

No one will remember

by Przemysław Myszka

This year's autumn gathering of the members of the Association of European Vehicle Logistics (ECG), its friends and partners, was much like the 2017 edition to a large extent focused on how the ongoing digital revolution will change the industry, along with a strong emphasis put on social issues, like ensuring that truckers can rest in safe parking spots. This time, the biggest commotion was stirred by Dr. Mario Herger, a Silicon Valley-based author and trend researcher from Enterprise Garage Consultancy, who started his presentation with a question nobody knew the answer to, namely what were the names of the great end-19th -century horse-cart manufacturers?



Wait a sec, why should we even bother remembering them?" one could snap in an instant to such a ridiculous question. "After all, horse-carts are a thing of the past – out of sight, out of mind!" Herger would nod his head, agreeing with the last remark completely. To that end, he showed two pictures of the same New York street from the beginning of the last century. The challenge with the first one was to find a car amidst the swarm of horse carts. Fast forward just a dozen years, Herger continued his argument, and try finding a cart instead of a vehicle that's equipped with a combustion engine. And as all the horses vanished without trace from the streets of almost all cities throughout the 20th century, so did horse-powered cart producers. "What happened? The future happened to them!" underlined the author of the *Foresight Mindset*™.

Therefore, according to Herger, a new-old question arises. Will tech companies, both established and newcomers, erase the names of the big car makers in the coming decade or two so that the generations that come after us will only shrug their shoulders when asked if they can recall at least one name of a major car manufacturer of the 20th and early 21st centuries? Herger then went on with presenting countless examples of how numerous companies, including a particularly rich representation coming from China, are trying to win the race over the Atlantic to develop the best autonomous vehicle. Combined, some \$80b

have already been invested in a "car" without a steering wheel (interestingly, Herger predicts, manual driving may be even banned in the future, as being "too dangerous").

For an industry that caters with logistics services to car manufacturers, this will be a game changer. In the end, Herger summed up, we need to acknowledge that, just as was the title of his presentation, "The last driver's licence holder... has already been born."

In the mood for a buy

In contrast, the traditional car sales market is still moving forward quite springily, according to the data presented by Christoph Stürmer, Global Lead Analyst, PWC Autofacts. Sales and registrations are going strong Europe-wide, sometimes unexpectedly "supported" by regulations, like when the UK market shot up in August this year (+30% year-on-year) because of the fear and uncertainty associated with the new Worldwide Harmonised Light Vehicle Test Procedure. Whilst economists are a bit sceptical whether car sales will continue to grow in the near future as steadily as they did in the past couple of years, Stürmer pointed in this regard to EU-to-US car exports standing in harm's way because of the hostile rhetoric adopted by the Trump Administration. Forecasts, nevertheless, speak of stable vehicle sales up till 2024. Demand is firm, and European car manufacturers have invested in sufficient assembly capacities. Of course, the

impact Brexit will have on the UK market and the trade lanes serving it is one big unknown, or – what was one of the main conclusions from a presentation given by Arthur Maher, Director of Research, LMC Automotive – how big the drops will be in the end irrespective of whether we'll have to deal with a soft or hard UK departure from the EU (during a press conference later in the day, the Brexit issue surfaced again; asked about their feelings on how the UK authorities, especially those responsible for customs, are preparing to tackle the new situation, ECG representatives said that many businesses fear that apart from hiring a few new customs officers, nothing is really being done, threatening to petrify ro-ro traffic coming to UK seaports).

Stürmer also underlined the gradual, yet still somewhat slow transition towards electric vehicles (EVs). It is true that car makers have started to offer more variety by introducing new models, but the EV submarket on the whole, apart from a few blockbusters, continues to be a niche reserved to the more affluent customers for the time being. As for the cargo market, Stürmer pointed to the increasing uptake of the so-called trucking 4.0 concept, which stands for automated freight matching between freight forwarding companies and cargo holders. This model, if served by an autonomous fleet, promises to cut delivery time and overall costs by as much as 40% and 50%, respectively, by 2030.



Choose between people or things

While tech companies are trying to get rid of the human factor in the automotive equation, one of the main concerns of the finished vehicle logistics is to, first, stop the number of truck drivers from further declining, and second, if possible attract new people to the profession.

It's strenuous and hazardous work, though, as shown in a presentation delivered by Steve Thomas, General Manager, Toyota Motor Europe, where the incidents of the loss of life and limbs are, unfortunately, still too frequent. That's why ECG has set up a new industry working group, headed by Thomas, whose ambitious goal is to have "all safety issues tackled once and for all." The initiative will focus on crafting tools that will decrease the risks in a systemic way, like delivering process standardisation (e.g. best practices regarding safety of loading such as providing workers with better lightening during night operations).

Dirk Penasse, General Manager, the European Secure Truck Parking Organisation (ESPOG),

highlighted, in turn, the need to provide truckers with parking lots that are both safe and equipped with most basic amenities such as showers, a place where they could eat a hot meal, or free access to wireless Internet to stay in touch with loved ones. However, setting up such a facility is one thing, selling the concept to finished vehicle logistics is another. Penasse showcased one such facility erected in the south of Europe, a big success praised by truck drivers. Traditionally, southern France and northern Spain were among the most dangerous places for truckers to rest. The situation there has since then improved; however, organised crime that preys on truckers has moved to places lacking safe and secure parking spots, which only emphasises the importance of providing such infrastructure. For its part, ECG is investigating the possibility of making their members' compounds accessible to truckers.

On topic

Before closing, the 2018 edition of the ECG's autumn conference brought a diverse

set of other topics to the limelight, such as the International Maritime Organization's new global fuel cap that will forbid the use of high sulphur ship bunker as of 1 January 2020 (in effect pushing operational expenses up, as shipping lines will have to buy more expensive compliant fuels); the European Commission's latest proposals on the Mobility Package and the Maritime Single Window that set to harmonise the governance of commercial road and maritime transports in the European Union, respectively; as well as how to streamline the automotive supply chain and better integrate plants, yards, workshops, transport, and dealers with the use of real-time geolocation, the digital twin technology, or keeping the customer updated virtually from the moment the first screw has been turned to the final delivery.

In 2019, ECG will return with its conference to Germany. The event will be hosted in Berlin on 17-18 October. Earlier, the Association's Spring Congress & General Assembly will take place in Sorrento in the south of Italy. ■