

ECG President urges the automotive industry to mitigate the impact of the material shortage on the FVL sector



ECG Conference breaks records

Record ECG Conference brings industry together in time of crisis

The Finished Vehicle Logistics (FVL) industry saw a record attendance at ECG's annual conference in Brussels on 14/15th October with more than 300 delegates celebrating the first opportunity to meet for 2 years and debating the critical issues engulfing the industry. Many more joined online.

The FVL 'Industry Meeting' held ahead of the conference also focused on the devastating impact on the sector resulting from the micro-chip shortage. The vehicle manufacturers offered little hope of a quick solution to the shortages with many expecting problems to last for at least another year. ECG President, Wolfgang Göbel, presented in both forums a 5 stage action plan to protect the industry which includes providing accurate, and timely, forecasts; adjusting service levels to be more realistic; reducing operating hours; on time payments to support cashflow and the joint development of survival strategies for operators.

The conference heard that, despite the current shortages, underlying demand remains very strong. As material shortages are resolved production volumes are expected to dramatically increase leading to further concerns that a decimated supply chain may not have the capacity to support the sector when the current crisis, hard on the heels of the Covid pandemic, has decimated both resources and reserves.

The long-planned theme of the conference was the future of the industry and, in particular, the need to decarbonize rapidly. The European Commission shared their 'Fit for 55' project plans before operators and manufacturers, including Toyota and Daimler, presented possible visions of a green future and what will be required in supply chains. A common and positive theme shared by the OEMs, and welcomed by ECG, was the need for collaboration in order to deliver on this. Additionally, Volvo Cars shared their vision of future vehicle logistics requirements which will also require different people, systems and assets, and thus further investment by the carriers.

ECG President, Wolfgang Göbel, said following the conference "We have today drawn a picture of the short and long-term challenges facing our industry. These challenges are significant, but ultimately the shortages will disappear and the vehicle logistics business will remain."

Overall, the debates underlined the growing acceptance that collaborative solutions are key to the future of the FVL sector. Göbel added "Collaboration is the only way to deliver the efficiencies that this industry needs."

For more information, and to view the presentations from the ECG Conference, see <https://ecgassociation.eu/event/ecg-conference-2021/>

ECG is the established platform for the outbound automotive logistics sector bringing together logistics service providers, manufacturer logistics managers and suppliers to the sector. ECG aims to facilitate non-commercial collaboration between member companies and assist them in sharing best practices in many operational areas, especially the harmonisation of operational standards.

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 140 member companies and partners, 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 across the EU as well as in Norway, Switzerland, the United Kingdom, Turkey, Russia, Ukraine and beyond. They own or operate more than 380 car-carrying ships, 14,900 purpose-built railway wagons, 28 river barges and more than 27,800 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 €24.5bn and their economic impact on companies associated with the sector is estimated at €64bn. **More than 112,000 Europeans are employed directly by the vehicle logistics industry and an additional 230,000 are indirectly employed in this sector.**