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# Automotive industry back in crisis mode, says ECG

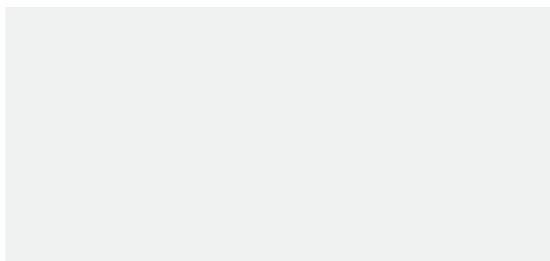
By Joanne Perry | 18 May 2020



The automotive industry is “back in crisis mode and fighting again” now that coronavirus has disrupted a decade of growth since the financial crisis of 2009-2010, Wolfgang Göbel, president of the Association of European Finished Vehicle Logistics (ECG) told the audience at its Spring Congress last week (May 14), which was held online for the first time.

He said that both the world economy and the global automotive industry are in a “very serious and severe situation” today and that counter measures taken during the financial crisis “will not work out” this time because coronavirus is so widely spread, affecting not only the financial sector but the real economy, almost everywhere in the world.

The European finished vehicle logistics industry was already facing multiple challenges this year, Göbel said, including decarbonisation and digitalisation, as well as changing customer demands and buyer requirements. “But all these points have been very well addressed and, at least as we think, they have been under control.”





The situation has now changed dramatically and the industry is wrestling with “something we haven’t experienced before and something we have not been prepared for to this extent”, he said.

***European vehicle volumes will experience an “almost unprecedented” 17.8% drop from the 17.2m units predicted for 2020 pre-coronavirus – Daniel Harrison, Ultima Media***

Speaking at the online event, Ultima Media’s analyst, Daniel Harrison, predicted that European vehicle volumes would probably suffer an “almost unprecedented” drop of 17.8% from the 17.2m units that had been forecast for 2020 before the coronavirus emerged. According to Harrison’s figures, the best the European market can hope for this year are sales of around 15m, though the decline could double in a worst-case scenario to just under 13.2m, down by almost 4.1m units.

Harrison pointed out that European demand already decreased by 52.9% in March compared with the same month last year, and plummeted by 80% in April compared with the same period in 2019. He predicted that total volumes for the year will most likely be 19.6% down on 2019. ([For more details on these forecasts, see the Business Intelligence report here.](#))

Despite the lack of preparation, the ECG has been working hard to support its members from the beginning of the coronavirus crisis, according to Göbel. He went on to detail best practice guidelines, which the association has released to members, covering driver protocols, vehicle compound operations and expectations at dealerships.

**Crisis accelerates change**

Taking his cue from the UK’s Second World War prime minister, Winston Churchill, Göbel pointed out that there are

“A crisis is always a good opportunity for change and for adaption, and sometimes a crisis accelerates the changes which have been visible already before,” he said, making particular reference to digitalisation.

*“A lot of these changes will also be something which we keep in the future after coronavirus. But first of all, and the most important thing, is we have to survive this crisis” – Wolfgang Göbel, ECG*

The ECG’s working group on digitalisation has now been able to implement some of its activities with “unexpected speed”, he said. This covers not only video conferencing and remote working for personnel, but the contactless sale, handover and delivery of vehicles.

“All these things will continue when this crisis is over and we will improve them. I think that there are business opportunities coming out of these fast changes,” stated Göbel.

“It is our job to figure out what is best for the future, for ourselves and for the companies. So a lot of these changes will also be something which we keep in the future after coronavirus. But first of all, and the most important thing, is we have to survive this crisis.”

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