

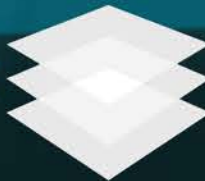
LIVESTREAM HOUR

AUTOMOTIVE SUPPLY CHAIN IN FOCUS – EUROPE

In Partnership



FRACHT
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AUTO LOGISTICS

AUTOMOTIVE
FESTIVAL of TRANSFORMATION
SURVIVING AND THRIVING IN 2020

from

**Automotive
LOGISTICS**

&

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Today's Guests



Christoph Stürmer
Autofacts Global Lead Analyst
PwC



Liviu Bidian
Supply Chain Director
LEONI



Host:
Christopher Ludwig,
Editor-in-Chief
Automotive Logistics
AMS

Running order

14.30-14.45 **Global crisis roundup and supply chain trends**
-Christopher Ludwig, Automotive Logistics, AMS

14.45-15.00 **Presentation: European market insight**
-Christoph Stürmer, PwC

15.05-15.20 **Q&A on European automotive supplier trends**
-Liviu Bidian, LEONI

15.20-15.40 **Panel discussion**

15.40-15.45 **Conclusion and close**

The week's global restarts and ramp ups...



- **FCA** Tychy, Poland restart June 16th
- **BMW** Europe plants moving to at least two shifts
- **Audi** Győr, Hungary moves to three shifts



- **VW** reopen in Puebla (last VW brand global plant to restart) though still issues in state
- North America vehicle production could be close to full capacity by July...can it be sustained?



- Brazil: Most OEMs have now resumed, but at low capacity and worsening crisis



- India: **Honda** (Tapukara, Greater Noida), **MG** (Halol)
- **Great Wall** signs MOU for former GM plants in Talegeon



...other plants remain closed



- Puebla initially holds back **VW** and **Audi** restart – but limited output has begun
- Mexico supplier production capacity could still be as low as 30%



- Several **FCA** (Pomigliano d'Arco, Cassina, Serbia),
- **PSA** (Vauxhall Ellesmere Port) **Renault** in France and **JLR** (Castle Bromwich) delay openings for months on low demand or plant modifications



- **Kia** halts two South Korea plants on Covid cases, **Hyundai** lowers output on low output



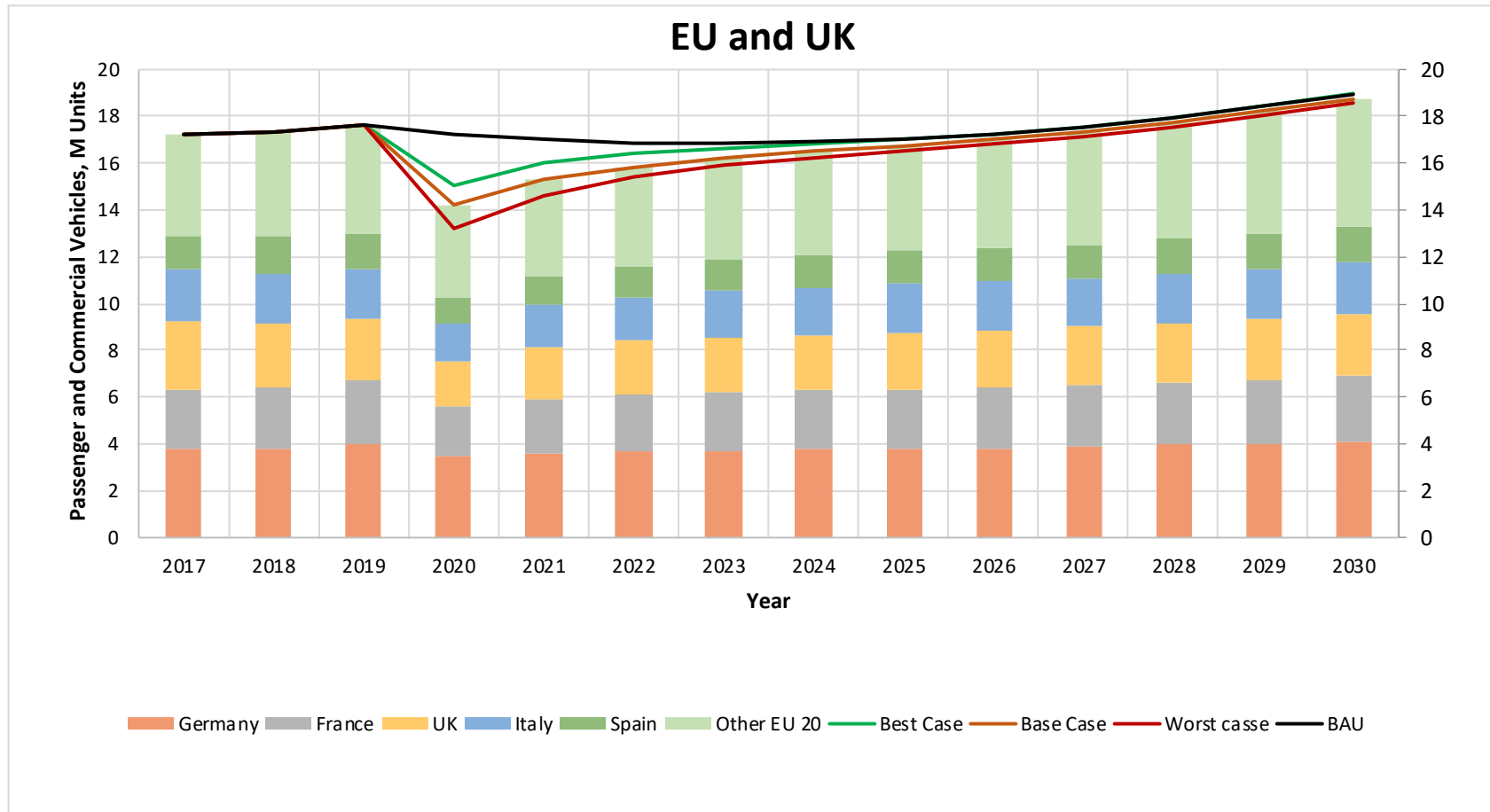


Supply chain & logistics networks recovering, but still fragile

- Global cases still rising: outbreaks halt plants anywhere, key regions at high risk (Brazil, Mexico, US South, India)
- Demand planning highly volatile: government stimulus/incentive, delayed seasonality and low supply of certain products could distort shape of recovery
- Supplier liquidity a major risk
- Logistics networks under strain: shipping layups, reduced air freight and disrupted multimodal lanes
- Supply chain susceptible to other disruption: social unrest, weather, cyber security, second outbreak wave (Beijing part-lockdown a key example)
- Trade dispute and regulation add burdens: USMCA implementation, renewed fear of hard Brexit, US 'Lobster Tax' threats and escalating US-China cold war

Europe faces long recovery path

- Most assembly plants have resumed but many producing at low capacity.
- May sales -58% y-o-y, improved on April (-80%)
- Current forecast: 20-25% decline in sales and no return to pre-crisis levels until end of 2020s



Source: ECG Business Intelligence ([Download the full report here](#))

Tough competition and structural shifts

- Incentives to provide boost to low-emission vehicles and EV...but will they support wider supply chain revival?
- Disruption in global trade will especially hurt Europe
- Job losses, plant closures, refocused R&D and technology investments
- Hard Brexit risk: stockpiling, tariff and customs costs and eventually production shifts
- Potential competition from Chinese EV imports





Will the crisis reshape supply chains?

Supply chain & product planning

- **Short term:** Reduce model configurations and prioritise profitable and incentivised products
- **Longer term:** Significant reduction in platforms and more parts sharing to lower R&D and reduce supply complexity

Safety protocols, social distancing & PPE

- **Short term:** Impacts compensated by low output, vary by country (i.e. 1 or 2 metres) and automation levels
- **Longer term:** Increased costs & higher automation

Sourcing & inventory management

- **Short term:** Disruption risks require higher stock levels
- **Longer term:** Relocation of some supply chains, including regional or dual sourcing options

Online sales and service

- **Short term:** Online tours, testing & contactless delivery
- **Longer-term:** Integrated online showroom & order process



Are there still opportunities in the European supply chain?

- European 'green deal' and recovery stimulus could be opportunities for sustainable infrastructure & logistics
- EV and battery investment and localisation
- More focus on supply chain economies of scale
- Investment in automation, AI and machine learning
- IIOT and advanced supply chain connectivity
- Online vehicle sales and service value chain
- More focus on supply chain and risk management

Presentation: A changing European market



Christoph Stürmer
Autofacts Global Lead Analyst
PwC



Q&A: European automotive logistics and supply chain management



Liviu Bidian

Head of Inventory Management and Internal Audit
and Control, Global SCM

LEONI Wiring Systems



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SPRING – SUMMER

2020

03 JUNE

THE LIVESTREAM HOUR:
FINISHED VEHICLE LOGISTICS: RESTARTING THE NETWORK

10 JUNE

THE LIVESTREAM HOUR:
DRIVING INNOVATION IN PRODUCTION & LOGISTICS

17 JUNE

THE LIVESTREAM HOUR:
AUTOMOTIVE SUPPLY CHAIN IN FOCUS - EUROPE

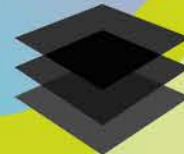
24 JUNE

MAIN STAGE:
AUTOMOTIVE SUPPLY CHAIN JUNE UPDATE

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Livestream Hour guests in the coming weeks...

- **June 24th** – **Anu Goel** EVP, Group After Sales & Service **Volkswagen Group of America**
Antonio Marcelo Director Global Supply Chain **Visteon**
- **July 1st** – **Lars Bäumann** Director Information Management and Digitalization **Volkswagen**
Dr. Jürgen Schmelting Head of Department Logistics **Fraunhofer ISST**
Dr. Wolfgang Hackenberg CEO & Co-founder **SYNAOS GmbH**
- **July 15th** – **Chris Connor** President & CEO **American Association of Port Authorities**
- **July 22nd** – **Marko Weisshaar** Head of Supply Chain Management **INEOS Automotive**
- **Last week of July** – **Exciting season finale!**
- *Plus many more industry leaders & experts to be announced soon...*

Get in touch with news, ideas and comments

The Automotive Livestream hour is produced by:

Christopher Ludwig christopher.ludwig@ultimamedia.com

Neemish Ladwa: neemish.ladwa@ultimamedia.com

Richard Logan: richard.logan@ultimamedia.com

Victoria Johns: victoria.johns@ultimamedia.com

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