



**ECG Comments on the public
consultation on the extension of
the major Trans-European
transport axes to the
neighbouring countries and
regions
- 31 March 2005 -**

1. Introduction

Founded in 1997, European Car-transport Group of interest (ECG) is a non-profit association, representing 55 European leading companies in the field of vehicle logistics.

ECG member companies provide a wide variety of services:

- transport (road/rail/overseas, short-sea, inland waterway)
- quality control and damage inspection
- storage in special compounds
- workshop activities (pre-delivery inspection (PDI), de-waxing, body and paint repair, vehicle equipment, customising)
- refurbishing (former leasing and rental cars)
- other services (customs clearance, fiscal representation...)

The primary role of ECG is to represent the interests of the vehicle logistics sector vis-à-vis the European Institutions, automotive manufacturers, importers, dealers and European associations active in the automotive sector.

2. Trends in the automotive industry affecting the transport of new vehicles

The automotive industry is currently undergoing changes that have an effect on the transport of new vehicles. In the past decades manufacturing plants used to produce the whole manufacturer's range of new vehicles. The current trend in the automotive

industry is that manufacturing plants produce one single model, maximum two. Many European plants produce one single model for all Europe or in some cases for all world: Opel Corsa, Ford Ka, Ford Mondeo, Mercedes Smart, Peugeot 206, Renault Megane Scenic, Chrysler Voyager, Volvo etc. This trend has multiplied the number of cross-border movements that are needed in order to transport the vehicles produced in a given Member State to the final market of destination. Naturally, good transport connections are therefore essential to the vehicle logistics sector, not only within the European Union but also with neighbouring countries.

Another trend in the automotive industry is that manufacturers are trying to reduce production costs, and are therefore relocating manufacturing plants to Central and Eastern European countries with lower social costs. As these new production sites are thousands of kilometres away from final consumers, the need for transport of new cars will inevitably increase. Again, this calls for a well-balanced infrastructure network, especially in Central and Eastern Europe, where infrastructure is not yet at the same level as in the rest of Europe.

3. Public consultation on the extension of the major Trans-European transport axes to the neighbouring countries and regions

ECG welcomes the initiative of the European Commission to connect the major Trans-European transport axes better with neighbouring countries and regions. As mentioned above, the current trends in the automotive industry have a direct impact on vehicle logistics companies and the need for transport of new cars. Transport infrastructure is still very under-developed in some countries and therefore any attempt to improve the current situation is welcomed. Bottlenecks could be the lack of legal procedures to take over the land for the construction of roads, the lack of funds for construction of infrastructure, and the lack of support of the state (financial guarantees for private investors). As many of the Eastern European countries have very limited budget for the development of new infrastructure; the role of the private sector should be significant. Existing roads are usually in very bad condition; therefore it would be preferred to focus on building new infrastructure over improving existing transport connections. By building new and modern infrastructure within the trans-European transport network, traffic would concentrate on these main axes and this would result in less traffic on alternative roads.

However, infrastructure development alone is not enough, especially in respect to the aim of the European Commission to promote intermodal transport. ECG members transport cars by maritime transport (deep sea, short sea, inland waterways), road and rail transport. All these types of transport need good infrastructure, but there is also a need for the construction of logistics centres, where logistics companies can switch from one mode of transport to another, for instance where cars that have been transported over a long distance by train or ship can be loaded onto trucks for the final leg of their journey to the dealers. Only through these kinds of facilities will intermodal transport be facilitated. Also, programmes such as Marco Polo of the promotion of short sea shipping can help to achieve a more intermodal use of transport in Europe.