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4.0 era



## ECG Spring Congress welcomes record attendance

□ May 26, 2017 □ **Supply Chain**

The 22nd Association of European Vehicle Logistics (ECG) Spring Congress and General Assembly was held on May 18th and 19th in the Grand Hotel Excelsior in Valletta, Malta. Sam Ogle reports.

A record attendance of almost 150 delegates were present to hear reports from the various ECG Working Groups, to re-elect the ECG Board and to hear presentations from a variety of speakers on subjects appertaining to the finished vehicle distribution industry.

In his opening address ECG President Wolfgang Göbel welcomed a dozen new members to the Group, something which underlines the on-going health of ECG.

The first presentation was a European Market Outlook by Justin Cox, Director of Global Production Forecasting at LMC Automotive. Cox told delegates that the global vehicle market was poised for its eighth year of growth. The pre-2017 themes of expansion in North America, Western Europe and China are expected to begin to dissipate this year, while signs of recovery in Brazil and Russia are expected to emerge.

In China there was a boost to sales in late 2015 and 2016 due to a 5% tax cut on small-engined vehicles. This tax reduction was extended for 2017 albeit at a reduced rate but Cox warned that, without it, growth in 2018 will vanish.

In the United States demand has plateaued. North American growth this year is expected to be zero following a 2% rise in 2016.

Although growth has slowed from 2016, European auto markets remain robust, especially in the light of recent political uncertainties. In the near term, the 'catch-up' markets are still providing the lion's share of growth as the mature markets ease back. Cox told delegates that the decline in Russian light vehicle sales so evident in 2015/2016 has finally bottomed out and he predicted growth of 6% for this year.

Production continues broadly to mirror the development of European demand with those OEMs most exposed to Italy and Spain enjoying a volume boost. However, overseas localisation and slower export markets continue to take their toll upon the pace of growth in exports this year.

In the medium term, Cox said that the European market will remain the key driver for production. Brexit will handicap production but Russia's slow recovery will provide a fillip. He warned that risks have risen recently and threats to global trade leave Europe's key auto exporters exposed.

Cox warned of the danger of a border tax between the US and Mexico if the NAFTA agreement is renegotiated. He was quick to stress that LMC's baseline assumption was that the border tax is a threat rather than an expected reality but warned that, if all imported vehicles and parts are taxed, it could mean multiple levies on parts or component systems that cross a border more than once, resulting in a hit to new vehicle sales.

## **e-CMR – digitalising the supply chain**

The Power of Paperless Transportation was the title of a presentation by Hans Lip, International Sales and Marketing Manager of TransFollow. TransFollow is a Dutch company which sees itself as the standard for the digital consignment note. The CMR is a consignment note with a standard set of transport and liability conditions, which replaces individual businesses' terms and conditions. It confirms that the carrier (ie the road haulage company) has received the goods and that a contract of carriage exists between the trader and the carrier.

The thrust of Lip's presentation was that the CMR should be digitalised and that proof of delivery should become a paperless operation. He pointed out that this held great advantages for all parties involved. The consignor would reduce the amount of paper to be handled, it would have estimated time of arrival visibility, instant proof of delivery and greatly reduced costs. The carrier would gain from increased efficiency as the driver would stay in the truck and it could provide real time proof of delivery, faster payment and reduced administration. Many of these advantages would also benefit the consignee.

Lip warned that the distribution industry must react now to this new technology otherwise it will be too late.

### **Malta and putting Europe first**

The next presentation was by Lucienne Meilak, Director of Policy Development and Programme Implementation Directorate at the Maltese Ministry for Transport and Infrastructure. She set out Malta's aims in its role as President of the Council of the European Union. Broadly, these are to reconnect the citizens of the EU at individual, corporate and state levels with each other and with their governments, with the EU and with the world.

Meilak spoke of a proposal for a review of the Directive on the Certification of Professional Competence concerning the initial qualification and periodic training for truck and bus drivers, focusing on road safety, rail passenger rights, and a mobility package. Malta's priorities for the EU's Maritime Transport Policy until 2020 were defined as competitiveness, decarbonisation and digitalisation to ensure global connectivity, an efficient internal market and a world-class maritime cluster.

Eddy Hartog, Head of Unit Smart Mobility and Living, DG Connect at the European Commission then spoke about cooperative, connected and automated mobility (CCAM). He said that the Commission is acting as a catalyst in promoting CCAM, taking into account users' concerns and expectations, and aiming to put Europe in the front line of CCAM technology deployment.

## A holistic approach

The final presentation was by Lamia Kerdjoudj-Belkaid, Secretary General of FEPORT, the Federation of European Private Port operators and Terminals. This year, the International Maritime Organization has decided that 2017 will be dedicated to raise awareness about the role of ports. IMO's motto is: 'Connecting ships, ports and people'. Kerdjoudj-Belkaid said that at last, we are becoming a little bit more visible and more people are becoming aware that 94% of the cargo carried by sea is handled by port stakeholders (terminals and port equipment manufacturers).

She said that the emphasis should be on any measures that improve the efficiency and sustainability of the supply chain, rather than how we can assist one actor in the chain – i.e. we must move away from a silo approach to a holistic one.

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