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Photo: ECG  
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### Car logistics: from the frying pan into the fire?

On top of the already long-lasting semi-conductor shortage, the vehicle industry is now under threat from exploding fuel prices, rising inflation and further parts shortages.

While the Association of European Vehicle Logistics (ECG) is raising funds to support those of its industry members that are actively engaged in the growing humanitarian crisis in the Ukraine, the sector is experiencing extremely serious impacts on several fronts which need to be mitigated.

The automotive industry is now seen to be heavily dependent on Ukraine for the sourcing of various parts and raw materials like wiring harnesses for example. In addition, inflation, rocketing before the conflict began, is being driven ever higher by energy and raw material costs.

It is energy prices in particular, fluctuating wildly and close to record high levels, that are causing the industry problems. According to ECG, bunker prices have doubled in six months, increasing costs for some vessels by more than USD 25,000/day.

In Italy, where the market is characterised by many owner/drivers – so called padroncini – it is reported that many have simply stopped working rather than accepting rates which would lose them money.

ECG's executive director Mike Sturgeon said that "unless contracts are revised quickly, what is left of the industry will grind to a halt as cashflow issues strangle operations." (sh)

<https://ecgassociation.eu>