECG President, Wolfgang Göbel, stated "ECG fully supports e-

CMR, which would be a major step in reducing paperwork and costs in vehicle logistics. The industry is ready to go paperless as soon as Europe fully embraces this”.

Evolution towards digital processes and documentation, in particular electronic proof of delivery (ePOD), is equally a priority for car manufacturers, who were represented in large numbers at the conference. Speaking to the packed audience, Chris Godfrey, General Manager for outbound engineering at Renault Nissan’s Alliance Logistics Europe urged LSPs to meet changing customer expectations through the effective use of telematics in the supply chain. “I want to run the entire Alliance Logistics business without paper” he stated, a statement fully supported by ECG and its almost 100-strong membership of leading vehicle logistics companies.

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

ECG’s Annual Conference entitled “**Digitalisation and Megatrends – The future of Automotive logistics**” was held on 20<sup>th</sup>/21<sup>st</sup> October at the Hotel Atlantic Kempinski in Hamburg, Germany. It remains the largest gathering of professionals from the finished vehicle logistics industry anywhere in Europe. This year’s attendance figure of over 270 delegates broke all previous records, as did the number of car manufacturers participating. Keynote speaker was MEP Gesine Meissner, (German Liberal, ALDE Group) also host of the ECG Dinner Debate on March 2016.

*\*These include Bulgaria, Czech Republic, Denmark, France, Latvia, Lithuania, Netherlands, Slovakia, Spain and Switzerland.*

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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 more than 420 car-carrying ships, 18,800 purpose-built railway wagons, 84 river barges and more than 23,500 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 €25bn and their economic impact on companies associated with the sector is estimated at €63.25bn. More than 100,000 Europeans are employed directly by the vehicle logistics industry and an additional 253,000 are indirectly employed in this sector.