



How to survive material shortage:
An industry in severe crisis

Action points proposed:

1. Adjust current service level requirements
2. Support move to 3 or 4-day week operations, or reduced shifts/operating hours where not possible, in compounds

Capacity was reduced to match demand

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

Record ECG Conference brings industry together in time of crisis

Brussels, Tuesday 19th October 2021

ECG calls for volume guarantees with automotive manufacturers as low and unpredictable production volumes cripple the vehicle logistics sector

Logistics service providers face record losses, putting investments and recovery risk

Brussels, Wednesday 1 December 2021

Covid, material shortages, war in Ukraine: confidence down and soaring costs for operators in vehicle logistics

ECG longstanding survey confirms that Finished Vehicle Logistics (FVL) operators are facing crisis after crisis and short term uncertainty

ECG survey confirms reducing logistics capacity as costs rocket

Logistics service providers fear lost capacity will hinder market recovery

Brussels, Wednesday 26 January 2022

War against Ukraine dramatically increases risk to vehicle logistics

On top of the semi-conductor shortage the exploding fuel prices and rising inflation as well as further parts shortages are bringing production to a stop

Brussels, 14th March 2022

Significant changes required for the survival of the Finished Vehicle Logistics sector

ECG's president calls for dialogue and strategic partnerships

Brussels, Monday 30 May 2022

Open dialogue between car manufacturers and logistics providers on the way forward to restore confidence and capacity

Car manufacturers now open to discussing minimum volume guarantees and inflation rate clauses to support operators in the Finished Vehicle Logistics sector as capacity crunch bites

Brussels, 30 June 2022



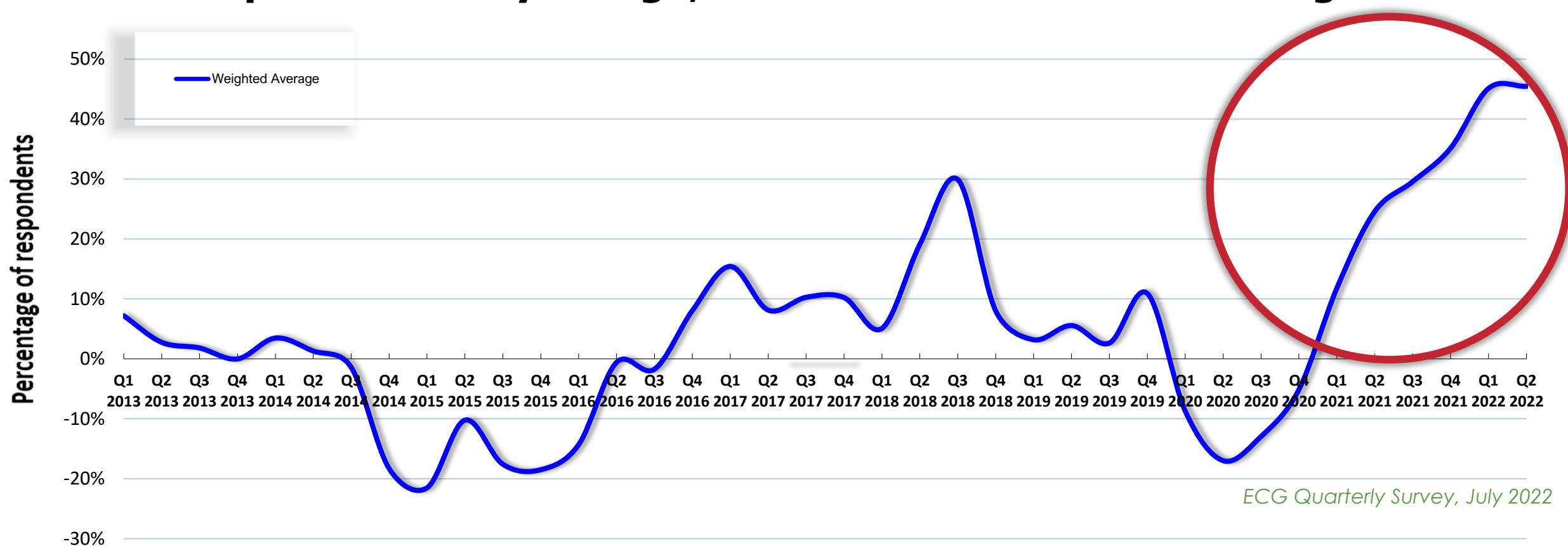
avtologistika

War in Ukraine Energy crisis



FUEL PRICES CONTINUE TO GROW

Compared to one year ago, how has the cost of fuel changed?



ECG Quarterly Survey, July 2022

LABOUR SHORTAGE DRIVERS MISSING

Availability of qualified truck drivers



NOW CRITICAL!

ECG Quarterly Survey, July 2022



EUROPE | GENEVA

One in ten European truck drivers missing as shortage escalates

2 SEP 2022

Commercial truck, bus and coach driver shortages continue to plague European mobility and supply chains. IRU's new 2022 European report on the issue is now available.





LONG LEAD TIMES
FOR NEW ASSETS

NEED FOR
DECARBONIZED ASSETS



FVL COST INDEX

- The industry needs a cost index for the various EU markets and modes of transport on a quarterly basis
- In contact with 5 big consulting companies to develop a solution
- We need the support of members & ECG Academy to increase speed and reduce costs for initial production and ongoing updates

Heat Map of Cost Variables

Mode	Cost Variables	Weight %?	Belgium	Germany	Finland	Ukraine	Latvia	France	Austria	Hungary	Slovenia	Bulgaria	Romania	Ireland	United Kingdom	Norway
Truck	Tolls	8														
	Fuel Tax	12														
	Driver Wages	?														
	New Build Cost-Superstructure	30														
	Maintenance	8														
Ship	Crew	20														
	Stevedore	25														
	PCTC Charter Rates	?														
	PCTC New Build	39														
	Port Costs (Towage, Mooring, Pilotage)	?														
	Bunker Costs	?														
Rail	xx	20														
	xx	?														
	xx	11														
	xx	?														
Compound	xx	?														
	xx	?														
	xx	?														
	xx	?														
	xx	?														

MINIMUM VOLUME GUARANTEES

for times of production stop /
lockdown / significant deviation
from tendered volumes

Costs

	Internal Resources <i>in days</i>	External Resources <i>in days</i>
WS 3 - Organisations		
Odette	131	40,25
ECG	41	20,25
ECG+Odette	59	11,5
Total	231	72

Project charter

Activity	Q2	Q3
	June	July
	23	24
	25	26
	27	28
	29	30
	31	32
	33	34
WS 0: Project Management		
WS 1: Onboarding Phase		
WS 2: White-Spot & Requirements F		Requirem
		Joint Task des
WS 3: Development Phase		
WS 4: QA and documentation Phase		
WS 5: Completion Phase		

Automotive supply chain emissions



WS 3 split rationale
(ratified by ITCL)

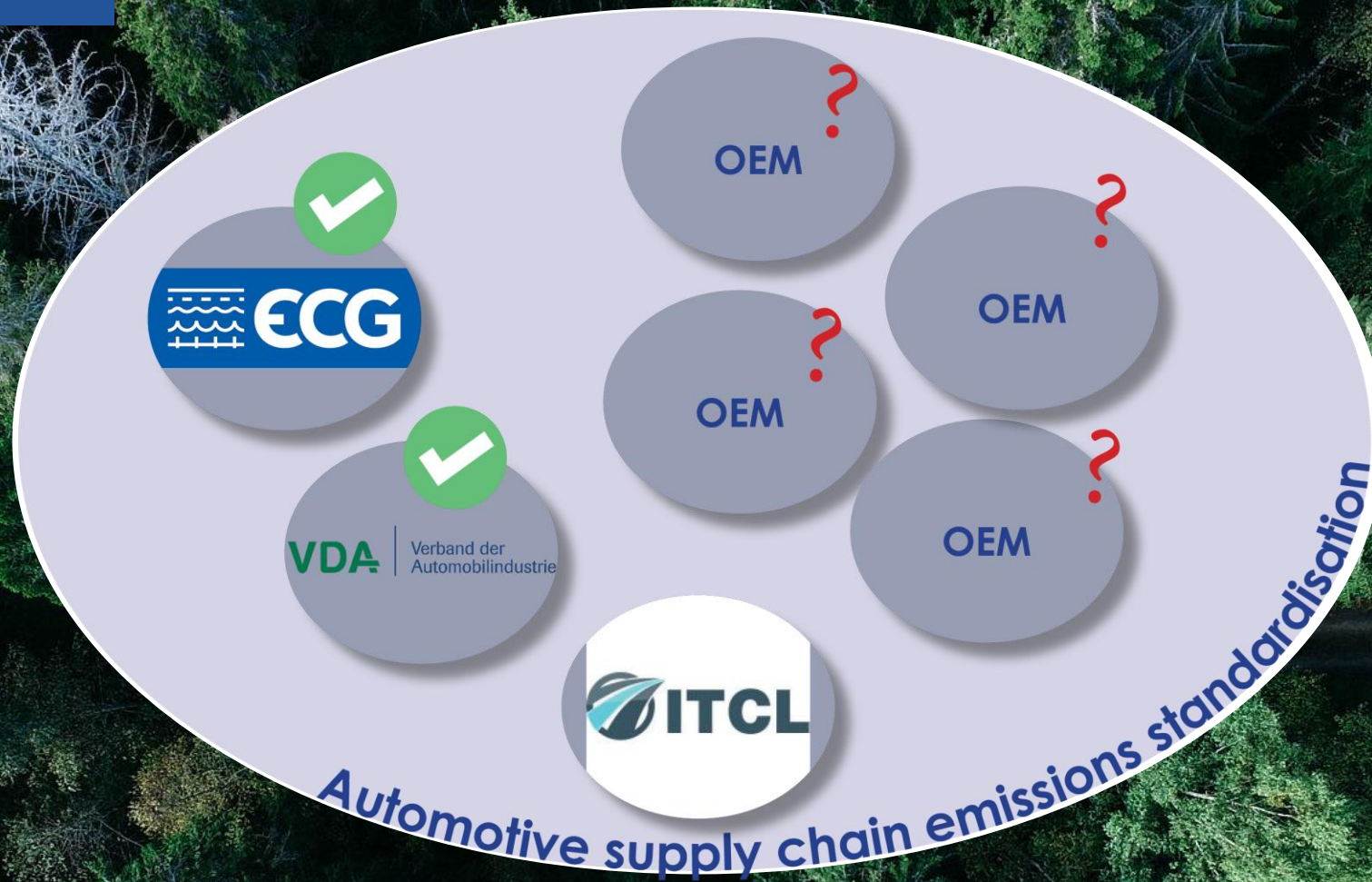
Days	%
70,5	31%
160,5	69%
26	36%
46	64%

rationale

Days	
100,13	
222,87	
External Resources	€
ECG	68.310 €
Odette	121.440 €



JOIN THE
PROJECT



Perspective for the future

New opportunities, understanding that the current set up has to be changed

Ensuring investment for decarbonisation

Transparency in cost development

Allowing to measure decarbonisation action by a common standard

Creating efficiencies by standardising our processes

ECG Academy – Course 16

- 3 participants from OEMs for the first time: smart Europe, TME, Volvo Cars
- Gender balance...
- If you are interested in Course 17, let us know already



WHO WILL DELIVER YOUR NEXT CAR?

