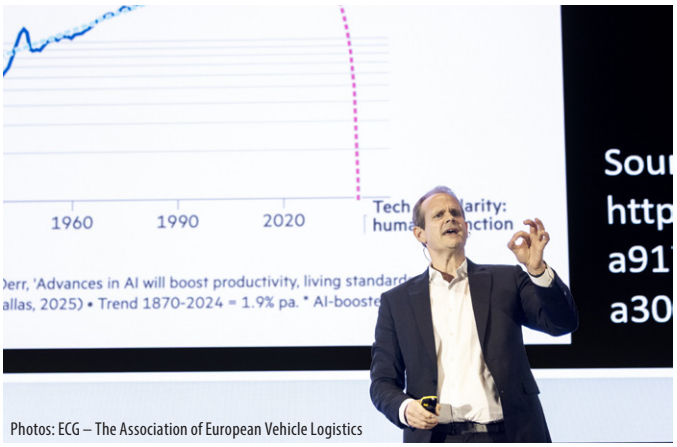
The speed of change

by Przemysław Myszka

This year's flagship autumn event of ECG – The Association of European Vehicle Logistics drew around 550 participants to Denmark's capital for two days devoted to the theme *Winds of Change. Understanding tomorrow, navigating towards the future*. Apart from the usual presentations on the sales-and-production state of the market, one speech stood out in particular: Lars Sudmann's on leadership in times of uncertainty.





Photos: ECG – The Association of European Vehicle Logistics

In TED-talk style, he walked the audience through five principles for navigating disruption. First, exploration – the need to 'stir' entrenched thinking by asking not only 'why is this being done?' but also 'what else could be done?' To help with that, Sudmann proposed one should imagine receiving a letter from the International Olympic Committee. In it, one would find an invitation to the next Olympics – but without stating for which competition. Now, Sudmann asked: how one should prepare for something unknown. A HILP session might come in handy – sitting down and scrutinising how one would act in the face of a high-impact, low-probability event. To demonstrate the effectiveness of such training, he brought up a story of a company that actually analysed the case of a global pandemic before COVID-19. Next was the owl eyes principle – having cascading clarity, from vision to goals, focus areas, initiatives, and concrete actions. It was followed by spaghetti – referring to the method of checking whether the pasta is ready by throwing the strands against a wall and seeing if they stick. Similarly, instead of theorising about the optimal course, an organisation would do better to just test things in action. Last, the self-leadership principle – asking whether one's own code is evolving in the wake of challenges. This rule is meant to steer the person to ask who expressed exceptional leadership when it was truly needed – and whether that person might not be the inquirer themselves.

While Sudmann's presentation had nothing whatsoever to do with automotive logistics – or transport in general, for that matter – it was genuinely refreshing in its out-of-the-box energy. It also aligned with the introduction made by ECG's Executive General, Frank Schnelle, who laid out the conference's central question: how to react to a volatile market? The Association's newly elected president, Mark Hindley, spotlighted in the following welcome address the forces of transformation, including geopolitics, new technologies, sustainability issues, and profound import-export rebalancing. "I have been in the car industry for 30 years, but the speed of change has never been greater," he stressed.

Though this year's event featured no presentations from Chinese speakers, unlike 2025's, China was on the lips of almost all speakers. In 2026, the country's domestic market sales are forecast to come in 19% below the level of new-vehicle purchases recorded in 2025. However, that doesn't mean the market is in crisis; rather, an explosive boom has left it saturated, first and foremost with electric cars made by Chinese companies. One development couldn't underscore that fact more than Volkswagen's shrinking fortunes in that market – the Group used to earn billions of euros on it, a torrent that has dwindled to a trickle (some €4.6b in 2018, with just €0.4b predicted by the end of this year). China's car manufacturers, after heavily investing in production capacity of virtually all segments, from entry-level to luxury vehicles, now have to move those volumes into global markets. Their brands are already pouring into Brazil (currently China's top export market), followed by Russia and the UK. Anybody not living under a rock can testify that more and more Chinese cars are appearing on European streets, too. But there's more in China's toolbox. The EU is trying to curb Chinese imports (through tariffs or quotas), and that's why the Chinese want to have their own production plants in Europe, a move already under way. What is more, they're also eyeing investments in nearby countries, particularly Morocco and Türkiye. None of this bodes well for European carmakers, with domestic production in the EU-15 falling by 43% in the decade leading up to 2025.

This rebalancing of trade comes with its own set of challenges. Ports and terminals are increasingly facing congestion – as handling import vehicles requires twice the yard space that exports do, even at identical volumes. This is compounded by the arrival of ever-larger car carriers. That said, overseas transportation capacity remains far from sufficient (China alone exported one million vehicles by end-summer 2026); consequently, a growing number of cars is being transported in containers, a sub-optimal solution. Later, at the press conference, I asked about the specific challenges of this containerised trade. Hindley, as well as ECG's VP, Marcos Duato Mollera, answered that it's easier to damage a car when it's in a container – both in transit and when stripping (here chiefly because container terminal workers are not used to handling this kind of freight). Also, containers are not part of the established finished vehicle logistics network, meaning that final delivery to a car dealer is more cumbersome.





The state of the market was further analysed in other presentations, including by Thomas Gerlach, Partner at PwC, Stefan Bratzel, Executive Director and Founder of the Center of Automotive Management, and Christopher Ludwig, Chief Content Officer of *Automotive Logistics* (who also moderated a panel comprising carmaker representatives). Gerlach focused on the sales and production figures. Both light and medium- & heavy-duty markets are growing, with China as the main driver (the EU and the US remaining flat over the next couple of years, with the former's market still below pre-pandemic levels). Electric and hybrid vehicles are steadily advancing – except in the US (Tesla being the exception, of course). In the EU, this new generation of vehicles is predicted to reach a market share of nearly 90% in 2035 – and a similar development is expected to take place in China (whereas the US reaches just 30% by then).

Conversely, Magnus Sahlholm, Head of Group Strategy at Volvo Trucks, painted a different picture when it comes to electrifying the trucking sector. While battery vehicles account for 28% of trucks in China, the figure is barely 2% in Europe and effectively null in the US. The strategic rationale differs markedly between these markets. In Europe and the US, it's a commercial affair – switching a diesel engine for an electric motor must make business sense. In China, it's about energy independence – getting rid of oil imports in favour of locally generated power. Clean air in their cities, Sahlholm added, is a factor that the Chinese also pay attention to. For Europe to compete in this race, its manufacturers need to have the best product, make sure that at least the operating expenses of an e-truck are lower than a diesel's, and add value through digitalisation (predictive maintenance, greater visibility, or better customer service, to name a few).

Bratzel highlighted that changing the corporate culture is the most important task for European carmakers – and at the same time the hardest. Chinese producers have fully embraced not only the electric-vehicle concept but also that of the software-defined car. Europeans are trying to catch up now, especially manufacturers from Germany. Bratzel sees future cars akin to smartphones – a multipurpose platform through which different industries connect. Specifically, an electric car can become part of the grid, e.g., acting as battery storage for a prosumer household. Yet, divining which innovation will strike gold is always a bit of tea-leaf reading. Here, Bratzel highlighted the robotaxi market. Waymo, the US market leader and an Alphabet subsidiary, is on average losing $300 per ride, amounting to roughly $1b burnt per quarter. "But we'll see more autonomous cars," he concluded.

Meanwhile, it's not entirely clear whether we'll actually witness more autonomous trucks on the roads. Tobias Schweickhardt, Manager Regulatory Affairs Connected & Automated Vehicles from Daimler Trucks, said the industry is more likely to move towards hub-to-hub solutions, looking more like rail services than a future in which trucks without drivers will zip freely along Europe's highways and narrow streets. The issue with autonomous trucking is that it just doesn't add up to a business case today, even though other pieces of the puzzle are in place, including technology and regulations.

Another presentation, by Enno Borchers, Industry Partner Automotive from Telekom, and Vesa Kiviranta, CBO, Automotive & Intelligent Vehicles, from Unikie, gave an update on a speech from last year about automated vehicles. Here, the solution is to fit the environment with sensors, not the vehicle, so that it can steer the flows (in partnership with Audi, Unikie has lately shown this works for rail handling of cars). The advantage of this approach also lies in data – the environment-guiding-a-vehicle communication can rely on a 4G network since it requires far less information to be processed than a car that needs to have situational awareness comparable to a human driver.

Speaking of tech solutions, no conference these days is complete without AI (next year, in mid-May, ECG will host its own event in this field: the AI-Day in Paris). Ben Waller, Associate Director at ICDP, presented a long list of applications across automotive sales and delivery chains: demand forecasting, risk sensing (e.g., to better manage workflows around those import surges), process scheduling and handling optimisation (especially in 'closed' environments, like ports and terminals, for better asset utilisation), used vehicle condition appraisal, chatbots, fleet management, in-car voice assistants, and solutions for the above-mentioned sectoral convergence. Waller, however, emphasised that AI will not magically optimise a business on its own – it'll still require strategy and oversight in the foreseeable future. Importantly too, in the car industry and the logistics sector serving it, AI will more likely be limited to 'islands of excellence' rather than overall enterprise optimisation.

Before ECG Conference 2026 moved to its concluding session, the Association traditionally held a press conference, during which I raised a few questions relating to topics covered at previous events, including military mobility and safety. Having hosted a NATO representative's presentation at the 2025 edition, ECG asserted that this wasn't a passing fad, and it's actively involved in raising the sector's profile among those responsible for Europe's defence. Consequently, ECG will be heading to Edge, NATO's partnership and defence innovation event – this year taking place in İzmir. Asked about the Association's work on safe working conditions and whether the spread of electric vehicles has changed anything in this regard, ECG said that it's still a matter of workers adhering to safety guidelines more than anything else. Incidents continue to be reported and analysed, with efforts to urge everybody involved in handling vehicles to never put operations ahead of health and safety. And finally, the press briefing revolved around China and its car-making industry. Here, one outstanding insight was that battery health checks on vehicles headed for the secondary market reveal that they're in very good condition. ■