

Finished vehicle logistics

Capacity concerns, China's growing influence and shifting trade routes amongst the top trends in Europe's FVL sector

Alongside the election of a new ECG president and the graduation of 42 ECG Academy students, ECG's General Assembly and Spring Congress 2026 saw experts in finished vehicle logistics highlight some of the biggest trends and challenges facing the industry, including



Concerns over inventory accumulation from China in Europe and difficulties meeting sustainability expectations.



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In June, the Association of European Vehicle Logistics (ECG) held its annual General Assembly and Spring Congress in Istanbul, Turkey. The association provided its members with updates of its activities over the past year before the board elections took place. During the Spring Congress on the second day, industry leaders from both OEMs and logistics service providers came together to share their perspectives on the current state of the industry and how it might change in the coming years.

Jump to: New leadership

Shifting FVL trade routes

Speaking at the Spring Congress, Namrita Chow, business analyst and global alliances lead at ECG, discussed how geopolitical conflict can alter pre-defined trade routes for finished vehicle logistics. With geopolitical issues affecting trade along established routes, the FVL sector has had to adapt, redistributing traffic globally, leading to the emergence of alternative ports and hubs for FVL.

Taking the most pertinent example in 2026 – the conflict in the Middle East – she analysed data which pointed to an increase in volume along three main routes since the US and Israel's attack on Iran on February 28. These three routes – originating in China, Japan and South Korea – experiencing higher volumes have been: the West Coast of the USA and South America; the Cape of Good Hope; or the Red Sea, which is still itself facing problems.



Read more: Hyundai Glovis, Koopman and Port of Amsterdam form strategic alliance to strengthen European auto logistics

Hyundai Glovis Europe, Koopman Logistics Group and the Port of Amsterdam have signed a strategic cooperation agreement to enhance automotive logistics operations in Europe, bringing together port infrastructure, finished vehicle lo-



ities to support long term growth and supply chain resilience.

She also noted an increase in volume at other ports in the Middle East including the Port of Berbera in Somalia and the Port of Aqaba in Jordan, as well as Jeddah Port in Saudi Arabia. She pointed towards the Port of Duqm in Oman as an interesting example of the FVL sector's resilience and adaptability. Having never welcomed a ro-ro ship before the conflict, on March 6 the Port of Duqm received its very first ro-ro shipment.

Since then, the Port of Duqm has welcomed seven ro-ro vessels. From here, thousands of vehicles have been moved by road to Jebel Ali Port in Dubai, where they could continue their journeys without passing through the Strait of Hormuz.

Chow argued that these developments demonstrate how rapidly the finished vehicle logistics sector can reconfigure supply chains, with ports that previously handled little or no ro-ro traffic, becoming part of established trade corridors almost overnight.

The data also suggested that what began as temporary workarounds to geopolitical disruption are increasingly becoming embedded parts of global finished vehicle logistics networks. Chow noted how redirecting shipments along the Cape of Good Hope, a strategy that first emerged in response to the Red Sea Crisis, is now an established route that shippers are taking advantage of not just to avoid the Strait of Hormuz, but also to move used car exports from China and Europe.

"Once upon a time, not that long ago, the Cape of Good Hope was a sudden, short-term solution to a problem that everyone hoped would go away," Chow explained. "However, today the Cape of Good Hope route is a structured option and what we're seeing is an increased amount of traffic in the first quarter of this year."

Supporting this statement, data has shown that so far in 2026, year-on-year increases in activity have been recorded at Dar es Salaam in Tanzania (+54%), Durban in South Africa (+24%) and Tincan/Lagos in Nigeria (+13%).

Keeping up with China speed



providers around the world.

According to data from the China Association of Automobile Manufacturers (CAAM), Chinese vehicle exports rose by 57% year-on-year in the first quarter of 2026, continuing a trend that has reshaped global automotive trade flows over the past five years. The scale of this growth has prompted questions about where those vehicles are ultimately being sold and whether logistics networks can continue expanding quickly enough to accommodate future volumes.

She pointed to the significant expansion of vessel capacity as evidence of this confidence, noting that 133 pure car and truck carriers (PCTCs) are currently on order. At the same time, around 1 million Chinese vehicles are still estimated to be exported in containers, raising questions about how future vehicle flows will be distributed across different transport modes.

Beyond new vehicle exports, Chow also highlighted the rapid growth of China's used car export sector. Used car exports reached around 600,000 units in 2025, representing growth of roughly 40% year-on-year, following similarly strong growth in previous years.



logistics providers brace for industry overcapacity

As up to eight automotive plants may be in jeopardy in Europe, and Chinese rivals are on the continent's doorstep, the logistics industry is preparing for fundamental changes, including a looming overcapacity crisis.

Part of that growth, Chow acknowledged, had been fuelled by the so-called "one-day-old used car" phenomenon, whereby vehicles could be registered and exported as used cars despite having little or no mileage. In an effort to stop this, Chinese authorities moved to tighten regulations from January 2026, introducing a requirement that vehicles be held for 180 days before qualifying for export as used vehicles.

Despite the regulatory change, Chow suggested used car exports are likely to remain an important driver of global vehicle flows, particularly to emerging markets in Africa and other developing regions. She pointed to rising volumes moving through ports such as Dar es Salaam in Tanzania as evidence that demand for Chinese vehicles continues to expand beyond traditional export destinations.

The growth of both new and used vehicle exports, Chow argued, is helping to reshape global logistics networks, driving investment in vessel capacity, creating new trade corridors and increasing the strategic importance of emerging vehicle-handling hubs around the world.

EU vehicle trade surplus concerns

While China's export growth continues to accelerate, Chow warned that Europe's vehicle trade balance is moving in the opposite direction. Drawing on Eurostat



Europe's automotive market reshaped by electrification

Alongside geopolitical uncertainty and shifting trade patterns, Justin Cox, director of global production at LMC Automotive, identified electrification as one of the key forces continuing to reshape the automotive sector.

Despite a slowdown in global battery electric vehicle (BEV) growth, Europe has emerged as one of the strongest-performing EV markets. According to Cox, BEV sales in Europe increased by 29% in the first four months of 2026, helping to offset weaker demand in China and the US.

"Europe has actually helped the total global figure," Cox said, noting that the region's EV market regained momentum in 2026 after a slow start to the year.

However, the transition remains uneven across the continent. While EVs account for more than 25% of new vehicle sales in Scandinavia and the Benelux countries, penetration rates remain below 15% in much of southern, central and eastern Europe. In Germany and France, BEVs account for around 18% of registrations, representing around 21% of sales in the UK and 15% in Turkey.



electric models is expected to broaden the appeal of EVs and help European manufacturers meet increasingly stringent emissions targets.



Read more: Stellantis and Leapmotor's LPMI joint venture expands logistics partnership with Grimaldi Group

Leapmotor International (LPMI), a joint venture between Stellantis and Leapmotor, has an-



partnership with the Stellantis Group as it targets full-scale European production at two sites in Spain.

At the same time, Chinese manufacturers continue to strengthen their position in the European market. Cox pointed to China's cost and technology advantages in the EV sector, as well as growing investment in European production facilities, as key factors behind their expansion.

According to Cox's forecasts, Chinese-brand vehicles could represent as much as 12.2% of the European passenger car market in 2030, driven further by investment in local

production, like **MG's decision to establish its first mainland European manufacturing facility in Spain**, and the extension of Stellantis and Leapmotor's strategic partnership to into full-scale European production.

For vehicle logistics providers, the combination of accelerating electrification and growing Chinese influence in the European market is likely to reshape vehicle flows, create new production and distribution hubs, and drive continued change across the region's automotive supply chains.

Collaboration is critical

Speakers over the course of the event highlighted a range of challenges facing the finished vehicle logistics sector, but when it came to solutions, one theme repeatedly emerged: the need for closer collaboration between OEMs, carriers and logistics providers.

With so much disruption and uncertainty in the industry, participants in a panel discussion at the event argued that traditional transactional relationships are no longer sufficient.



Read more: Turning supply chain disruption into competitive advantage at GM, Schaeffler, and Toyota

At ALSC Europe 2026 in Bonn, leaders from General Motors, Schaeffler, Maersk, Toyota Motor Europe and Kinaxis discussed how companies pulling ahead are the ones that have restruc-



THE CRISIS ARRIVES.

From an OEM perspective, Jean-Francois Bock, senior manager of vehicle supply chain at Toyota Motor Europe, emphasised that viewing its logistics partners as collaborators rather than service providers is the first step towards long-term strategic alignment, mutual fairness and trust – which Toyota believes is essential to achieving shared goals.

"Trust takes time to build and can be destroyed in just a few seconds," Bock said. He gave an example of where this kind of trusted partnership has given Toyota a strategic advantage, noting that when a severe hailstorm damaged Toyota vehicles ahead of the Paris Olympics, which the automaker had sponsored, its logistics partner did not look to reassess contracts to fix this issue – as might be expected of a more transactional relationship – but instead immediately looked to solve the problem alongside Toyota.

The need for closer cooperation was also linked to one of the sector's most pressing challenges: how to fund the infrastructure needed to support future vehicle flows. Panellists pointed to growing congestion at ports, increasing vehicle imports from China and the need for more sustainable transport solutions as areas that will require significant long-term investment.

Rail was highlighted as a particular example. While several speakers described rail as a critical tool for handling higher volumes and reducing emissions, they also acknowledged that infrastructure constraints continue to limit its potential. Representatives from both OEMs and logistics providers argued that unlocking greater rail capacity would require coordinated action between industry and governments, as well as a shared commitment to long-term planning and investment.

More broadly, panellists suggested that the industry's ability to adapt to changing trade routes, emerging production hubs and evolving customer expectations will depend not only on physical capacity, but also on the strength of relationships across the supply chain. As finished vehicle logistics enters a period of profound change, collaboration is increasingly being viewed not simply as a competitive advantage, but as a prerequisite for success.

Speaking directly to *Automotive Logistics*, Hindley acknowledged that some OEMs are more comfortable entering into longer-term agreements with partners than others, particularly

Why Turkey?

In his opening address, newly elected ECG president Mark Hindley recognised the importance of Turkey as a key automotive hub, not just for manufacturing but also



New leadership



Wolfgang Göbel, departing president of ECG, was awarded the title of honorary president for his commitment over the past 24 years

With Wolfgang Göbel, head of logistics and services at Mosolf – who has been ECG's president for the past decade and was vice president for seven years prior to that – stepping down from his role, the association's members voted for a new president.

Mark Hindley, sales and marketing director at BCA Vehicle Services, was unanimously elected as ECG's new president. Stepping up from his previous role as vice president, Hindley will serve as ECG president for a two-year term. Marco Duato Mollera, director at Suardiaz Shipping Lines, was also elected to join Hindley over this two-year period as ECG's vice president.

Throughout the event, individuals paid tribute to Göbel and his contributions both to the industry and to the organisation itself over a period of almost 25 years.



Mark Hindley (left) and Marco Duato Mollera (right) were elected president and vice president of ECG, respectively
ECG

His successor Hindley commented that Göbel has the "utmost respect" of everyone at ECG and credited him with playing a central role in the development and expansion of the



have imagined," added Costantino Baldissara, automotive Atlantic director at Grimaldi Group and Göbel's predecessor as ECG president. "It is stronger, more respected, more influential."

Hindley acknowledged some of the challenges facing Europe's vehicle logistics industry today, but also the many "exciting" opportunities the near future holds, from electrification to Chinese investment in Europe, from sustainability to AI. "We look forward to driving the future of the industry together," he said, looking ahead in his new role at the helm of the association.

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