



The Association of European Vehicle Logistics

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PRESS RELEASE

ECG Annual Dinner Debate, European Parliament

“Europe must re-launch car scrapping schemes”

Europe must take urgent action to boost car production, the automotive industry’s main transport association said on Tuesday 19th March.

ECG’s Annual Dinner Debate took place in the European Parliament and was hosted by Brian Simpson, the British MEP who chairs the European Parliament Transport and Tourism Committee.

Incentives are required now to kick start domestic production and support European exports, according to the Association of European Vehicle Logistics (ECG).

Association president Costantino Baldissara warned European Union law-makers that, without decisive action, job losses were on the horizon.

Talking at a debate in the European Parliament in Brussels, Mr Baldissara said car transporters had already reduced investment in response to falling profit margins and increased costs. “Our capacity to invest has been brought to a standstill,” he said. “We are in a struggle to survive”.

Scrapping schemes such as those launched in response to the outbreak of the crisis in 2008 were cost-efficient for governments, he pointed out. The social benefits for workers of producing a single car ran to thousands of Euros. “Some measures can be taken at zero cost,” the association president said.

ECG companies transport finished vehicles across the globe by ship, railway, truck and river barge. Together they directly employ 70,000 and boast an aggregated turnover of Euro 22 billion. The automotive sector the ECG serves is one of Europe’s biggest economic drivers, employing around 12 million and contributing around 16% of European Union gross domestic product.

At the European Parliament debate, MEPs and European Commission officials were told that despite the crisis Europe remains a car manufacturing powerhouse. 24% of the world's cars were made in Europe in 2011. But domestic demand is declining rapidly and is in urgent need of a shot in the arm. Luc Billiet, the newly appointed head of European supply chain management for the Fiat-Chrysler group, told attendees that demand in the European automotive industry was dropping at almost double-digit rates.

Europe needed not only to redress this domestic decline but help exporters reach markets in the US, Middle East and Asia, where demand for quality European vehicles remained strong, said Mr Baldissara. "We need action, and with a sense of urgency," he said. "If there is no profit there will be no investment and companies will disappear. We will lose skills."

Separately, ECG members continued to push for transport infrastructure standardisation across the European Union. Maximum loaded dimensions for trucks still vary from country to country, creating waste and inefficiency. Harmonisation of rail infrastructure rules remains years away, and rail freight struggles to compete with road haulage in terms of speed. In the maritime sector, meanwhile, costs look set to rise due to EU emissions legislation that will come into effect in 2015. To keep costs low some operators could be forced to ship overland instead of by sea. With this low-sulphur emissions law, EU emissions policy is running contrary to its stated goal of getting freight off the road.

To download the programme, list of participants and presentations, please see:

<http://www.ecgassociation.eu/Activities/ECGDinnerDebates/ECGDinnerDebate2013.aspx>

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 almost 100 member companies, from family owned SMEs to multi-nationals, and is the major champion of the European vehicle logistics sector. We represent all transport modes at EU level.

ECG Members provide transport, distribution, storage, preparation and post-production services to manufacturers, importers, car rental companies and vehicle leasing operators in 25 EU Member States, Turkey, Western Balkans and Russia. They own or operate about 390 car-carrying ships, 18,100 purpose-built railway wagons, 80 river barges and 18,500 road transporters. As a major employer, the industry plays an important role in contributing to the economic success of the European Union. Today, ECG members have an aggregate turnover of €22 billion and their economic impact on companies associated with the sector is estimated at over €34 billion. More than 70,000 people are employed directly by the vehicle logistics industry and an additional 160,000 are indirectly employed in this sector.

For further information please contact:
Mr Mike Sturgeon, Executive Director of ECG,
Tel: +32 2 706 8280
Email: info@ecgassociation.eu
Website: www.ecgassociation.eu