



## The Association of European Vehicle Logistics

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### PRESS RELEASE

#### **Full impact of Brexit on European Automotive Logistics sector still unknown**

**ECG – The Association of European Vehicle Logistics facilitates open discussion for members and stakeholders**



Hanze Terminal, Zeebrugge

Over 80 Logistics Service providers, Car manufacturers, Port operators, Customs officials and other stakeholders met on **13 March at the Port of Zeebrugge**, on the invitation of ECG, to discuss the impact of an impending Brexit on cross-border trade in general and the vehicle logistics sector in particular.

With guest speakers from the Zeebrugge Port Authority (MBZ), Belgian Customs, ACEA, Transport Associations and IT companies, participants were informed of the extensive preparations undertaken by all stakeholders to anticipate and combat

significant Brexit disruption to the smooth circulation of goods.

The Zeebrugge Port Authority, informed ECG members that through the employment of its data-sharing platform RX/SeaPort it planned to minimise Brexit impact by providing transparency throughout the whole logistics chain and increased operational efficiency in the port. Through digitalization it is hoped that expected disruption caused by waiting times and customs formalities can be kept to a minimum.

Representatives of the Customs and Excise administration explained that their preparations have included a 12% increase in recruitment to cope with the additional demands of dealing with the UK as a third country.

There is no doubt that all EU/UK trade will be impacted in terms of costs and capacity and the full consequences, particularly in the immediate aftermath of a no-deal Brexit, are still unknown. Speaking for the Freight Transport Association (FTA), John Lucy, Manager – International Transport & Trade Procedures, stated “If it’s got legs, or if it had legs, don’t send it anywhere during April”. The advice was further extended after discussion to include fish.

However, the impact on the European automotive industry is likely to be particularly severe. The European automobile industry is currently closely integrated from an economic, regulatory and technical point of view. Automotive manufacturing is a highly complex industry with an integrated

manufacturing network which spans Europe. Vehicle manufacturers operate more than 300 assembly and production plants across the European continent with 30 plants in the United Kingdom producing both engines and whole vehicles, as well as many more suppliers to the auto industry.

While the exact ramifications of Brexit are still difficult to predict any related changes to the current high level of integration and regulatory framework will most certainly have an adverse impact on automobile manufacturers and suppliers. “Just in time” production systems that are so vital to the European auto industry will undoubtedly be affected by border checks and port congestion.



Meeting at ICO Terminals premises

Speaking to the 80 strong audience guest speaker Erik Jonnaert, Secretary General of ACEA – The European Automobile Manufacturers’ Association, stressed the crucial importance of establishing a stable legal and regulatory framework for the industry in order to safeguard competitiveness

and future investment. He warned that “The impact of a no-deal Brexit on the auto industry would be catastrophic”.

ECG members were pleased to hear that despite the current uncertainty, problematic for all sectors, the Port of Zeebrugge, Europe’s largest automotive port, is as prepared as it can be for the challenges ahead.

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

ECG’s Maritime & Ports Working Group is one of ECG’s many working groups and is open to ECG members only. Further information on ECG Working Groups can be found in the [ECG Roadmap 2019](#).

Some EU Automotive Statistics

- 81.5% of the UK’s car production is exported, of which 51% goes to EU member states.
- The EU countries represent 85% of the UK’s passenger car import volume, worth almost €36 billion.
- Some 13.3 million people, or 6.1% of the EU employed population, work in the automotive sector. The sector contributes 6.8% to the EU’s GDP.
- In total, the automotive industry employs some 856,000 people across the United Kingdom. The sector adds £20.2 billion in value to the UK economy.

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## **Background for 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 over 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 460 car-carrying ships, 13,600 purpose-built railway wagons, 19 river barges and more than 26,000 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 €23bn and their economic impact on companies associated with the sector is estimated at €60bn. More than 145,000 Europeans are employed directly by the vehicle logistics industry and an additional 300,000 are indirectly employed in this sector.**