Defence, decarbonisation and disruption dominate 2025 ECG Conference

A record 600 delegates gathered in Amsterdam for the 2025 ECG Conference – now the biggest annual meeting point for Europe's finished vehicle logistics (FVL) sector. Speakers revealed that the automotive industry is under pressure on all fronts – cost, capacity, regulation, security, decarbonisation, geopolitics. IVOTY South Africa member Charleen Clarke reports from Amsterdam for Fleet Transport.

ECG President Wolfgang Göbel

ECG President Wolfgang Göbel set the tone. Demand is flat across most of Europe, with only Spain and Poland showing meaningful growth. The outlook is "not promising," he said. This is not just a soft patch in the cycle; it's structural. Göbel pointed to the Draghi Report, which argues that Europe is losing competitiveness because of high energy costs, slow decision-making, and geopolitical exposure. The report calls for three things: close the innovation gap; decarbonise without killing competitiveness; and reduce dependencies on external powers.

But that agenda collides with economic reality in logistics. More than 80% of FVL companies say they're willing to invest in greener transport. Fewer than 20% of their customers are willing to pay for greener transport. ECG's Costs & Confidence Trends Survey shows that providers are still prepared to invest in new trucks – including lower-emission assets – but shippers are not funding the green premium. The result, Göbel warned, is an expectations gap: "regulators and OEMs demand lower CO_2; logistics is told to make it happen; the market won't pay."

Göbel positioned ECG not as an observer but as an active lever. The association is pushing on innovation and efficiency (including a new Tech Board to fast-track proven digital tools and a Rail Initiative to address rail bottlenecks), decarbonisation (a single, common emissions calculation methodology for the sector, with version 2 due after multiple pilots), and resilience/security. It is also building a dynamic "Green Cost Calculator" to expose the real cost base of low-emission road transport and accelerate e-truck adoption – a tool that still needs sponsors.

Major General Ulf Häussler

NATO AND LOGISTICS: WHAT'S THE DEAL?

Major General Ulf Häussler, Director of the Operations and Planning Division at NATO Headquarters, brought a message that would have sounded out of place at a vehicle logistics event a few years ago: deterrence is now a logistics conversation.

NATO, he said, is undertaking its biggest modernisation since the end of the Cold War. The alliance is responsible for the defence of one billion citizens and is investing heavily in mobility, readiness and reinforcement capability. That means troops at high readiness, large-scale exercises, and the ability to "defend every inch of allied territory all the time". This is not just about tanks and jets. It's about ports that work under stress, rail corridors that can move heavy assets at speed, customs that don't delay convoys, and logistics providers able to surge capacity under pressure.

Colin Couchman

THE MARKET IS BEING REDRAWN – FAST

If NATO is reshaping physical Europe, Chinese automakers are reshaping commercial Europe.

Colin Couchman, Executive Director of Global Light Vehicle Sales Forecast at S&P Global Mobility, described a brutally competitive global demand picture. Consumers are under pressure. Geopolitics and tariffs are rewriting trade flows. Environmental regulation is tightening. Western markets are saturating. Almost all growth over the next decade – 84% of incremental global light vehicle volume – will come from Asia-Pacific, led by India and ASEAN. Western Europe and North America are basically flat.

Europe's traditional model – high-value exports, diversified production, Russia as an outlet, the US as a buffer – is under assault. The war in Ukraine has removed Russia as a volume sink. US tariff policy is limiting transatlantic flexibility. At the same time, Chinese brands are entering Europe at speed. There are now dozens of active Chinese OEMs with electrified portfolios, aggressive pricing and extremely fast product cycles; some brands can refresh major nameplates in roughly 12 months. Chinese manufacturers are also localising production in Europe. This undercuts tariff barriers and puts Chinese brands physically inside the European production footprint.

That leaves European OEMs in what Couchman called a "perfect storm": Chinese competitive pressure, decarbonisation targets, and affordability problems for European consumers. BEV adoption in Europe is slowing, not accelerating, at exactly the moment Brussels expects CO_2 compliance to tighten.

Klaus Zellmer

ŠKODA: CONSUMERS, NOT POLITICIANS, DECIDE

Škoda Auto CEO Klaus Zellmer picked up on that theme. He revealed that Škoda's strategy is "freedom of choice while complying with EU CO_2 regulation": expand the all-electric range, keep improving plug-in and mild hybrids, and continue offering efficient ICE models. He does not back a hard 2035 "electric only" cut-off for new car registrations in Europe, calling it politically tidy but commercially dangerous. Europe, he said, is not Norway. Norway's EV boom was driven by heavy incentives for BEVs and punitive taxation on ICE, plus cheap electricity and dense charging. Replicating that across 27 EU states (plus associated markets) when German electricity can cost roughly 2.7 times Norwegian levels is unrealistic without serious fiscal backing.

Zellmer set out the profitability squeeze. Batteries still make up around 37% of the cost of building a fully electric car, which drags EV margins towards break-even versus ICE. He also noted that Chinese brands already hold around 5.1% share in Europe and are localising production inside the EU. That footprint could drive their share into the mid-teens by 2030.

Chris Zuo

CHINA'S OUTBOUND MACHINE

Chris Zuo, Executive Vice President of the China Automotive Logistics Association, showed just how fast China is industrialising its export machine. Domestic Chinese brands now command well over 30% of their home market, reaching about 70% share in some recent months, driven by rapid model refresh, aggressive pricing and tech-heavy features. New energy vehicle (NEV) sales – including BEVs, PHEVs and range-extended hybrids – have surged, and China's total automotive exports have climbed into the millions of units per year. Europe is one of the prime targets, with ports like Zeebrugge, Bremerhaven, Barcelona, Southampton and Amsterdam now serving as gateways for Chinese brands, and Amsterdam positioning itself as an "Electric Vehicle Conversion Centre" and European headquarters hub.

Critically, China is no longer waiting for Western logistics capacity. The fleet of Chinese-owned ro-ro (roll-on/roll-off) vessels is expected to jump from 11 ships in 2021 to 61 ships in 2025, with total Chinese-controlled ro-ro parking capacity forecast to grow from 48,000 to 365,000 vehicle slots over the same period. Rail is being used as a strategic safety valve: dedicated China–Europe block trains are now moving finished vehicles (including BYD cars) to Germany with roughly 40% shorter transit times than sea freight, even using double-deck wagons for commercial vehicles.

Christof Klitz

POLICY, LOBBYING AND THE RULEBOOK

Christof Klitz, Special Advisor on Transport Policy at FIPRA, added the Brussels lens. The EU is shifting from a purely green narrative to one of strategic autonomy, industrial sovereignty and security of supply. The Clean Industrial Deal (February 2025) and its sector spin-off, the Action Plan for the European Automotive Sector (March 2025), promise support for connected and autonomous vehicles, €1.8bn to secure battery raw materials, a "Small Affordable Car" initiative, and regulatory simplification. Clean Corporate Fleets – due by the end of 2025 – aims to push corporate fleets toward zero-emission operations.

But industry is pushing back on how that transition is managed. Fleet operators don't just want mandates; they want standardised emissions reporting, predictable fiscal incentives (capex support, accelerated depreciation, CO_2-differentiated tolls), and infrastructure funding. Many argue that top-down quotas risk piling yet another compliance burden onto companies already dealing with ETS2, CSRD and mounting cost pressure.

One regulatory file with immediate, practical impact is the Weights and Dimensions Directive. Both the European Commission and Parliament support allowing loaded open car transporters to exceed current maximum lengths up to 20.75 metres using authorised, including extendable, load supports. This matters because longer authorised equipment means more cars per trip, better space utilisation and lower CO_2 per unit. Some Member States – including the Nordics, Italy, Belgium, Germany and the Netherlands – are supportive; others remain cautious.

Peter Hördlein

VOLKSWAGEN: AUTOMATION IN THE YARD, NOT SCI-FI

Peter Hördlein, Managing Director Vehicle Logistics at Volkswagen Konzernlogistik, took the discussion from geopolitics to ground operations. VW's AutoLog project is testing automated driving for finished vehicle movements in real compounds, ports and yards.

Instead of trying to make every vehicle fully autonomous, AutoLog builds intelligence into the yard. LiDAR poles and cameras create a live 3D "digital twin" of the site. A cloud-based marshalling system plans safe routes and sends "driving missions" to vehicles via public 5G. Vehicles then move themselves – driverlessly – to loading bays, parking lanes or handover zones. This allows yards to be run for flow and density, not walking distance or shift breaks. The project went live in Volkswagen's Emden yard in June 2025 and by September had reached full dynamic testing in a high-traffic roundabout, with 17 poles, 25 LiDAR sensors and multiple prototype vehicles operating in real complexity.

RENAULT: REAL-TIME CONTROL, END TO END

François Prince, General Manager at Renault, focused on resilience and visibility. Since 2020, the automotive supply chain has been hit by rolling shocks: semiconductor shortages, inland transport crunches, port congestion, spiralling rates, inflation, climate impacts, unstable demand – and yet OEMs are still expected to hit decarbonisation targets, keep customers happy and protect margins.

François Prince

Renault's answer is what Prince called an "extremely reactive and collaborative" model built around control towers. The Vehicle Control Tower is designed as a single source of truth for each car's journey – from plant release to final delivery – combining GPS, transport management system (TMS) events, predictive arrival scheduling and proactive alerting. The aim is simple: on-time delivery to the end customer, with customer care informed before the dealer (or the driver) starts shouting.

KEY TAKEAWAYS

The 2025 ECG Conference revealed that the sector must decarbonise faster, operate leaner, absorb geopolitical shock, integrate with defence logistics, match Chinese speed, satisfy Amazon-era customer expectations for visibility, and do it all with less bureaucracy and more accountability. Clearly, the era when finished vehicle logistics could quietly sit at the end of the value chain is over…

Text: Charleen Clarke