



Vehicle logistics

Flat volumes, high costs and fierce competition challenge Europe's FVL sector

Europe's finished vehicle logistics industry is battling a testing market as stagnant volumes, rising costs and intensifying global competition squeeze margins. Industry leaders at ECG's annual conference warned that survival will depend on driving efficiency and embracing innovation to stay competitive.

🕒 4 min



Wolfgang Göbel, president, Association of European Vehicle Logistics Source: ECG

Europe's FVL sector is bracing for a challenging future marked by stagnant volumes and tepid growth prospects. "The market is flat... And the outlook is not that promising," said Wolfgang Göbel, president of the Association of European Vehicle Logistics (ECG), speaking at the industry's annual conference in Amsterdam on October 17. New car sales in major European markets have recovered from the pandemic lows but remain flat – a trend confirmed by S&P Global Mobility's forecast. "Most of the mature markets... are pretty much maxed out where they are. There's a flat line... the [future] growth is in ASEAN, India [and] South America... beyond that we're looking at a fairly flat, unexciting forecast," noted Colin Couchman, executive director, global light vehicle sales forecast at S&P Global Mobility.

The subdued volume outlook is dampening industry confidence and investment. "When the volumes are low it's about survival," Göbel said. "You try to survive and adapt the quickest."



Compounding the flat market, [companies are being squeezed by rising costs across the board](#). According to the PwC European FVL Cost Index, jointly developed by ECG, industry costs remain well above pre-crisis levels with no signs of easing.

“Costs are significantly higher than pre-crisis levels and continue to rise. In addition to the cost development, the cost level is high, and there is no other way out than reducing our costs through efficiency improvements,” Göbel said. He warned that profitability is under threat as inflationary pressures – from fuel and energy to labour and materials – drive up operating expenses for vehicle logistics.

To sustain margins and fund future investments, ECG sees efficiency gains as essential. “Profitability must be maintained to make the necessary investments. Costs across all relevant areas continue to increase, so any cost reduction can only come through efficiency improvements – either by eliminating inefficiencies in the supply chain or by leveraging new technologies to increase productivity,” Göbel emphasised. Improving efficiency is “essential” for remaining profitable enough to drive the sector’s transformation, he said, “and this requires close collaboration across the industry”.

Industry leaders at the ECG Conference reinforced this message, highlighting technology and innovation as keys to cost containment. The event’s theme, “Changing technology in a changing world: The power of efficiency through innovation in FVL”, underlined a collective push to deploy technical solutions for productivity gains. From automation in yards to digital tracking, companies are accelerating efforts to do more with less. “The way that we will succeed is going to be by the utilisation of all the available technology,” remarked ECG vice-president Mark Hindley.

Chinese competition and regulatory uncertainty

Beyond internal challenges, European automakers face intensifying competition from abroad, particularly China. Couchman’s outlook flagged the “scale and speed of the dominance of the Chinese manufacturers” as a growing force, predicting it “will probably intensify from here on out” – creating a “significant upside” for China’s auto industry “compared to a downside for basically everybody else,” including Europe. With Chinese automakers expanding exports and considering local production in Europe, he described a coming “invasion” of competitive electric vehicles, even as Europe debates tariffs and trade barriers. Europe’s own automotive production is fragmented by



Klaus Zellmer, CEO of Škoda Auto, offered a perspective from the OEM side on how to respond to the challenge of competition. Speaking as the conference keynote, Zellmer acknowledged the influx of Chinese brands but cautioned against panic. “I’m not really worried about it as long as we’re aware of it. And I don’t believe in protectionism,” he said, arguing that European firms should focus on sharpening their competitive edge. “I think we just need to get better. We need to get leaner, more efficient, more innovative, better quality and a better customer experience,” Zellmer told attendees. The competitive threat from China, he suggested, should spur European OEMs and their logistics partners to improve, rather than rely on subsidies.

Zellmer also highlighted Europe’s regulatory burdens as a homegrown challenge. He noted that the EU is the only major region to legislate a hard end-date (2035) for combustion engines, while regions like China and the US let market dynamics drive electrification. “We have too much regulation in Europe,” Zellmer said, likening the situation to running a race “with a backpack full of stones” as each new rule adds weight to industry’s load. Excess bureaucracy and slow decision-making, he warned, risk putting European players at a disadvantage in the fast-moving global auto market. He urged deregulation and faster speed to market, pointing to China’s 9am-to-9pm, six-day work culture (“996”) as a sign of the relentless pace European firms must somehow compensate for.

Innovation and new opportunities

Despite these headwinds, industry leaders stress that the path forward lies in innovation, resilience and finding new opportunities. ECG’s Göbel insists that improving efficiency through innovation is not only about cutting costs but also about enabling the green and digital transitions the sector must undertake to stay competitive. For example, ECG and PwC have developed a “green cost calculator” to help logistics providers and automakers share the upfront costs of investing in zero-emission trucks and infrastructure, on the expectation that those costs will come down over time.

The quest for new revenue streams is another theme as European players navigate an era of uncertainty. The sector is exploring business in adjacent fields like military logistics, where their expertise in handling heavy vehicles and complex international movements can be an asset. ECG officials noted during a press briefing that the capabilities of vehicle logistics companies to manage large equipment and maintain reliable transport under pressure uniquely position them to support defence logistics while opening potential new business fields.



as Europe boosts defence spending and mobility in the current geopolitical climate.

The consensus from Amsterdam is that survival and success will depend on doubling down on efficiency, embracing innovation and staying agile in the face of fragmentation. “In the end, we have to take things forward, we have to be optimistic,” Göbel urged, even as he acknowledged the industry’s steep challenges.

Automotive LOGISTICS

Automotive Logistics is the leading resource for automotive logistics and supply chain professionals globally.

Join today to access Automotive Logistics’



and to make important connections across the automotive industry.

Register Now

JOIN US TODAY!

Gain access to premium content, special offers and more...

Your free registration includes:

- Weekly newsletter
- Ability to comment on articles
- Quarterly magazines (digital)
- Special offers
- Reports from our global portfolio of conferences
- Full access to the digital news archive

[Your data matters](#) | [Cookie policy](#) | [About us](#) | [Imprint](#) | [Contact us](#) | [Privacy Settings](#)

Automotive
LOGISTICS



PACK



© 2025 Automotive Logistics