



ACEA

European
Automobile

Manufacturers
Association

Press Release

Brussels, 18 July 2008

European auto industry rejects present EU position in ‘Doha’ trade negotiations

With the WTO Doha Round entering into a critical phase, the European automobile manufacturers urge the EU Member States and the Commission to reconsider their policy in current trade negotiations. The EU is prepared to open up the European market for non-European producers without ensuring reciprocal measures for European manufacturers. The conditions for so-called Non-Agricultural Market Access (NAMA), to be discussed by the WTO ministerial conference next week, will limit export opportunities and harm investment and employment in Europe.

“The European Commission seems willing to sacrifice the European auto makers and other important manufacturing sectors in order to strike an overall deal on Doha. It cannot be that the EU chooses to leave its major industries in the cold”, said Ivan Hodac, Secretary General of the auto industry’s trade association ACEA.

“The automobile industry has always supported a multilateral trade system ensuring fair routes for exporting products and improving market access on both sides of the table. The current NAMA text, however, offers nothing in exchange for the proposed strong reduction of EU tariffs”, added Hodac. “The proposals would actually result in reconfirming existing extreme protection for the next decade. Markets such as India, China, the ASEAN countries and others will stay basically closed to our export products. This cannot be the objective of trade negotiations”.

ACEA’s position on the current state of negotiations remains as follows:

- Peak tariffs need to be eliminated, in line with the original objectives of the Doha Development Round.
- Developing countries could have longer transition periods and higher ‘coefficients’ for defining tariffs, with a provision in the NAMA text that such countries will not have recourse to ‘flexibilities’ to exclude the whole, or major parts of industrial sectors, such as the automobile industry, from lowering tariffs.
- Existing automotive non-tariff barriers (NTBs) need to be removed and new ones avoided. Furthermore, a mediation mechanism with binding results needs to be implemented, in order to resolve the technical and non-technical NTBs, including the adoption of the UN ECE Regulations 1958 and 1998.

“Without solving these issues, there will be no improvement in market access to emerging and developing countries for the foreseeable future. Under the present circumstances, our industry asks the EU Member states to reject the NAMA text”, said Hodac.

The European automobile industry is key to the EU economy. The sector employs 2.2 million people directly, and indirectly supports the jobs of another 10 million families. The industry is the largest private investor in research & development in the EU, with an R&D expenditure of € 20 billion annually. ACEA represents the fifteen major European vehicle manufacturers. Its members are BMW Group, DAF Trucks, Daimler, FIAT Group, Ford of Europe, General Motors Europe, Jaguar Land Rover, MAN Nutzfahrzeuge, Porsche, PSA Peugeot Citroën, Renault, Scania, Toyota Motor Europe, Volkswagen and Volvo.

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Note to editors:

European tariffs are at 10% for cars and light commercial vehicles, at 22% for trucks and 16% for buses. In several Asian countries, the tariffs exceed 100%.

EU tariffs would be reduced by more than half, with no guarantee that the above-mentioned peak tariffs would be reduced as well.

In 2006, European manufacturers exported for €0.9 bn to India, Malaysia, Singapore, and Thailand. Imports from India and Thailand added up to €1.2 bn. Imports from Japan and South Korea amounted to €11.9 bn and €7.1 bn respectively, with the EU exporting worth €4.3 bn to Japan and €1.1 bn to South Korea.