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European
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Commercial vehicle manufacturers: recovery still far away

Brussels, 24 September 2009 - The economic and financial crisis has a far-reaching effect on the European commercial vehicle industry. The drop in economic activity and transport has pushed truck production down to half of pre-crisis levels and there are no real signs of recovery in sight.

Demand for commercial vehicles has fallen sharply, mirroring the lower economic activity and reflecting the difficult financial situation of many transport companies. ACEA registrations data, published this morning, revealed a 37% drop in new vehicle sales in Europe until August this year compared to January - August last year. Order intake for heavy trucks stalled at around 25,000 in the first half of 2009, or 85% less than in the same period of 2008. This year's commercial vehicle production is expected to halve at least. Whereas the bottom of the slope appears to have been reached, there are no signs of a rapid improvement. Manufacturers expect a flat market until late into 2010.

Over the past year, commercial vehicle manufacturers have already taken numerous measures to adapt to the economic turmoil, by laying-off of temporary workers, reducing shifts and cutting back working hours among other steps. Soon, further-reaching measures may have to be taken to adjust to lower output levels. "The commercial vehicle industry is facing the prospect of having to make fundamental changes to its operations", said Ivan Hodac, Secretary General of ACEA.

The commercial vehicle industry is an important part of the European automobile industry and currently employs about 1.5 million people directly and indirectly in Europe. Its products are first choice around the world. The manufacturers' advanced technologies are a clear industrial asset and essential in helping to achieve environmental objectives in the EU and across the globe. "The commercial vehicle manufacturers make the products that their customers need and society wants. Ways must be found to bridge the current exceptional crisis. Europe cannot afford to stand aside and let this sector be at risk", said Hodac.

The ACEA commercial vehicle members are Daimler AG, DAF Trucks, Iveco SpA, MAN AG, Scania AB, Volkswagen AG and AB Volvo. They produce trucks and engines in over ten EU countries, including Germany, France, Italy, Spain, Sweden, the United Kingdom, Belgium, the Netherlands, Poland and the Czech Republic.

Note to editors:

The commercial vehicle industry would benefit from a number of immediate support measures from governments and EU institutions:

- Increased funding for **R&D** to reduce the pressure of high fixed costs (R&D investments amount today to up to 10% of revenues)
- Improved access to **finance** for truck manufacturers as well as their suppliers and customers
- Economic stimulus measures, including programmes to promote fleet renewal and **investments** in new trucks through government incentives and public procurement
- Alleviating the severe **regulatory pressure** that causes high costs at a time when revenues are extremely low and there is no market base ready to invest in new technologies

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