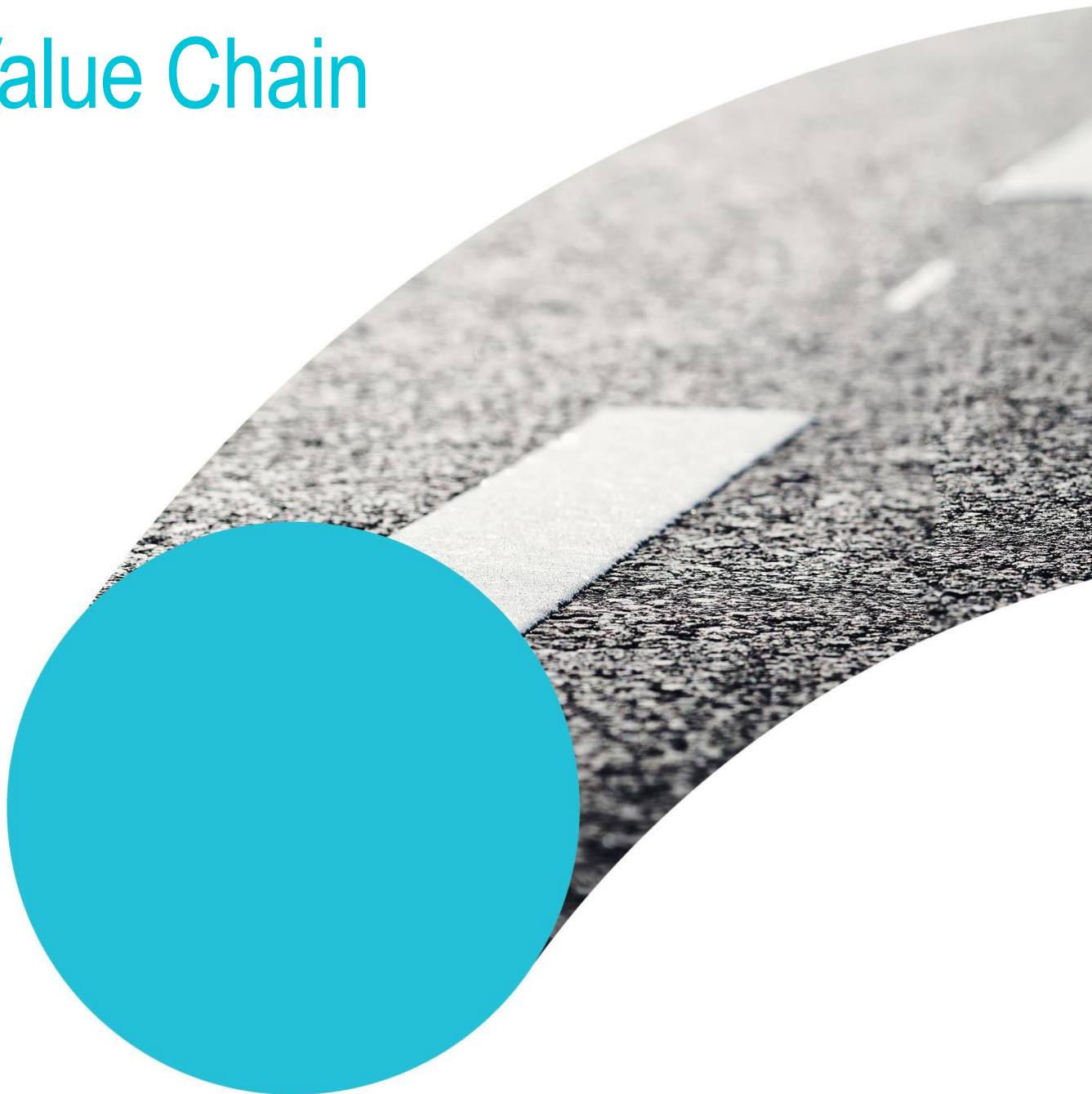


ACEA recommendations for Workstream Industrial Value Chain



Industrial Value Chain priorities

Mario Draghi defines the automotive sector as a key example of “lack of EU planning, applying a climate policy without an industrial policy”. His report lays out a clear and comprehensive roadmap towards improving the overall competitiveness of the entire EU. Now, it is all about ensuring that the suggestions from this report will be turned into decisions and reforms. The priority actions for the automotive industry are:

- Create a more streamlined and predictable regulatory environment. Draghi suggests increasing legal certainty and reducing regulatory and administrative burden - ensuring that there are fewer, clearer, more fit-for-purpose, future-proof and coherent rules.
 - [Simplify the regulatory calendar](#) for the auto sector by grouping automotive regulations into batches, with a 3-year lead time between final regulation and implementation for cars and vans, and 7 years for heavy-duty vehicles.
 - Apply new regulatory requirements only to new and not to existing type approvals (with a 10-year phase-out period for all production).
 - Establish a Regulatory Observatory to assess regulatory consistency across legislation developed by various DGs.
 - Implement existing data legislation and assess its impact on the sector before proposing new laws on data sharing, considering that there are over 20 existing EU regulations governing the sharing of data from connected vehicles.
 - Recognize and support new technologies such as automated mobility: Update Europe’s type-approval scheme to remove the current restrictions on the number of automated vehicle registrations.
- Provide available, accessible and affordable energy for industry and consumers.
- The European automotive industry is an export-oriented industry and promoting a mutually beneficial free trade agenda is paramount to the industry’s success. Draghi also argues that instead of resorting to protectionist measures, such as imposing tariffs systematically, the EU should work on strategies to enhance competitiveness without closing off markets.
 - Seek a ‘grand bargain’ with the U.S. and attempt to avoid a trade conflict with our number one trading partner¹ that could have a potentially devastating impact on our auto exports.
 - China remains a critically important partner for our industry, particularly in reaching its decarbonisation objectives. Managing level playing field issues and the challenge of new competition in our sector has to be

¹ With annual exports of around €40 billion, the US is Europe’s biggest export market by value.

balanced with the need to make zero-emission mobility as widely and as affordably deployed in the shortest timeframe possible.

- Promote an ambitious trade agreement agenda, accelerate ongoing negotiations and aim for the conclusion of EU-only deals to ensure a swifter ratification process. Commitments under trade deals must be tailor-made and adjusted to the level of development of our partners.
 - Ensure that the structure of the deals that have been recently concluded (e.g. the EU-Mercosur agreement and the EU-Mexico modernised deal) follows that of the EU-Chile Advance Framework Agreement, allowing for the trade part to be ratified independently of the rest of the agreement.
 - Explore as well different forms of partnerships with third countries that allow for quick gains and support the needs of the green and digital transitions; use instruments such as Global Gateway to set up partnerships with resource-rich countries.
 - Leverage the Critical Raw Materials Act and Net Zero Industry Act to secure resources and maintain competitiveness.
- Create favourable conditions for the manufacturing of automotive components, battery development and manufacturing, software development, semiconductors and automated mobility technologies in the EU. Launch a discussion about what can/should be done to ensure that the EU becomes competitive in battery manufacturing
 - ACEA strongly supports a European wide incentive scheme for EV purchases. Such schemes are proven to stimulate EV markets and give a strong impulse for consumers to commit to EV purchases. All EV sales should be eligible for such incentives. Incentives will help create the market, and the industry will deliver the local supply chain to serve that market. Local content requirements should be avoided as they risk limiting the impulse signal to consumers and because the industry will build the local supply chain once the market is established.

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ABOUT THE EU AUTOMOBILE INDUSTRY

- 13.2 million Europeans work in the auto industry (directly and indirectly), accounting for 6.8% of all EU jobs
- 10.3% of EU manufacturing jobs – some 3.1 million – are in the automotive sector
- Motor vehicles are responsible for €383.7 billion of tax revenue for governments across key European markets
- The automobile industry generates a trade surplus of €106.7 billion for the European Union
- The turnover generated by the auto industry represents over 7.5% of the EU's GDP
- Investing €72.8 billion in R&D per year, automotive is Europe's largest private contributor to innovation, accounting for 33% of the EU total
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