

THE EUROPEAN AUTOMOBILE INDUSTRY

SHIFTING INTO HIGHER GEAR

ACEA proposals
for the implementation of
the CARS 2020 Action Plan



EUROPEAN
AUTOMOBILE
MANUFACTURERS
ASSOCIATION



SHIFTING INTO HIGHER GEAR

ACEA PROPOSALS
FOR THE IMPLEMENTATION
OF THE CARS 2020 ACTION PLAN

The European automotive industry is the backbone of the EU's economy, providing 12.9 million jobs, €32 billion in research investment and a total turnover of €839 billion – around 6.9% of the EU's GDP.

Sales have declined by a quarter – nearly 5 million vehicles – since the 2007 pre-crisis peak. Automobile manufacturers are already addressing these challenges, but the industry also needs swift and supportive policy measures to ensure its sustainability.

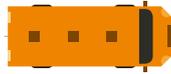
The European Commission's CARS 2020 Action Plan is the EU's response to the situation faced by Europe's automobile manufacturers today. It rightly addresses several key issues that are fundamental for the automobile industry. It therefore represents a welcome and important sign that European policy makers understand the need to support the industry in order to achieve progress in areas such as sustainable mobility, environmental protection, employment and economic growth. It is urgent that its recommendations are now effectively and rapidly implemented by all institutions.

This guide formulates a series of concrete, short-term proposals for policy actions based on the CARS 2020 Action Plan. Bold and swift implementation of these proposals will benefit Europe in the immediate future, as well as in the long run. In putting forward these proposals, ACEA wants to open discussions with policy makers to highlight how a limited number of simple measures can deliver wide-ranging benefits for the economy, mobility and the environment.





DRIVE INNOVATION



WHAT?

A more substantial share of the available EU funding in Horizon 2020 is necessary to support collaborative future-oriented automotive R&D and innovation. Industry also needs the flexibility to drive innovation, with policy and regulations that foster, rather than restrict, innovation.

WHY?

The European industry's investment in innovation keeps it ahead in global competition. EU funding for collaborative research is essential to leverage the industry's investment, create synergies through partnerships and secure Europe's technological lead. It is especially important to support dedicated automotive initiatives.

HOW?

- Invest in automotive research to advance vehicle connectivity, environmental performance, efficiency and safety outcomes.
- In parallel to EU funding of research, ensure technology-neutrality in regulations related to new systems and alternative powertrains.
- Exchange best practices on improving market uptake of these new technologies between the European Commission, member states and other stakeholders.
- Build up alternative fuel infrastructure in order to encourage the uptake of new and alternative powertrains in a uniform manner across the EU.

EXAMPLES

- Provide a total budget for collaborative automotive research in Horizon 2020 – including the European Green Vehicles Initiative and programmes on 'Road Transport', 'ICT for Smart Mobility', 'Factories of the Future' and 'Logistics' – approaching the €5 billion proposed by the industry.
- Reduce the total time-to-grant in calls for research projects in Horizon 2020. Two-stage procedures should be avoided, to speed up the rate at which projects progress.
- Simplify procedures for eco-innovations to encourage the development and sale of more environmentally-friendly vehicles.
- Adopt the proposed legislation on the deployment of alternative fuels and infrastructure.



FOSTER GROWTH THROUGH INTERNATIONAL TRADE



WHAT?

International trade is playing an increasingly important role in the overall competitiveness of the EU automotive industry. European manufacturers are global players, and therefore need a trade policy that is balanced, fair and reciprocal.

WHY?

European trade policy should strengthen Europe's manufacturing base. Trade is a clear source of potential growth, but it needs the right environment to deliver the benefits.

HOW?

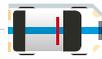
- Open negotiations only with third countries for which there is mutually-anticipated benefit, and only conclude them if both parties agree to, and act on, the swift and reciprocal removal of both tariff and non-tariff barriers.
- Undertake careful assessment of the individual and cumulative impacts of free trade agreements (FTAs) on the EU economy.

EXAMPLES

- Leverage the potential of regulatory convergence with the US through the Transatlantic Trade and Investment Partnership, and jointly improve international harmonisation through the Global Technical Regulation process under the umbrella of UNECE's World Forum for Harmonisation of Vehicle Regulations (WP.29).
- Carefully assess the implementation of the EU-South Korea FTA to ensure it is executed fairly and correctly. Ensure the systematic and regular monitoring of the implementation of this FTA.
- Create full regulatory convergence with Japan based on UNECE regulations, so that a vehicle certified in Europe can be sold in Japan without the need for further testing, certification, marking or modifications.
- Create a level playing field for European manufacturers in China.
- Carefully assess the cumulative impact of the various FTAs now implemented or in the negotiation process on the sector's competitiveness without further delay.



BUILD A SUPPORTIVE REGULATORY FRAMEWORK



WHAT?

Policy makers should ensure that the regulatory framework is not unnecessarily burdensome, with a real emphasis on smart regulation that takes into account the cumulative costs and benefits of regulatory decisions, and that keeps Europe competitive with other global markets.

WHY?

A robust regulatory framework that fosters growth, jobs and investment is key for the competitiveness of the industry.

HOW?

- 1 The EU institutions should stick to the principles of 'Smart Regulation' set out in the CARS21 final report and reiterated in the CARS 2020 Action Plan.
- 2 The implementation of CARS 2020 should be adequately monitored with regular reporting of progress.
- 3 'Competitiveness proofing', impact assessments (cost and affordability) and studies of the cumulative impacts of legislative proposals should be carried out systematically.
- 4 Concrete actions should be taken to alleviate the regulatory burden and cost of doing business in Europe. Given the current economic circumstances, in certain cases less stringent targets should be considered. Also, the industry needs longer, more realistic lead-times for a number of proposals.

EXAMPLES

- 1 Apply thorough competitiveness proofing to future proposals regarding safety (Regulation 661/2009), the World Light-Duty Test Procedure (WLTP) and Real Driving Emissions (RDE).
- 2 Provide realistic lead-times for the implementation of legislation regarding eCall and weights and dimensions (Directive 96/53).
- 3 Ensure the continuity of a flexible and predictable type-approval system.
- 4 Apply an 'integrated approach' in all relevant policy areas, including the environment and safety.
- 5 Ensure the consistency of the Clean Air Package with existing legislation on emissions.



ANTICIPATE AND MANAGE CHANGE



WHAT?

The European automotive industry has experienced significant changes in the pattern of demand for its vehicles due to economic trends and shifting consumer demand. It has inherited its current cost structure and production capacity from a now past era of higher turnover and larger European sales.

WHY?

To ensure sustainable growth and the ability to compete globally, the European industry must adapt itself to new market conditions in Europe.

HOW?

- Mitigate the social and economic impact of restructuring by revitalising the affected territories.
- Mobilise existing funds and simplify procedures to facilitate change as needed.
- Improve labour flexibility across Europe.
- Support workers in their transition to new employment.
- Address the 'skills mismatch' [ie workers or graduates with skills not matching those needed by employers].

EXAMPLES

- Ease funding for training within the context of the adoption of ambitious competitiveness plans that allow for more flexibility in the management of the workforce.
- Streamline, simplify and accelerate the implementation procedures for funds, in particular the European Globalisation Fund, European Regional Development Fund and European Social Fund, to enable maximum usage of these instruments.
- Further improve the quality of education and increase access to educational opportunities, notably at the tertiary level, to ensure the availability of a highly-skilled and specialised workforce.
- Launch special programmes to increase the number of students enrolled in fields of education where the auto industry faces or will face shortages such as engineering, informatics, computer sciences and natural sciences.



ACEA

EUROPEAN
AUTOMOBILE
MANUFACTURERS
ASSOCIATION

Avenue des Nerviens 85

B-1040 Brussels

T +32 2 732 55 50

info@acea.be

www.acea.be