



Welcome to the launch of “The FVL Cost Index”

PwC Austria
March 02, 2023





Wolfgang Göbel

ECG president



For the first time in more than 40 years, we are facing unprecedentedly high and persistent inflation levels. ECG and PwC Austria are working closely to provide an FVL Cost Index aiming to monitor cost developments and to provide transparency.”

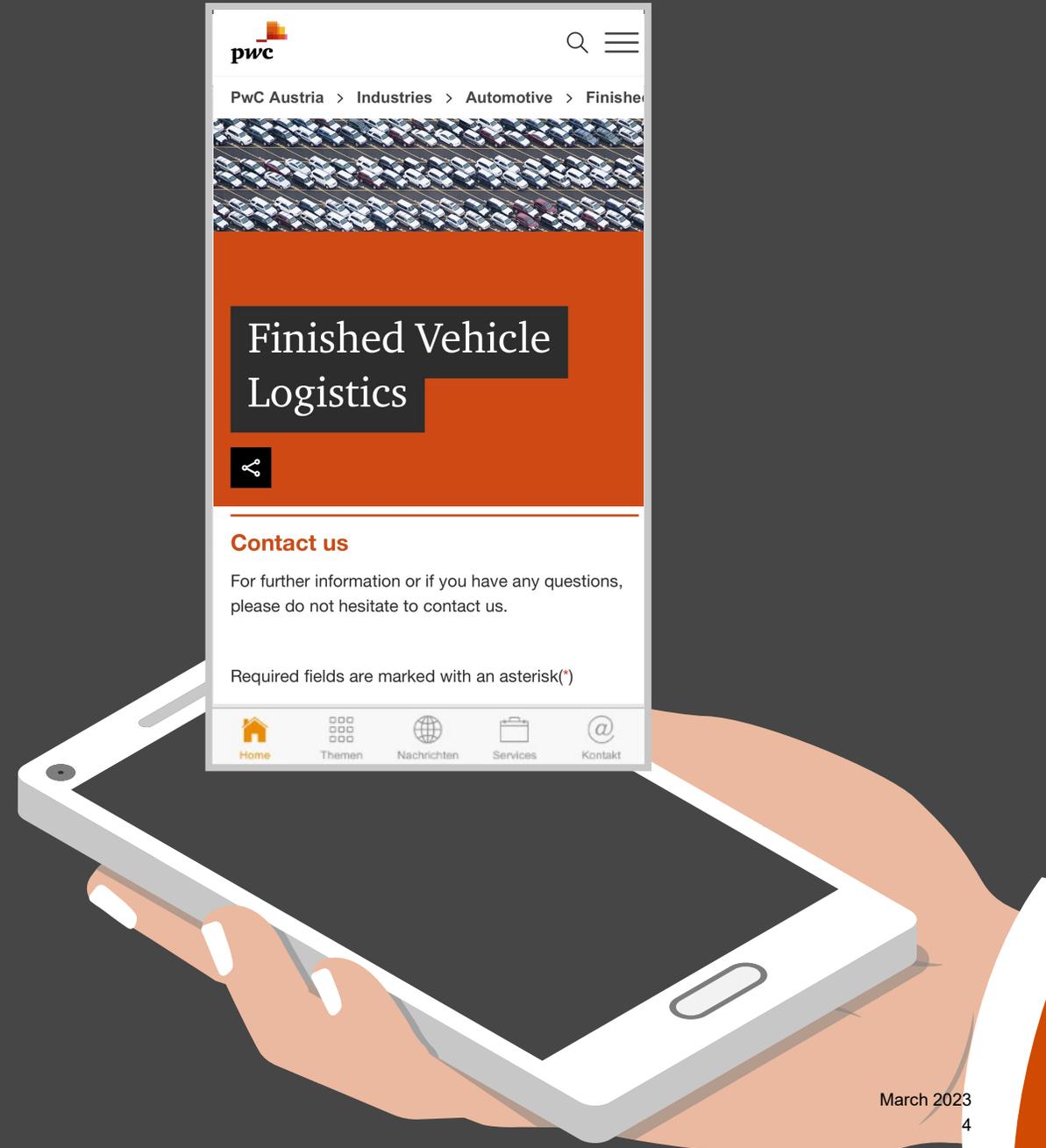


**Warm welcome to all market players,
ECG members,
and long-term global partners
from the FVL industry**

Before we start...

We have received a variety of questions before today's launch which will be addressed during the presentation.

Questions arising today should only be submitted via the PwC Austria landing page specifically created for this publication. The link was already sent to you in today's webinar invitation.





Agatha Kalandra

Partner & Executive Board Member

of PwC Austria



A Finished Vehicle Logistics Cost Index compliant with antitrust laws, which is quality assured, could facilitate the development of a standard for the wider logistics industry in Europe.”

Five global macro trends have direct business and cost implications for logistics and freight companies

1



CLIMATE CHANGE

2



EMPLOYMENT

3



INFLATION

4



GEOPOLITICAL TENSION

5



GLOBAL CRISIS

SELECTED IMPLICATIONS

Higher investment costs for the implementation of new environmental regulations and the switch to more environmentally friendly assets, equipment and sustainable alternatives

Ongoing labour shortage and lack of qualified staff as a consequence of lower wages and social status of drivers, unattractive working conditions, as well as workforce age structure

Rise in costs and reduction in purchasing power due to increased inflation rates effecting e.g. the need for wage increases to attract and retain employees

Significantly increased fuel and operating costs as a result of Russia-Ukraine conflict and the thereof imposed sanctions on Russia as well as the closure of certain transport routes

Shortage of raw materials and purchased parts as well as congested ports caused by SARS-CoV-2 pandemic and following global lockdowns

Numerous macro trends and market developments are directly impacting the entire FVL industry



To gauge cost developments in the FVL industry, ECG supported by PwC Austria developed a new standard –

the FVL Cost Index



Our joint goal: an industry-specific cost index differentiated by four logistics segments and eight representative countries

1

European FVL Cost Index

An independently developed index providing **indications for transport-mode specific cost developments in the European FVL industry** is the latest instrument in the ECG toolbox accessible to all players involved in the industry.

4

Logistics segments

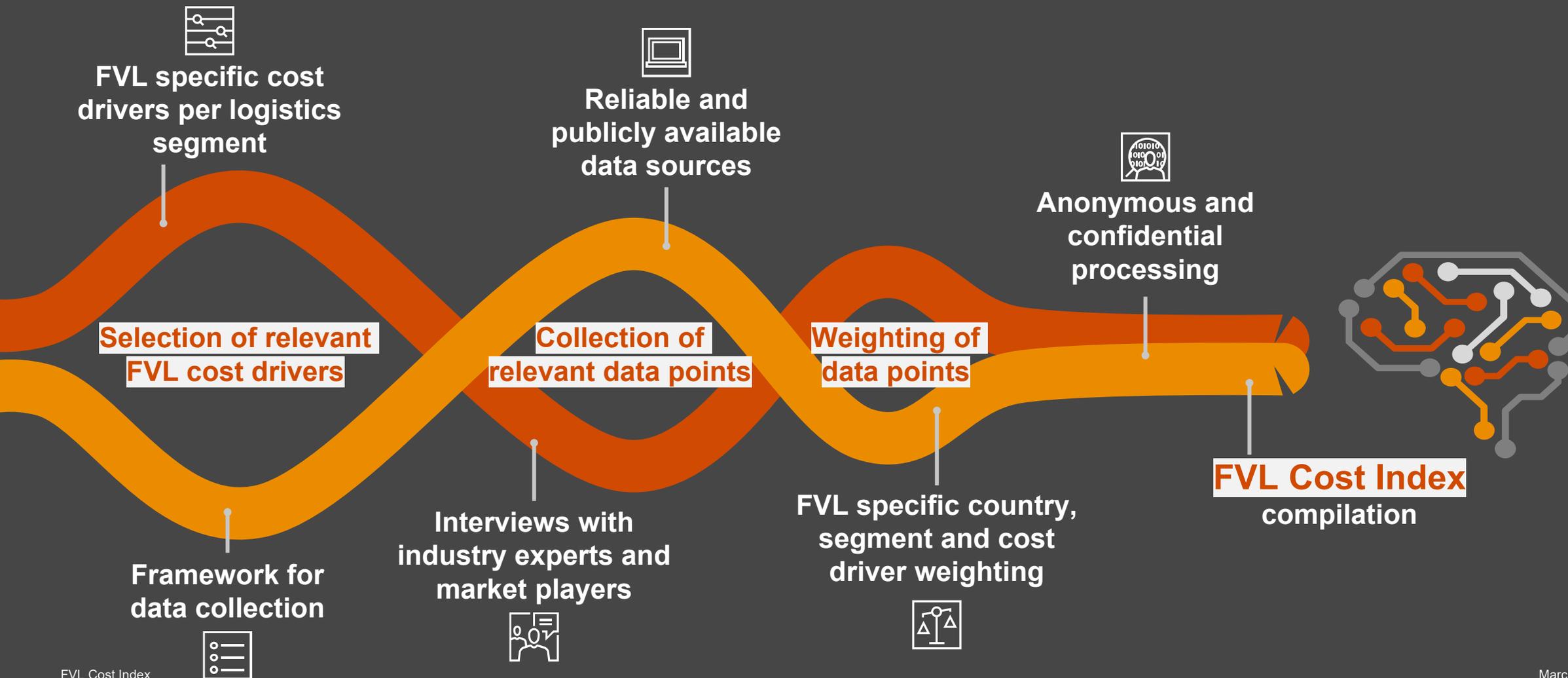
The diverse interests of the FVL market players are taken into account by **differentiating the FVL cost index between the four logistics segments road, sea, rail, and compounds**.

8

European countries

The different cost developments across Europe are described by selecting **eight representative European countries (Belgium, France, Germany, Italy, Poland, Spain, Sweden, and the United Kingdom)**.

Methodology



Since the project kick-off in November 2022, vast amounts of quantitative and qualitative data was collected for the index



40+

conducted interviews with industry experts and representative market players of the FVL industry



50+

sent out and processed data requests filled in by representative market players of the FVL industry



1,800+

identified individual data points for the data structure of the FVL Cost Index

European

Finished Vehicle Logistics

Cost Index

(Q3/2022)

153.9

Logistics

segment

road

132.8

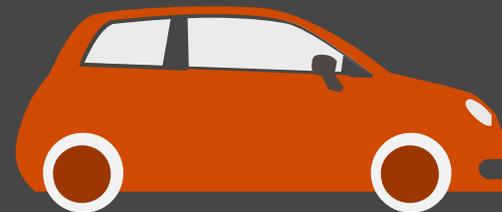
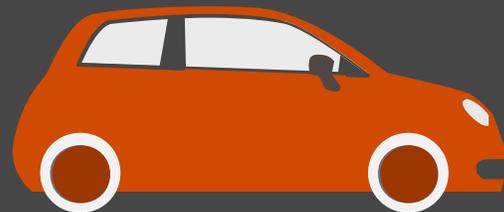
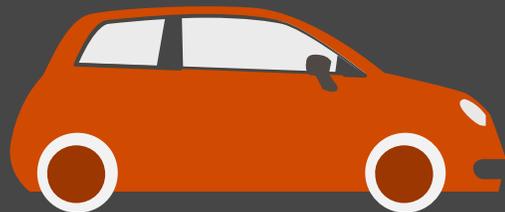
FVL Road Cost Index (Q3/2022)

OVERALL INCREASE OF COSTS BY 32.8% FROM JANUARY 2019 TO SEPTEMBER 2022

HIGHEST OVERALL INCREASE IN GERMANY (39.5%) AND LOWEST IN ITALY (21.5%)

SURGE IN FUEL PRICES ON AVERAGE BY 40.6% ACROSS RELEVANT COUNTRIES

FVL TRUCK DRIVER SHORTAGE AND ELEVATED LABOUR COSTS BY UP TO 33.8%



Logistics

segment

sea

213.7

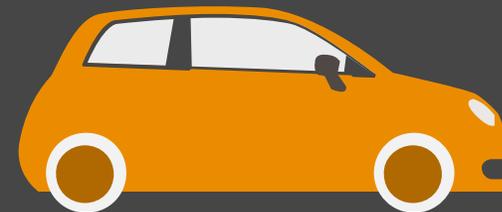
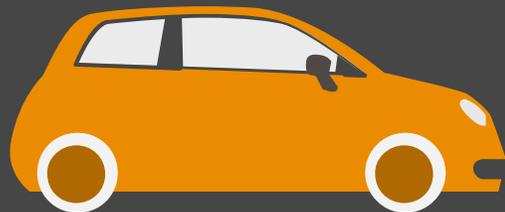
FVL Sea Cost Index (Q3/2022)

OVERALL INCREASE OF COSTS BY 113.7% FROM JANUARY 2019 TO SEPTEMBER 2022

HIGHEST OVERALL INCREASE IN POLAND (117.3%) AND LOWEST IN SPAIN (110.6%)

TIGHT PCTC SUPPLY-DEMAND MARKET SITUATION AND VOLATILE BUNKER FUEL PRICES

CONTINUOUSLY INCREASING ASSET VALUES FOR PCTC VESSEL NEWBUILDS



Logistics

segment

rail

124.2

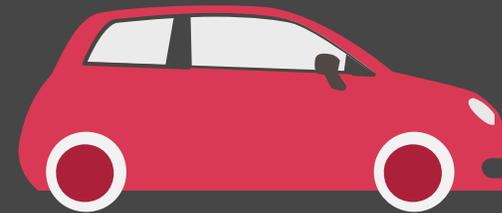
FVL Rail Cost Index (Q3/2022)

OVERALL INCREASE OF COSTS BY 24.2% FROM JANUARY 2019 TO SEPTEMBER 2022

HIGHEST OVERALL INCREASE IN GERMANY (29.9%) AND LOWEST IN ITALY (16.9%)

TAC PAID PER TRAIN-KILOMETRES EVEN DECREASED IN SOME EXAMINED COUNTRIES

FVL LABOUR COSTS ROSE ON AVERAGE BY 10.9% ACROSS RELEVANT COUNTRIES



Logistics

segment

compounds

121.4

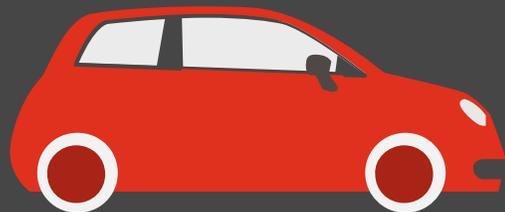
FVL Compounds Cost Index (Q3/2022)

OVERALL INCREASE OF COSTS BY 21.4% FROM JANUARY 2019 TO SEPTEMBER 2022

HIGHEST OVERALL INCREASE IN GERMANY (26.7%) AND LOWEST IN SPAIN (12.7%)

VOLATILE FVL LAND COSTS WITH INCREASES OF UP TO 29.5% SINCE 2019

ELEVATED UTILITY COST LEVELS ACROSS ALL EXAMINED COUNTRIES



Frequently

asked

questions

1

Who will have access to the publication and how much will the publication cost?

2

Are any updates planned for the FVL Cost Index?

3

How can I use the FVL Cost Index?

4

Where can I download the final FVL Cost Index publication?

5

In which languages will the FVL Cost Index be published?

6

Who can I contact in case of any questions after the launch?

1

Who will have access to the publication and how much will the publication cost?

The study will be provided to all market players and interested parties for free.

2

Are any updates planned for the FVL Cost Index?

Updates of the index are planned and will be provided periodically. The next index update is anticipated to be published for Q2 2023.

3

How can I use the FVL Cost Index?

Neither PwC, nor ECG will provide any recommendations on how to use the FVL Cost Index. PwC and ECG solely publish the FVL Cost Index together in order to inform on the current cost developments in the finished vehicle logistics industry.

4

Where can I download the final FVL Cost Index publication?

The publication will be published on both the ECG and PwC websites.

5

In which languages will the FVL Cost Index be published?

The publication is only foreseen to be provided in English.

6

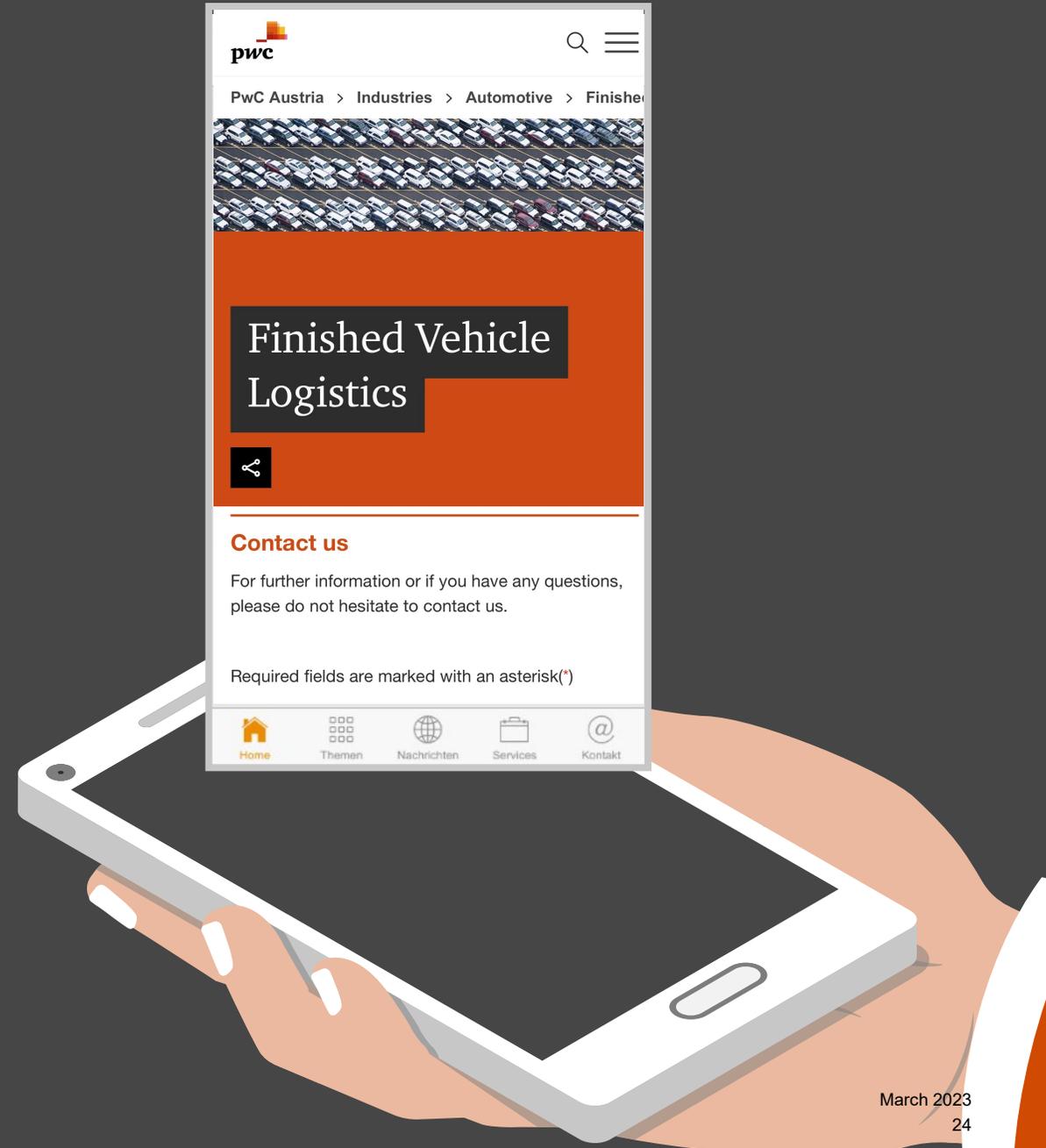
Who can I contact in case of any questions after the launch?

Both ECG and PwC contacts will be provided within the publication. A dedicated landing page for the FVL Cost Index on the PwC Austria webpage will provide the possibility to submit any arising questions or inquiries.

...before we end

We hope that the variety of questions which we received before today's launch were all addressed during the presentation.

Questions which arose today can be submitted via the PwC Austria landing page specifically created for this publication. The link was already sent to you in today's webinar invitation.





Thank you for joining
today's launch of the
FVL Cost Index!

Disclaimer

This study is the result of a collaboration between ECG – The Association of European Vehicle Logistics and PwC Austria Advisory Services GmbH, hereinafter referred to as PwC Austria.

The methodology and input variables reflect PwC Austria’s understanding of industry-specific factors at the time of writing. However, given the variability among countries and sub-sector specific variations, no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made in this study.

In creating this index and this study PwC Austria utilised publicly available as well as proprietary information. Data obtained from interviews was processed anonymously and confidentially in accordance with the Data Protection Rules applicable in PwC Austria’s data protection policy. Where applicable the sources of information are provided within the study. PwC Austria has not sought to independently verify those sources unless otherwise noted within the study.

This study was not prepared in accordance with any assurance or other standards. Consequently, no opinions or conclusions intended to convey assurance are expressed within this study.

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