

09/10

AUTOMOBILE & SOCIETY



ACEA

EUROPEAN AUTOMOBILE
MANUFACTURERS ASSOCIATION

State of affairs
Priorities for the future

ACEA IN BRIEF

- ACEA means “Association des Constructeurs Européens d’Automobiles” or European Automobile Manufacturers’ Association. ACEA is an **industry association** and, as such, one of many interest groups that contribute to an informed decision-making process in the EU.
- ACEA has **fifteen members**: 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 Group.
- ACEA, **established in 1991**, is based in Brussels with representations in Tokyo and Beijing. The Board of Directors is composed of the **Chief Executive Officers (CEOs)** of its 15 members. ACEA maintains close relationships with the 29 national automobile manufacturers’ associations in Europe.
- ACEA is the first source of information concerning **vehicle-related regulation**, with over 80 EU Directives and more than 115 UNECE regulatory requirements in place today, that are often very technical in nature.
- ACEA is the main portal to clear and factual information on the European automobile industry, encouraging understanding of the sector’s importance, its complexity and its contributions to society.

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INTRODUCTION

In its dialogue with policy makers, the European automobile industry focuses on four main areas: environment, mobility, market and economy, and the regulatory framework.

This booklet lists the automotive industry’s positions and priorities in all of these fields.

2009 and 2010 will be crucial years as the global economy has to overcome a gripping and damaging recession. The degree to which the automotive sector will be prepared for future growth will depend in large part on the decisions taken by legislators today.

The automotive industry is a sector of great strength, and key to the EU economy. With the right regulatory framework and support, it will come through the crisis and continue to contribute to economic growth, boost social mobility for millions and deliver the products that bolster road transport on its journey to a more sustainable future.



Ivan Hodac

IVAN HODAC
Secretary General of ACEA

REDUCING CO₂ EMISSIONS



Progress and constraints – the industry's commitment to this global challenge

Climate change is a global challenge which demands collective action and international cooperation.

The automotive sector is playing a leading role, embracing its responsibility to reduce CO₂ emissions from vehicles and manufacturing sites. The industry's investments in technology solutions have brought significant cuts in CO₂ emissions to cars and commercial vehicles, and progress continues.

Concerns remain over policy making which continues to point to vehicle technology as the principal means by which CO₂ emission cuts can be delivered. Technology, however, is only one piece in a larger puzzle and must be complemented with matching infrastructure, energy sources, consumer demand and policy measures.

The industry continues to stress the importance of joint action by all stakeholders. Vehicle makers, fuel companies, governments, transport operators and drivers must all play their part in this integrated approach necessary to reduce CO₂ emissions efficiently.



ENVIRONMENT

IMPROVING AIR QUALITY



Cleaner vehicles with fewer emissions – improving air quality in towns and cities

Exhaust air pollutants are today a fraction of what they were two decades ago. Engine efficiency improvements and exhaust after-treatment systems have driven massive cuts in carbon monoxide (CO), hydrocarbons (HC), nitrogen oxides (NOx) and particulate matter (PM) from cars and commercial vehicles.

The automobile sector supports measures to reduce road transport emissions further. However, these must be based on thorough and transparent impact assessments.

The priority for regulators must be to maximise benefits to the environment, in the quickest timeframe, without damaging industry competitiveness. Unrealistic objectives threaten competitiveness and could have the counter effect of damaging CO₂ reduction efforts.

Measures to encourage fleet renewal should be the priority. These would result in better air quality in towns and cities and safer vehicles on Europe's roads more quickly; at overall lower cost.



FUELLING THE FUTURE



Working together to deliver cleaner fuels today and future fuels tomorrow

Advanced, ultra-clean engine and vehicle systems require compatible fuels to achieve their potential for low emissions, optimum performance as well as customer satisfaction.

The automotive industry's investments in greener vehicles must therefore be complemented by the development of clean alternative and renewable fuels, like CNG, hydrogen and biofuels, that offer the right level of CO₂ reduction.

Quality is a key factor: all fuels used in transport must be fit for purpose and produced in a sustainable way. Potentially harmful additives (such as metallic compounds) must not be used in fuels: mere labelling of pumps delivering fuel that contains metallic additives is not sufficient.

Auto makers fully support the European targets for fuel suppliers to reduce life-cycle greenhouse gas emissions as part of an integrated approach. They also welcome the ambitious EU target for 10% renewable energy use in road transport by 2020.

Standards for all traditional fuels and biofuel blends must be applied in a uniform way within as well as outside the EU.



VEHICLE PRODUCTION AND RECYCLING



A prime example of industry progress

Recycling and recovering material at the end of a product's life forms part of a sustainable manufacturing strategy, and the automobile sector has embraced this cradle-to-grave approach.

The automotive industry has invested in the development and use of innovative, sustainable materials in vehicle manufacturing. It has cut down on harmful material content and the use of heavy metals: it has increased what can be recovered and recycled at the end of a vehicle's life, and reduced waste to landfill.

In partnership with the recycling industry, car makers have also set up national networks in European member states and guided dismantlers in de-pollution and recycling procedures. These now provide consumers with a convenient and cost-free means to return their vehicles.

However, the rules governing car recycling have proved complex and inflexible. The End-of-Life Vehicle Directive is a clear test case where the CARS 21 'better regulation' principles should be applied. Simplification and harmonisation with other legislation must be the goal.



SUSTAINABLE MOBILITY



Ensuring cleaner, safer and inter-connected transport systems

Sustainable mobility is a goal for European auto makers, not just an aspiration.

Cars and commercial vehicles fuel the economy and support modern lifestyles. They provide unprecedented personal mobility and deliver the goods and services we take for granted in our homes, offices and schools.

Sustainable mobility means moving people and goods in the most efficient and safe way, with limited impact on the environment. Driving economic prosperity through a framework of cleaner, safer transport is possible.

The automotive sector recognises its role: investments in vehicle technology, intelligent transport systems and cleaner production processes have and will play a significant part in cutting emissions and improving safety.

However, a little like a jigsaw, there are many pieces that must be joined together to form a complete picture. Partnership is key; Governments, fuel companies, associated industries and end users must be prepared to embrace the challenge and work together to find cost-effective solutions.



MOBILITY

ROAD SAFETY



Delivering vehicles, policy goals and partnerships to make roads safer for all

In the last 30 years, Europe's roads have become far safer despite a three-fold increase in traffic. Huge investment in vehicle design and technology has driven down fatalities, and safety remains central to automotive product development plans.

Making sure older vehicles are replaced with the latest vehicle generation is an important way to deliver further progress. Manufacturers are currently investigating technologies that allow vehicles to communicate with each other and their surrounding infrastructure.

Applications and services involving Intelligent Information and Communication Technologies (ICT) and Intelligent Transport Systems (ITS) must be delivered on complementary platforms, requiring close cooperation between the automobile industry, governments and other stakeholders.

Such an integrated, joint approach should be reflected in wider policy on road safety. Technology, driver education, road traffic law enforcement and improved infrastructure are equally important areas for focus.



EUROPEAN TRANSPORT POLICY



Roads continue to deliver – policy objectives must credit economic growth, social welfare as well as environmental protection

Four in every five land journeys in Europe are made by car; over 70% of freight is moved by trucks and light commercial vehicles. The road transport sector is both the lifeblood of and a major contributor to the European economy.

European Transport Policy, developed as a consequence of the single market, must honour its three pillars of sustainability: economic growth, social welfare and environmental protection. Too often, the important goals of economic growth and competitiveness are taken for granted, as if not in need for further development and improvement.

Congestion, bottlenecks and massive underinvestment in road transport infrastructure have conspired to hinder competitiveness, while undermining progress towards wider environmental goals and safety objectives.

Roads are the veins of Europe through which economic prosperity flows. The EU needs a transport policy that enshrines road transport in a comprehensive approach to sustainable growth.



MARKET AND ECONOMY



An unprecedented downturn in 2008 and 2009 – upswing in 2010?

The automotive sector forms the backbone of manufacturing in Europe, supporting 12 million jobs, contributing significantly to economic prosperity.

The industry has manufacturing plants in 18 European countries and its supply base – from metals to plastics, electronics, chemicals and textiles - is located in all EU member states. The automotive industry supplies quality products worldwide and invests more in R&D than any other sector.

The current extraordinary economic downturn poses huge challenges. Steps must be taken to ensure the industry emerges with continued strength and is able to maintain the development of innovative environmental and safety technologies.

Innovation relies on a vibrant and competitive sector. A supportive EU policy framework, in crisis as well as in more normal times, boosts an industry that is vital to Europe's economic well-being.

INNOVATION, RESEARCH & DEVELOPMENT



Finding intelligent, affordable and world-leading mobility solutions

Vehicle manufacturers are a driving force for innovation in Europe, leading research and development into ever-safer, cleaner vehicles as well as improving manufacturing processes, logistics and mobility management.

The automotive sector is Europe's largest private investor in R&D with €20 billion each year, or 4% of turnover. The industry files around 6,000 new patents every year.

Fields such as materials technology, recycling, ICT and telematics, energy and fuels, drive-train development, aerodynamics and ergonomics are all included in auto makers' diverse R&D portfolio.

Typically, R&D is a strategic and long-term process; automotive R&D relies on significant investment and, increasingly, partnership with stakeholders. It takes time to carry out R&D and undertake thorough tests to deliver production-ready technologies. Bringing them to market is yet another step.

Europe needs a thriving auto industry to continue progress in all fields.

INTERNATIONAL TRADE



Mutual benefits in opening markets

The European automotive industry has a reputation for delivering quality products around the globe. Opportunities to develop trade abroad should be pursued and manufacturers support steps to remove import tariffs and non-tariff barriers.

The industry supports WTO and multilateral trade, and seeks a balanced and fair outcome of the Doha Round that will deliver real market access to main developing economies. The 2008 collapse of the Doha Round was disappointing and reinforced the need to develop bilateral and regional agreements with major trading partners.

These have the potential to deliver benefits for European auto makers and importers, improving access to these markets. However, thorough impact assessments must be undertaken before any deal is signed.

One-sided agreements that bring little benefit to the EU must be rejected, and consequently, only balanced agreements should be signed.



COMPETITIVENESS



STREAMLINING REGULATION



Cost-effectiveness, impact assessments and harmonisation – the key to 'better regulation'

The automotive industry is one of the most regulated sectors, with more than 80 EU Directives plus over 115 agreed within the international framework of UNECE. Most rules define detailed technical prescriptions for which the specialist knowledge of automotive manufacturers is essential.

Regulation helps set common rules and standards which ensure fair market conditions. However, regulation can also damage the competitive strength of an industry.

The European Commission has recognised the risk of over-regulation. CARS 21, set up in 2005, aims to strengthen automotive competitiveness and employment while enhancing progress toward safety and environmental goals.

CARS 21 endorses an integrated approach by encouraging all stakeholders, including the auto industry, governments, fuel companies and road users, to play their part. CARS 21 promotes better regulation, more international harmonisation and sufficient lead-times to implement regulatory changes.

The CARS 21 principles must be applied much more coherently throughout European legislation.



CONSISTENT TAXATION



CO₂-based fiscal instruments – supporting markets for the cleanest vehicles

The automobile industry recognises the role vehicle taxes play in driving down CO₂ emissions from road transport. As part of an integrated approach, clear and consistent tax signals send a strong message to consumers, industry and other stakeholders.

However, the current framework across member states is not supportive, with a disparate and fragmented approach. Registration taxes are a particular issue, varying widely across borders to the detriment of the internal market and, in many cases, penalising fleet renewal.

Harmonised CO₂-based taxes, based on use rather than ownership, should be the goal. This would maintain the integrity of the market while encouraging responsible use and directing buyers to the latest generation of low emission vehicles.



REGULATORY FRAMEWORK

HARMONISATION OF RULES AND STANDARDS



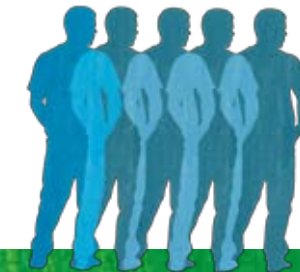
International alignment of technical standards increases global market opportunities

Common standards and regulations are essential to the competitiveness of the European automobile sector. They reduce costs, improve economies of scale and boost export opportunities in markets across the globe.

Harmonisation also benefits the environment and improves vehicle safety. Technologies that cut emissions and bring safer vehicles to roads can be introduced more rapidly and more cost-effectively if regulations are applied globally and test criteria agreed internationally.

There is an urgent need to adopt fully harmonised Global Technical Regulations on emission certification testing, on-board diagnostics and off-cycle emissions. Deviation from UNECE rules without justification from facts and data is unacceptable.

International standards for fuel quality are also important.



INTELLECTUAL PROPERTY



Providing a sound basis to European investors

Robust intellectual property laws encourage companies to innovate and support investment in R&D. The automotive sector welcomes policy to protect legitimate manufacturing interests and moves to drive out the counterfeiters.

It is, therefore, hard to understand why the Commission would push ahead with plans to abolish design protection for visible spare parts. There is no expected price benefit for consumers; there are also safety concerns and serious implications for investment and jobs in Europe.

Abolishing design protection would also send entirely the wrong message to countries, like China, which are being urged to do more to prevent vehicle and parts counterfeiting, and fight intellectual property rights infringements.





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THE AUTOMOBILE INDUSTRY IN EUROPE

Leading multinationals

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 Group

The backbone of Europe's manufacturing base

Over 250 plants in 18 EU countries
A supply chain involving metals, plastics, chemicals, textiles and electric & electronic systems

A key source of skilled employment

12 million direct and indirect jobs

A leading force of innovation

Yearly investments of €20 billion in R&D

A formidable export sector

The world's largest vehicle producer
Over €40 billion in net trade contribution

A major source of government income

Vehicle taxes generate more than €400 billion in government revenues

ACEA
MEMBERS

BMW Group



DAIMLER

FIAT
GROUP



GM

JAGUAR



PSA PEUGEOT CITROËN



TOYOTA

VOLKSWAGEN
AKTIENGESELLSCHAFT

VOLVO