

European automotive policy: For job security and green and affordable cars

Concerned about the employment situation in the European automotive sector CARS 21 stakeholders have met for a High Level Conference and agreed on conclusions on how to foster a competitive European car industry. All participants shared the need to position European car industry as global leader in clean, safe and affordable vehicles as they way ahead for safeguarding jobs and living up to the climate change challenge. The conference underlined that carmakers in the EU need to be able to compete on fair terms in international markets. A task force to promote "green" cars will be set up, which should bring together all relevant stakeholders to explore technical, regulatory and economic hurdles and suggest ways forward for such vehicles.

Vice-President Günter Verheugen, responsible for enterprise and industry policy said *"caring about the European car industry means caring about millions of present and future jobs in the EU. It also means caring about clean and affordable cars to responds to the right to mobility in an environmental friendly way. Responding to stakeholders concerns now, will help us to find the most appropriate answer and to turn the current crisis into a chance."*

The High-Level Group on a competitive automotive regulatory system for the 21st century (CARS 21) was set up in April 2005 by the European Commission to chart the way towards sustainable development of a competitive European automotive industry. The group, chaired by Vice-President Günter Verheugen, was mandated to make recommendations for the short, medium and the long term public policy and regulatory framework for the European automotive industry

Drawing on this CARS 21 process, today's conference agreed on a report and on a set of recommendations, such as:

- **Supportive regulatory framework and better regulation:** Specific attention needs to be paid to lead times, legal coherence, cumulative cost as well as effects on affordability, employment and international competitiveness. The Commission's policy of **international harmonisation** is considered a success ([IP/08/1061](#)), and it should be continued in order to create a level playing-field globally and promote the uptake of European standards internationally.
- **Fuel efficiency, energy and environment:** The future policy to reduce CO2 emissions from road transport should be based on an integrated approach involving motor vehicles, fuels, consumers/drivers and infrastructure. In order to support the development and the broad use of modern fuel efficient "green" cars and accelerate the renewal of the existing fleet, a dedicated task force has been set up. In addition, the conference suggested to revising the New European Drive Cycle in time for the next generation of CO2 standards. For the long term, all actors in the integrated approach should take steps to enable road transport in Europe to be largely decarbonised by 2050. Stakeholders agreed that R&D efforts should concentrate on the most promising future technologies: hybrid- and electrical vehicles as well as hydrogen (and fuel cell) vehicles.

- **Trade and overseas markets:** There is strong commitment to increase trade liberalisation, provided this is achieved on the basis of mutual benefit for the parties concerned. Focus should therefore be retained on achieving a multilateral trade framework as well as pursuing selected bilateral trade agreements, particularly with India, ASEAN and Mercosur. Further efforts with regard to China are also required. The need to continue protecting intellectual property rights continues to be stressed.
- **Future development of a coherent automotive regulatory structure:** Given that the combination of energy-, environmental-, industrial- and transport policies will play an increasingly important role, it is recommended that in the future CARS 21 is converted into a broader forum involving a wider range of stakeholders.

The full report lists 16 recommendations, covering also road safety, improving the internal market (such as new type-approvals for electric vehicles), restructuring of the sector, taxation/incentives, vehicle repair information etc.

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